



TRATOS[®] Tt

**SUSTAINABILITY
REPORT
2022**

AENOR

**SUSTAINABILITY
REPORT
VERIFIED**

REV. 00

CEO LETTER

Tratos is committed to upgrading the grid with a view to achieving the net zero target by developing all alternative solar and wind energies and upgrading and building low, medium and high voltage grids.

As a demonstration of our commitment and ambition to play an active role in decarbonisation, we have modernised all our production processes to create CFC-free products that are all perfectly recyclable and easy to dispose of without toxic residues.

At the same time, we have equipped all our facilities with photovoltaic panels in addition to our hydroelectric power plant, while the remaining energy is produced with gas, which allows us to reduce our CFP by 50 per cent compared to previous years.

Excellent operating results have also meant that we have been able to alleviate the effects of the sudden and galloping inflation on our workers by offering them generous cash bonuses.

Our head office is located inland and both our Catania office and UK subsidiary are in deprived areas, so increased employment levels greatly benefit communities where there are fewer opportunities. People recruited over the last two years have been within an age range from 20 years old, i.e. just out of upper secondary school, to over 60 years old, including in this case people who are difficult to place in a production context.

Our recruitment policy is inclusive, so we employ people in the local area who are from Ukraine, Ecuador and Eastern Europe and North Africa, giving these people an economic stability and helping them to integrate in the community.

"We consider more than just cost-effectiveness. We could have chosen to work in fewer areas, but we like to broaden our horizons, often embracing new challenges" [Chairman A. Bragagni].



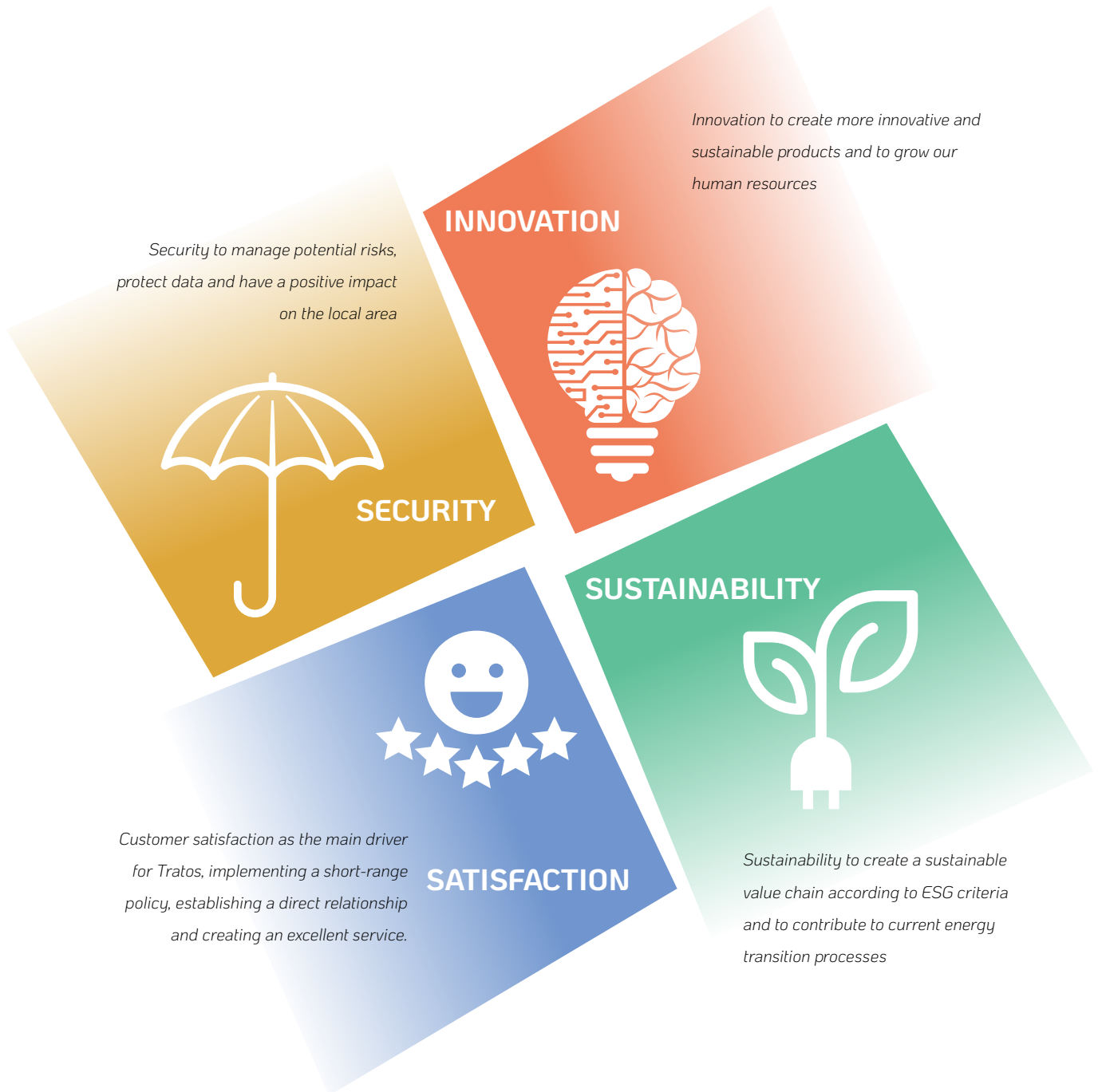
WE BELIEVE IN MORE THAN JUST COST-EFFECTIVENESS. WE COULD HAVE CHOSEN TO ENGAGE IN FEWER AREAS, BUT WE ALWAYS LIKE TO BROADEN OUR HORIZONS. TRATOS IS OFTEN AND WILLINGLY ENCOURAGED TO SCOUT AROUND, EVEN BY OUR COMPETITORS.

CONTENTS

CEO LETTER	01
Highlights 2022	04
Our company	05
History	06
Tratos in the world	07
The composition of the Tratos Group	08
Presence on the market	08
Proximity principle	09
Tratos Invests in Innovation	10
Upcoming installations	10
Potential issues	10
An international network	11
Sustainability for Tratos	12
Contribution to Sustainable Development (SDGs)	12
EcoVadis	15
Materiality analysis for Tratos	16
Categories of Stakeholders	20
Governance and organisation	21
The structure of corporate governance as of 31/12/2022	25
Company policy	26
Value, mission, strategy	27
TM6	28
Business ethics and integrity	29
TM2	29
Economic performance	32
Economic and financial results	32
Benefits received from the public administration	33
Tax strategy	34
A sustainable value chain	35
Responsibility for the system and product	37
TM1	37
System Certification	38
Product Certification	40
Customers' Certifications	40
Transparency and customer care	41
TM3	42
Digital governance	42
Investing in innovation	44
Current projects and achievements	44

Research and Development	46
Environmental responsibility	50
TM4	50
Responsible sourcing	51
The production process	53
The raw materials	56
Focus on Recycling and Climate Change	57
Energy and emissions	59
Measurement of Energy	59
Energy produced By cogenerator and trigenerator	60
Measurement of emissions	61
Tratos' carbon footprint	63
Waste management and recycling	70
Social Responsibility	73
Our people	73
TM5	73
New Recruitment and Turnover	77
Benefits provided for employees	78
Diversity and equal opportunities	78
Non-discrimination	79
Health and safety	80
Risk assessment	82
Participation and communication in matters of health and safety	82
Safety training	83
Prevention and mitigation of occupational health and safety impacts within business relationships	83
Occupational health services	83
Accidents	85
Management of training	86
Remuneration policies	86
Pension funds	88
Commitment to the community	89
'Egidio Capaccini' award	90
Relations with schools	90
Charity and sponsorship	90
Investment in the community of Pieve Santo Stefano	91
Methodological note	92
Table of correlation between material topics and GRI Standards	95
Appendix 1. GRI content index in accordance with	98

HIGHLIGHTS 2022



OUR COMPANY

The name **Tratos Cavi S.p.a.** is derived from **TRAFilerie TOScane**

Tratos Cavi S.p.A was founded in 1966 by Egidio Capaccini in Pieve Santo Stefano (Arezzo). The company, initially dedicated to the drawing of copper, expanded its horizons by successfully embarking on the production of electrical and telecommunication cables. Since 1974, Albano Bragagni started a process of technological growth and product diversification, entering new qualified markets. Subsequently, with the forming of new industrial and commercial companies such as Smaltos S.p.A., Braids Srl and Tramet Srl, an integrated industrial group controlled by the holding company TRATOS Srl was created. A continuous process of innovation, expertise in engineering, research into chemicals and materials, high qualifications of the employees, direct assumption of responsibility, teamwork, focus on objectives and decentralisation of local operational liabilities: these are the strengths that have allowed Tratos to become a global business (selling in 52 countries) and to develop special cabling products for transport networks for the Fusion for Energy project.

This document is the Tratos Group's Sustainability Report. It applies to the Tratos companies in Italy, i.e. Tratos SRL (group parent company) Tratos Cavi and Tratos HV.

Tratos SRL - Tratos Cavi SpA - Tratos HV SpA | VAT no. - 02328320516]

The foreign companies of the Tratos group, Tratos UK Ltd and Tratos Iberica were not included in this first edition of the sustainability report, because priority was given to the companies in Italy.

The next edition of the Sustainability Report, however, will apply to all the companies that form part of the Tratos Group.

ATECO Code	
TRATOS CAVI / TRATOS HV	27.32
TRATOS SRL	70.1

HISTORY

20th Century

1966

**TRATOS IS
FOUNDED**



1979

**COPPER CABLES FOR
TELECOMMUNICATIONS
AND INSTRUMENTATION**



1980

**ALBANO BRAGAGNI
JOINS THE COMPANY**



1981

**TRATOS LTD
IN THE
UNITED KINGDOM**



1983

**TRAMET IS
FOUNDED**



1983

**FIRE RETARDANT
AND FIRE RESISTANT
CABLES**



1987

**FIBRE OPTIC
CABLES**



1988

CATANIA



1990

**PRODUCTION
OF MEDIUM
VOLTAGE CABLES**



21st Century

2000

**START OF PRODUCTION
OF UMBILICAL CABLES**



2008

**ACQUISITIONS
AND NEW OFFICES**



2012

**FUSION FOR ENERGY
CONTRACT FOR ITER**



2015

**AWARD TO
TRATOS**



2016

**TRATOS STARTS THE
PRODUCTION OF HIGH
VOLTAGE CABLES**



2016

INVESTMENTS



2017

FIFTY YEARS



2019

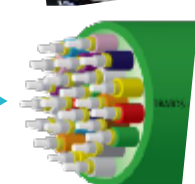
**QUEEN'S AWARD
FOR INNOVATION**



2020

2022

**MAJOR R&D PROJECTS (FRI)
Ministry of Economic Development**



TRATOS IN THE WORLD

Trafilerie Toscane was founded in 1966 in the Tuscan hills of Pieve Santo Stefano and went on to become the TRATOS Group. The Bragagni-Capaccini family holding, which produces Tratos branded products and distributes them worldwide, was created through acquisitions and mergers.

- **Tratos Srl** – Pieve Santo Stefano (AR) Italy, via Stadio, 2. Head Office of the Group's Governing Body [Provision of administrative services for the coordination and control of the activities of the Tratos Group].
- **Tratos Cavi – Plant in Pieve Santo Stefano** (AR) Italy, via Stadio, 2. Initial core, site for the design, production and sale of multiple types of Tratos cables, produced directly with semi-finished products from the group's other production units [low, medium and high voltage power cables up to 150 kV (Um=170 kV), instrumentation, signalling, fibre optic, telephone and data transmission cables, trailing cables, optical ground wires (OPGW)].
- **Tratos Cavi – Plant in Catania** Italy. Strada XIII - industrial area [production and sale of low voltage power cables, instrumentation, signalling, fibre optic, telephone and data transmission cables, trailing cables]
- **Tratos HV** – Plant in Pieve Santo Stefano (AR), via Pian di Guido, 45 (production of low, medium and high voltage energy cables up to 150 kV (Um=170 kV), instrumentation, fibre optic, telephone and data transmission cables, trailing cables; production of compounds; production of bare conductors for medium and high voltage overhead lines, optical ground wires (OPGW)
- **Tratos UK Ltd** – Plant in Knowsley (UK). A wide range of low-voltage cables, including those with flexible interlocked reinforcement, are produced at this plant.
- **Tratos cavi Iberica S.L.** – head office in Madrid (SP) San Sebastian – sales representative office for the Spanish market.

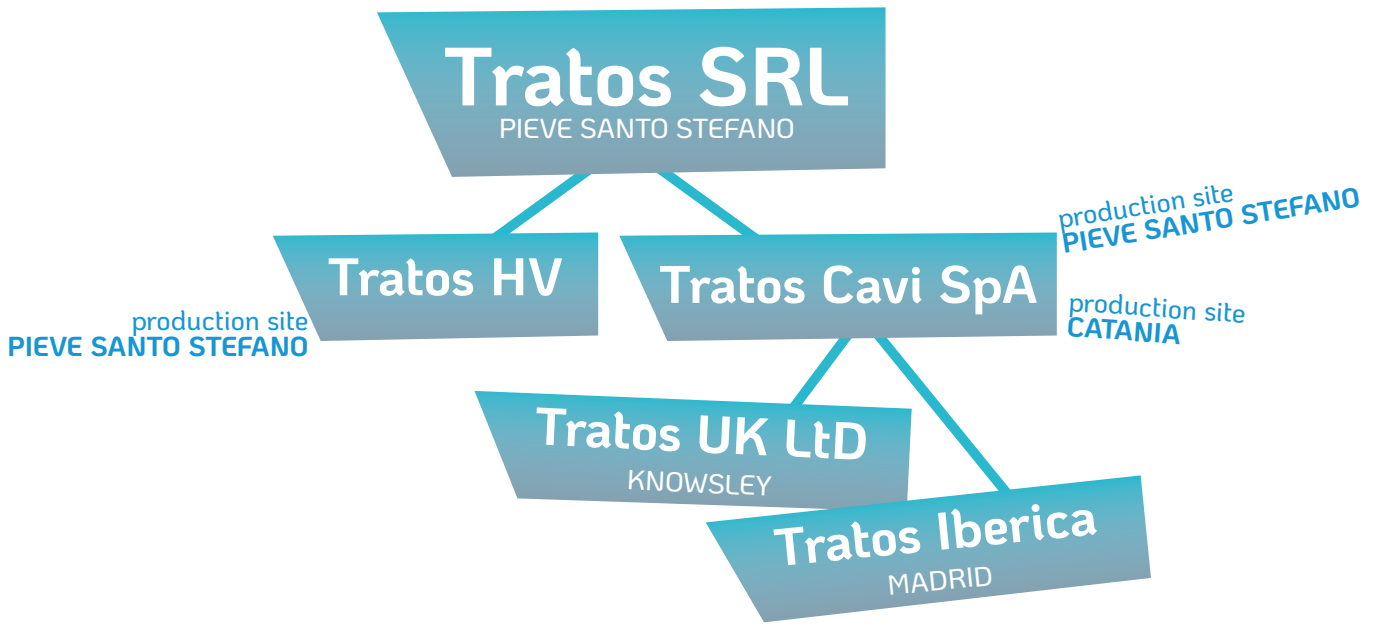


the global presence of TRATOS



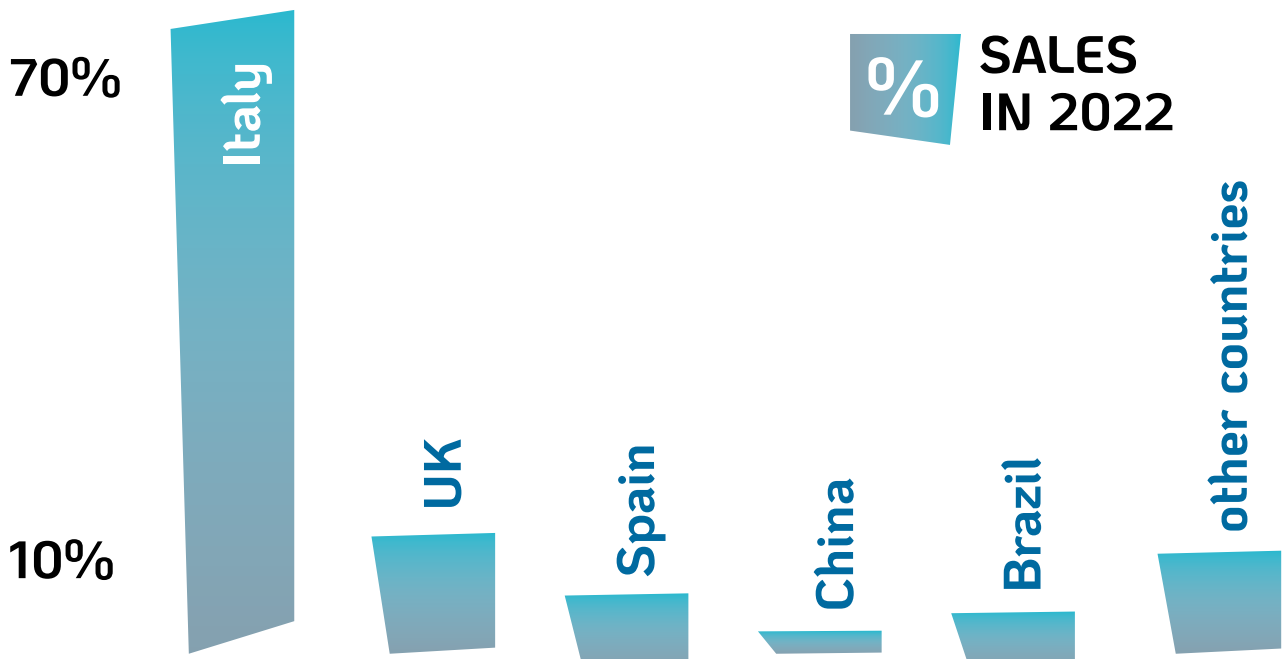
- 3** production facilities
- 2** storage sites
- 9** sales offices

THE COMPOSITION OF THE TRATOS GROUP



PRESENCE ON THE MARKET

We are present on the market in Italy, Europe, the UK, South America and Asia.





PROXIMITY PRINCIPLE

Tratos follows the proximity **principle**, establishing economic relations with places and people in the local area ¹.

8% is the percentage of purchases from the local area (PuLoc), out of the total purchases of raw material (RM) made by Tratos in 2022.

Our policy is to increase the percentage of PuLoc every day.

Tratos also tries to make the best use of local resources in the fields of design, construction and maintenance of systems and plants. Tratos wants to benefit the professionals in our community to benefit, even indirectly, by creating regular job opportunities and involving all the businesses in our community in the company's internal processes.



8%
PURCHASES FROM THE
LOCAL AREA

¹ For Tratos, the local area is central Italy (Tuscany, Emilia-Romagna, Umbria and Marche). For the Tratos plant in Catania, instead, the same principle cannot be applied due to the location.

TRATOS INVESTS IN INNOVATION

Since 2016, Tratos has invested heavily in innovation:

- More than 10,000 sqm in infrastructure
- Fire test laboratory - CPR instrument building - laboratory accreditation (ISO 17025)
- Self-production of electrical, thermal and cooling energy: Cogenerator and Trigenerator²
- Innovative machinery:
 - ▷ Planetary creel machine with 12 rotating reels 1600 mm in diameter (6 tonnes) and a winder 3400 mm in diameter (32 tonnes)³
 - ▷ Planetary stringer with 66 x 630 mm reels and a 3400 mm winder (32 tonnes)⁴
 - ▷ Banbury mixer
 - ▷ New vulcanisation line⁵
- Revamping: hydroelectric power plant⁶



UPCOMING INSTALLATIONS

Renewable energy plant - photovoltaic panel park⁷



POTENTIAL ISSUES

In order to invest in innovation, Tratos will increasingly have to take into account potential climate change (CC) issues, such as the increase in magnitude of extreme weather events.

In the case of the Tratos Cavi Catania site, some critical issues were due to exceptionally heavy rain in 2021, which led to flooding at the company and aggravations caused by poor maintenance of the industrial area. Tratos has implemented practical actions (e.g. construction of barriers) to minimise the consequences of flooding. More concrete and lasting solutions, however, require structural actions implemented by the directors.



² Trigenerator, an investment in 2022: cost € 2,978,365.97.

³ Investment in new tangible goods in 2017, according to the Industry 4.0 model, investment costing € 2,316,460.

⁴ Investment in new tangible goods in 2017, according to the Industry 4.0 model, investment costing € 2,449,975.








⁵ Investments in equipment in 2022 costing € 2,832,772.

⁶ The Tratos hydroelectric power plant in the area of Pozzale is a power station set up in the early 1900s. Much upgrading has been carried out in recent years, involving among other things the replacement of the internal turbines. The maximum output of the plant is 500,000 kWh/year. The water from the Tiber River that is used by the turbines to produce electricity is returned to the river.

⁷ This investment was in 2023 using partially subsidised financing (SACE Green).

AN INTERNATIONAL NETWORK

Tratos has a strong presence on the national and international market, and also plays an important role in several global trade associations and research and development organisations.

	ASSOCIATION	ROLE OF TRATOS																		
	EUROPACABLE ECBL	Working fire - D. Dori																		
	AICE/ANIE	<p>ANIE - Elisabetta Bragagni Capaccin Deputy Chairman with delegation</p> <p>AICE - Elisabetta Bragagni Capaccini Group leader of the Environment Group</p> <p>Working groups to which we belong:</p> <table border="1"> <tr> <td><i>LV power cable group</i></td> <td><i>D. Dori</i></td> </tr> <tr> <td><i>MV and HV power cables group</i></td> <td><i>D. Dori</i></td> </tr> </table>	<i>LV power cable group</i>	<i>D. Dori</i>	<i>MV and HV power cables group</i>	<i>D. Dori</i>														
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	CEI	<p>Committees to which we belong:</p> <table border="1"> <tr> <td><i>CT 11/7 – overhead power lines and conductor materials</i></td> <td><i>S. Boncompagni, A. Posati</i></td> </tr> <tr> <td><i>SC 18A – Electric cables for electrical installations in ships and fixed and mobile offshore units</i></td> <td><i>V. Bellini, F. Montalti</i></td> </tr> <tr> <td><i>CT 20 – power cables</i></td> <td><i>V. Bellini</i></td> </tr> <tr> <td><i>SC 20A – high voltage power cables</i></td> <td><i>D. Dori</i></td> </tr> <tr> <td><i>CT 86 – fibre optics</i></td> <td><i>F. Montalti, E. Feliciano, M. Gori</i></td> </tr> <tr> <td><i>SC 86A – Fibres and cables</i></td> <td><i>F. Montalti, M. Gori</i></td> </tr> <tr> <td><i>SC 86B – connection devices and passive components for fibres</i></td> <td><i>F. Montalti, M. Gori</i></td> </tr> <tr> <td><i>SC 86C – Optical systems and devices</i></td> <td><i>F. Montalti, M. Gori</i></td> </tr> <tr> <td><i>CT 306 – Interconnection of electronic communication equipment</i></td> <td><i>F. Montalti</i></td> </tr> </table>	<i>CT 11/7 – overhead power lines and conductor materials</i>	<i>S. Boncompagni, A. Posati</i>	<i>SC 18A – Electric cables for electrical installations in ships and fixed and mobile offshore units</i>	<i>V. Bellini, F. Montalti</i>	<i>CT 20 – power cables</i>	<i>V. Bellini</i>	<i>SC 20A – high voltage power cables</i>	<i>D. Dori</i>	<i>CT 86 – fibre optics</i>	<i>F. Montalti, E. Feliciano, M. Gori</i>	<i>SC 86A – Fibres and cables</i>	<i>F. Montalti, M. Gori</i>	<i>SC 86B – connection devices and passive components for fibres</i>	<i>F. Montalti, M. Gori</i>	<i>SC 86C – Optical systems and devices</i>	<i>F. Montalti, M. Gori</i>	<i>CT 306 – Interconnection of electronic communication equipment</i>	<i>F. Montalti</i>
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	CONFINDUSTRIA	BRAGAGNI CAPACCINI ELISABETTA GENERAL REPRESENTATIVE Tratos Cavi SpA																		
	CHAMBER OF COMMERCE AREZZO - SIENA	BRAGAGNI CAPACCINI ELISABETTA Industry Representative in the Council																		
	IF COMMITTEE AREZZO-SIENA	Elisabetta Bragagni Capaccini - <i>Confindustria Toscana Sud</i>																		
	ICAS (ITALIAN CONSORTIUM FOR APPLIED SUPERCONDUCTIVITY)	<i>Elisabetta Bragagni Capaccini – Board of Directors</i>																		

SUSTAINABILITY FOR TRATOS

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT (SDGS)

Electrification and digitisation are essential steps to support sustainable development. Cables form the backbone of the new innovative infrastructure of Europe and the world.



For more than 50 years, Tratos' mission has been to create jobs in economically underdeveloped areas. Examples include Tratos' investments in the development of Tratos Cavi in Catania and Tratos UK in Knowsley.

In addition, Tratos supports the Esharelife Foundation that finances education and vocational learning for children and young people in some of the most disadvantaged communities.



ECONOMIC OBJECTIVES

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



In the interest of gender equality at Tratos, half of the Board of Directors and shareholders are represented by women.

Tratos strives every day to improve the social sustainability of its local community. Tratos develops relationships and partnerships with other companies (see An international network) in order to achieve the SDGs.



4 QUALITY EDUCATION



11 SUSTAINABLE CITIES AND COMMUNITIES



5 GENDER EQUALITY



17 PARTNERSHIPS FOR THE GOALS



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

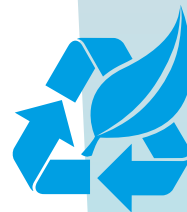


In the local area, especially in Pieve Santo Stefano, Tratos returns profits by creating jobs and financing cutting-edge R&D to invest in environmental and sustainable progress (see Research and Development).

Tratos produces technologically advanced and innovative cables that connect people all over the world. The company offers greener, cleaner, sustainable and affordable solutions to the different sectors in which it works (from ports to the sea, mass transit to communications) indirectly in pursuit of the SDGs, safeguarding rural areas and water resources.

Conscious consumption and production are of key importance: the company purchases recycled raw materials and recycles some materials that would otherwise be destined to become waste, saving resources.

Tratos manages and monitors its carbon footprint and the carbon footprint of the cables it manufactures, in accordance with its ISO 14064 and ISO 14067 certification (see the Carbon footprint in Tratos System Certification). Tratos is therefore constantly looking for ways to mitigate its climate and environmental impacts and create increasingly sustainable products.



6 CLEAN WATER AND SANITATION



ENVIRONMENTAL OBJECTIVES

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



COP26 THE GLASGOW CLIMATE PACT

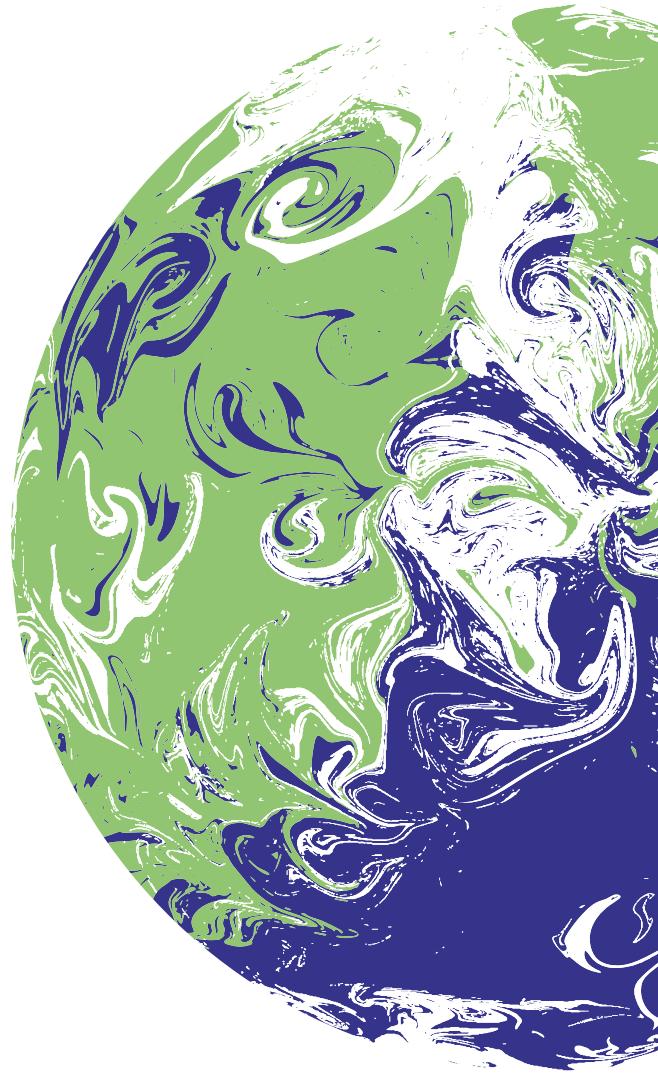
Tratos implements a number of pioneering measures to promote clean energy at affordable prices.

In fact, Tratos is a partner in the ICAS consortium (which includes ENEA - the National Agency for New Technologies - and the Piedmontese company Criotec Impianti SpA), set up in 2010 to produce superconducting cables for the ITER experimental reactors. Tratos has participated in the Fusion4Energy (F4E) project, which aims to recreate the power of the sun through the nuclear fusion process with the ITER reactor by supplying one of the components, such as superconducting wire.

Moreover, Tratos already satisfies part of its energy needs with renewable energy from its own hydroelectric power plant, and in the near future it will have some solar panel installations at its disposal.

COP26 - UNITED NATIONS CLIMATE CHANGE CONFERENCE IN GLASGOW

TRATOS IS COMMITTED TO PROMOTING THE 17 UN GOALS AND THE 2030 NET ZERO EMISSIONS TARGET. TRATOS TOOK PART IN THE COP26 DELIBERATIONS, WHICH TOOK PLACE IN GLASGOW FROM 31 OCTOBER TO 12 NOVEMBER 2021. ITS REPRESENTATIVE WAS DR. MAURIZIO BRAGAGNI OBE, CEO OF TRATOS UK LTD AND HONORARY CONSUL FOR SAN MARINO IN THE UK.



ECOVADIS

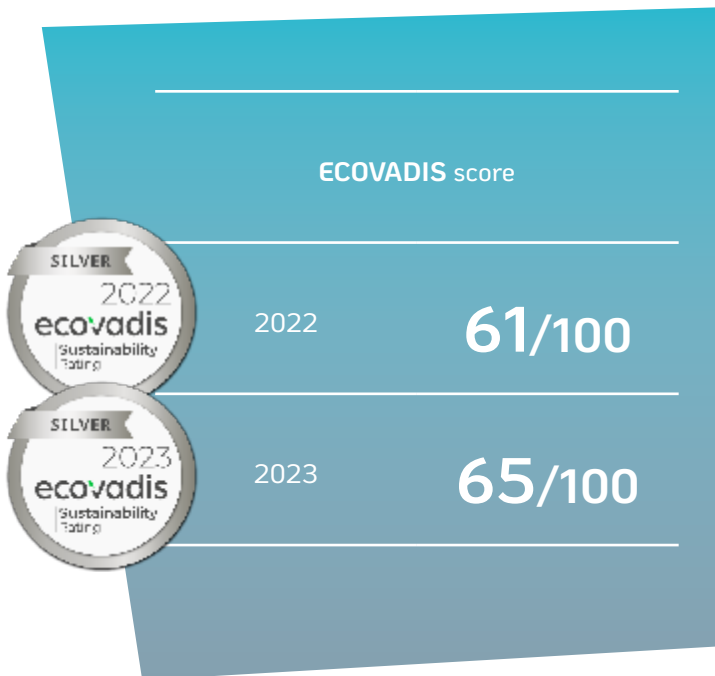
EcoVadis is a platform for companies to improve their environmental and social practices.

The EcoVadis platform helps monitor the sustainability performance of suppliers with an assessment. EcoVadis' reliable classifications and monitoring tools enable companies to manage risks and incorporate eco-innovations into their global supply chains.

The overall score (0-100) reflects the quality of the company's sustainability management system at the time of the assessment.

The criteria for the 2023 score-cards are:

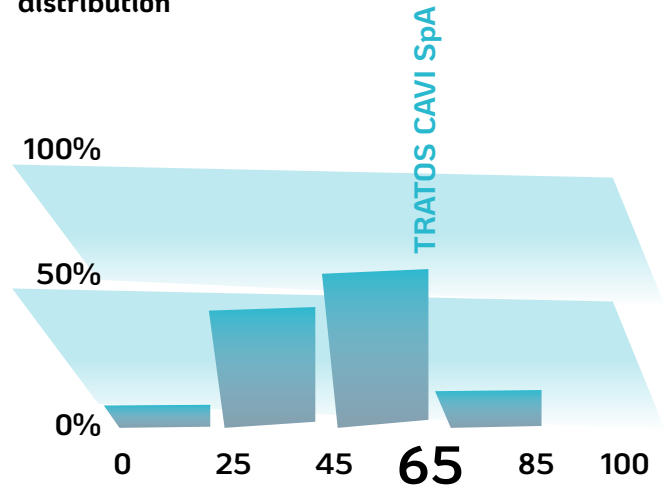
- Platinum: overall score between 78 and 100;
- Gold: overall score between 70 and 77;
- Silver: overall score between 59 and 69;
- Bronze: overall score between 50 and 58.



Tratos improved its score, especially in the areas of ENVIRONMENT and SUSTAINABLE PROCUREMENT.

Tratos' score is higher than that of 88 per cent⁸ of the companies assessed by EcoVadis.

overall score distribution



All companies evaluated by EcoVadis in this sector

The percentile ranking shows how our score compares with the scores of other companies. Tratos is in the 88th percentile, which means that our score is greater than or equal to the score of 88% of all companies evaluated by EcoVadis.

⁸ The percentile rank is calculated when the score is published.

MATERIALITY ANALYSIS FOR TRATOS

In order to identify the latest trends in sustainability, Tratos carried out a study to identify the **sustainability issues** most relevant to its business.












The first step of this study was an analysis of the data. In particular, non-financial reports from the same sector, non-financial reports from competitors, sustainability reports from different business contexts and relating to the same geographic areas were considered in order to identify the topics relating to the environmental, social and governance (ESG) categories of greatest interest to Tratos, always taking into account the impacts on human rights. The materiality issues identified are shown in Table 1_Materiality issues identified during the first step of the study; each class is associated with a category: category G encompasses topics related to Governance, category E encompasses topics related to the environment, and category S encompasses topics related to social issues. Table 1.

The second step of the study involved internal consultation (with employees) and external consultation (with various stakeholders such as customers, suppliers and employees): an ESG questionnaire was sent out in order to assess interest in the issues identified during the first step. The assessment involved:

- sending of ESG questionnaires to external stakeholders, via an online form,
- sending of ESG questionnaires and internal questionnaires to employees, via the company management system.

In general, the questionnaires involved the assigning of scores between 1 (not at all relevant) to 5 (very relevant) to the various issues, for the purpose of assessing the stakeholders' level of interest in these. The feedback from the questionnaires was then processed in graphical form, as shown in Figura 1.

Table 1_Materiality issues identified during the first step of the study; each class is associated with a category: **category G** encompasses topics related to Governance, **category E** encompasses topics related to the environment, and **category S** encompasses topics related to social issues.

MATERIALITY ISSUES THAT EMERGED FROM PHASE 1		CLASSES	
 <p>E ENVIRONMENT</p>	Combating climate change	E1-1	
	Energy transition	E1-2	
	Promoting the circular economy and management and use of waste	E2-1	
	Management of water resources	E3-1	
	Sustainable management of the supply chain in accordance with the SDGs	E4-1	
	Searching for more efficient and sustainable materials	E4-2	
	Energy education and community awareness	E5-1	
 <p>S SOCIAL</p>	Involvement of employees in company objectives	S1-1	
	Training, growth and motivation of employees	S1-2	
	Health and safety in the workplace	S2-1	
	Well-being and responsibility towards employees	S3-1	
	Promoting diversity and equal opportunities	S3-2	
	Involvement of local and global communities, positive impact on the local area	S4-1	
	Voluntary actions with positive spin-offs for the benefit of the local area	S4-2	
 <p>G GOVERNANCE</p>	Customer satisfaction	G1-1	
	Innovative technological products	G2-1	
	Investment in R&D	G2-2	
	Creating sustainable products	G2-3	
	Cyber security and data protection	G3-1	
	Efficient and transparent communication	G4-1	
	Creation of partnerships with other sectors	G4-2	
	Transparency, ethics and integrity in the conduct of business	G4-3	
	Careful management of risks	G5-1	

TRATOS MATERIALITY MATRIX

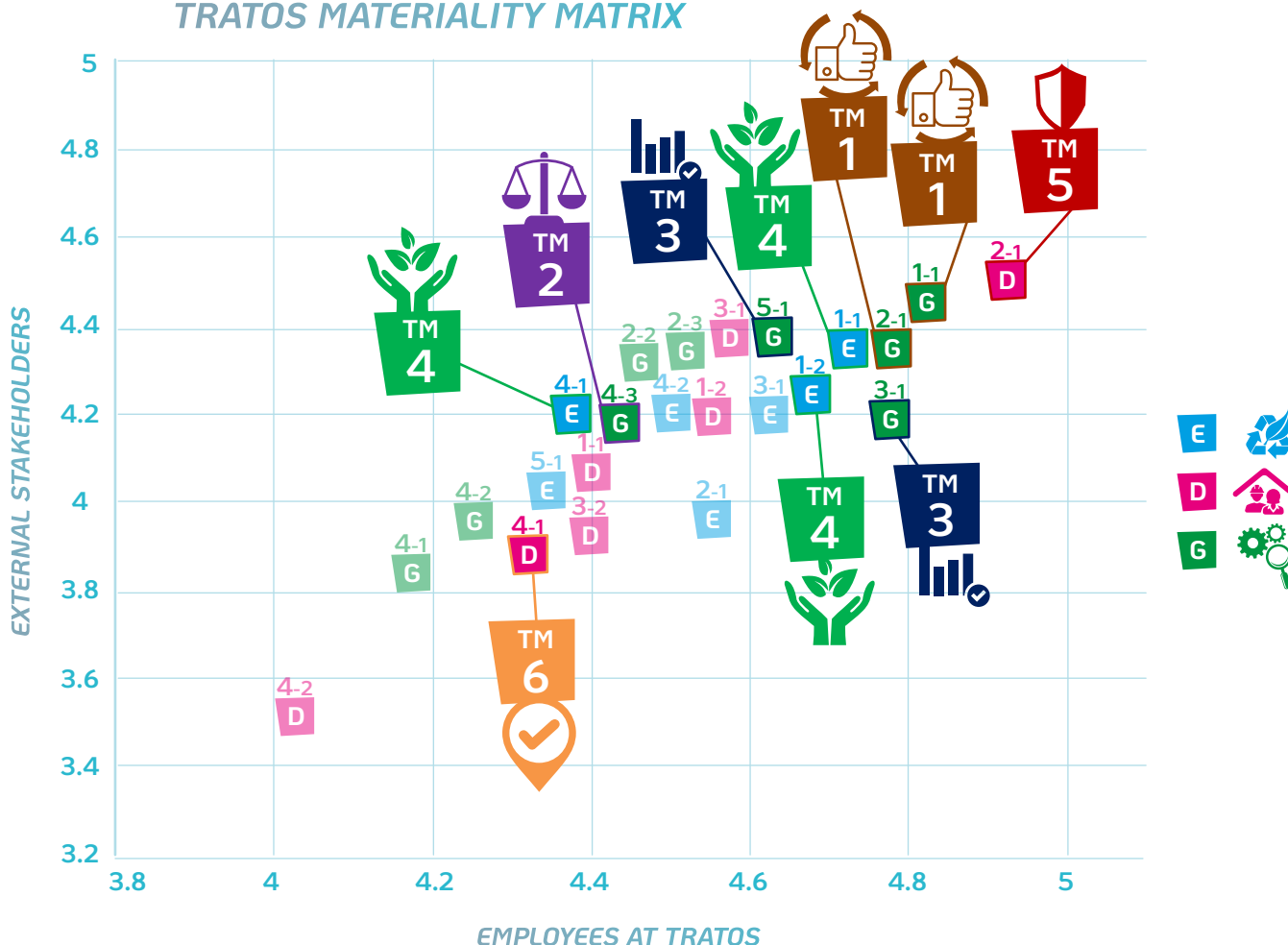


Figure 1 Materiality matrix for Tratos

The materiality matrix was obtained by comparing the assessments of the Tratos employees and external stakeholders involved. The data were interpolated to identify the issues considered most relevant by stakeholders: at the highest level of relevance are the classes 'Health and Safety', 'Customer Satisfaction', 'Innovative and Technological products', 'Cyber Security and Data Protection', 'Careful Management of Risks', 'Combating Climate Change' and 'Energy Transition'.

Lastly, Tratos' Management selected a set of relevant issues according to their position in the materiality matrix chart Figure 1 Materiality matrix for Tratos, to identify a smaller number of **Material Topics - MTs** (list of MTs at Table 2 Material topics grouped by Tratos' management according to the results of the materiality analysis in step 1.).







To create the MTs, the groupings of issues in the matrix box at the top right, i.e., G1-1 and G1-2, G3-1 and G5-1, E1-1 and E1-2, S1-2 constitute the material topics MT1, MT3, MT4 and MT5, respectively.

In addition, some issues that were not of interest according to the materiality matrix were nevertheless classified as relevant following Management's direct analysis. These latter issues are some of those in the bottom left-hand box of the materiality

matrix, i.e. S4-1 (Involvement of local and global communities, Positive impact on the local area), G4-3 (Transparency, ethics and integrity of business conduct) and E4-1 (Sustainable management of the supply chain, according to the criteria for the SDGs). These issues are part of the material topics MT6, MT2 and MT4, respectively.

Class E3-1 "*Water management*", meanwhile, is not a relevant topic for Tratos' Management, even though it is positioned in the top right-hand box of the materiality matrix. The reason is related to the use of water in Tratos' production activities: mainly closed-circuit water is used (more details can be found in the chapter The production process). Moreover, the companies based in Pieve Santo Stefano are not located in water-stressed areas.

Table 2 Material topics grouped by Tratos' management according to the results of the materiality analysis in step 1.

LIST OF MATERIAL TOPICS		CLASSES
 MT 1	Customer satisfaction & Technological and sustainable innovation of the products ⁹	G1-1, G2-1
 MT 2	Transparency, ethics and integrity	G4-3
 MT 3	Careful management of risks and data	G5-1, G3-1
 MT 4	Combating climate change, energy transition and sustainable materials	E1-1, E1-2, E4-1
 MT 5	Health and safety ¹⁰	S2-1
 MT 6	Positive impact on the local area ¹¹	S4-1

For this edition of the Sustainability Report, Tratos is committed to reporting on its voluntary actions taken to achieve sustainable development¹².

FUTURE STRATEGIES
 IMPROVING THE STRATEGY AND METHODS FOR SUBMITTING ESG QUESTIONNAIRES AND PROCESSING THE COLLECTED DATA TO TRATOS' STAKEHOLDERS.

⁹ **MT1** includes the generation of economic/financial value. For Tratos, customer satisfaction is closely linked to the continuous technological and sustainable development of its products, and is directly linked to the generation of wealth from an economic point of view

¹⁰ **MT5** includes topics related to human rights, some of which are covered in the chapter "**Diversity, equal opportunities**".

¹¹ **MT6** includes the **distribution of economic/financial value** at the level of the local area. Tratos' activities enable the generation of wealth and well-being directly (and indirectly) in the local area.

¹² Corporate Sustainability Reporting Directive (CSRD) No. 2022/2464, amending Directive 2013/34/EU. Tratos (which falls into the category of large companies for which, at the end of the financial year, 2 of the following 3 criteria are exceeded: € 20 million total assets, € 40 million net revenue, 250 average annual employees) will be obliged to report from 1 January 2025.

CATEGORIES OF STAKEHOLDERS

The categories of Stakeholders considered relevant by Tratos, considering the sector to which the Company belongs, are the following:

- **Employees¹³ and collaborators:** individuals who participate directly in the company's activities, contributing to the management and development of the organisation, as well as freelancers and consulting and design firms that provide technical support to the company's activities;
- **Customers¹⁴:** enterprises, companies or other entities to which Tratos provides products and services.
- **Institutions and Public Bodies:** Italian and international political and institutional bodies that contribute to the execution and functions of updating, verification and control of laws and regulations within their field of expertise, in order to maintain a collaborative and transparent relationship by facilitating dialogue on issues of particular interest: Municipality of Pieve Santo Stefano, Province, Region, ARPAT
- **Community and local area:** people and environment that can be affected by Tratos' activities in the local area. Tratos maintains good relations with local, national and international authorities. Tratos supports social, cultural and educational initiatives aimed at developing personal skills and improving living standards. Moreover, Tratos continuously contributes to the economic well-being and growth of the communities in which it operates by providing efficient and technologically advanced services.
- **Competitors:** enterprises, companies or other entities that compete economically with Tratos for services and products related to the sector; Prysmian, Nexan.
- **Suppliers¹⁵:** enterprises, companies or other entities with formal agreements with Tratos for the supply of products, goods or services. Tratos is committed to ensuring that its purchasing procedures comply with quality, safety and environmental requirements, seeking the best conditions available on the market;
- **Credit Institutions and Financial Intermediaries, Financing Shareholders and Investors:** banks and credit, securities and insurance intermediaries. Tratos is committed to ensuring equal treatment for all classes of shareholders.
- **The market:** the transparent communication of information to the market and investors according to criteria of fairness, clarity and equal access.
- **Research and development centres:** training institutions and research centres, aimed at fostering the development of corporate training activities and contributing to sustainable development: ENEA, University of Pisa, University of Florence, NEST, Prolabin.
- **Environment:** protection of the environment and the surrounding area, using renewable energy sources and bio/recycled resources in order to minimise environmental impacts
- **Trade Unions**



¹³ Employees, customers and suppliers were involved in this materiality analysis of the first version of the sustainability document.

¹⁴ Employees, customers and suppliers were involved in this materiality analysis of the first version of the sustainability document.

¹⁵ Employees, customers and suppliers were involved in this materiality analysis of the first version of the sustainability document.

GOVERNANCE AND ORGANISATION

The company's Board of Directors fulfils all the highest industry governance standards by fully adopting the Code of Ethics/Criteria of Conduct for Public Appointments. Since 2021, in order to improve structures and guiding strategies, the executive and non-executive members must be able to work to the highest personal and professional standards, following the guidelines of the Code.

The legislation clearly lays down guidelines for the boards of directors of public bodies and these guidelines are part of the terms and conditions for the appointment of members. In addition to defining expectations, the regulation also lists the parts to be excluded: intolerance, harassment, bullying or other discriminatory acts and, therefore, any behaviour outside the code is considered a violation of the terms of appointment.

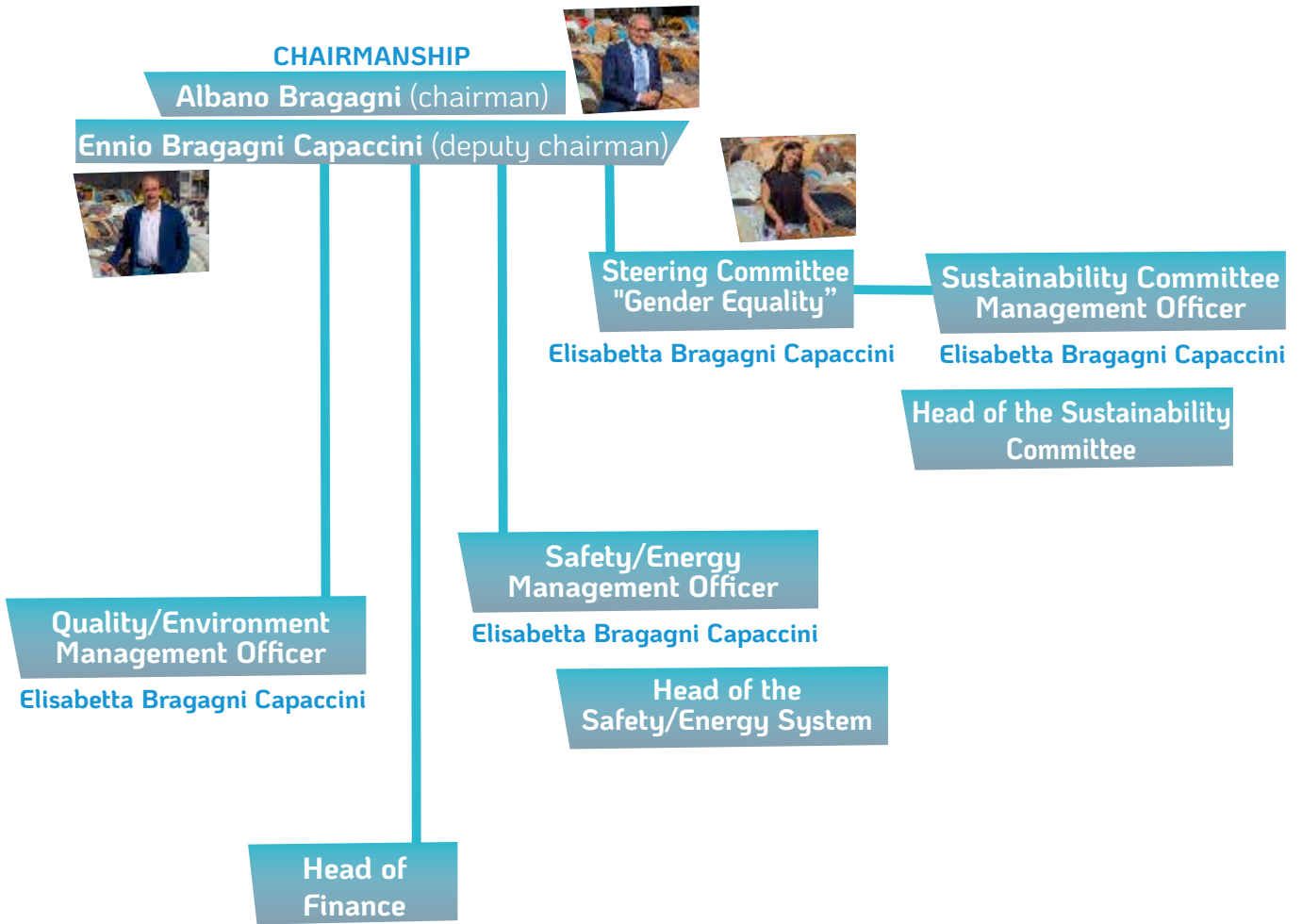
The Code also includes the provisions of existing disciplinary documents that refer to the responsibilities and obligations of board members, and by adopting them fully or even before its time, Tratos has paved the way for best business practices, always maintaining its policy and standards at the highest production and commercial levels. On the basis of this: conduct, quality, renewal and sustainability, the Tratos Group received the **Queen's Award for Enterprise**, the UK's premier award for companies that excel in international trade, sustainable development, promotion of opportunities and innovation in advanced materials and technologies.



THE QUEEN'S AWARDS
FOR ENTERPRISE:
INNOVATION
2019



organisational chart of TRATOS SRL



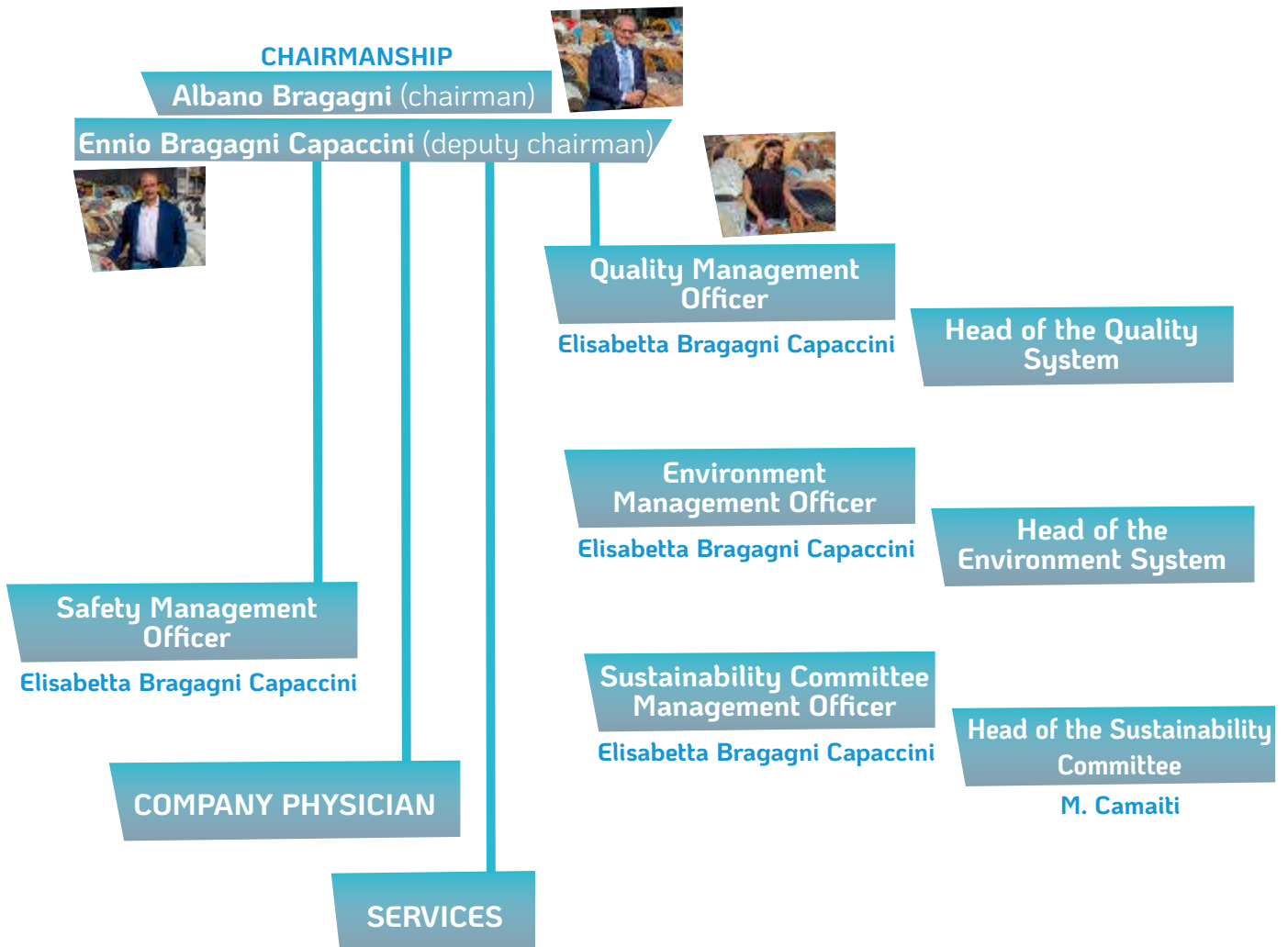
16, 17



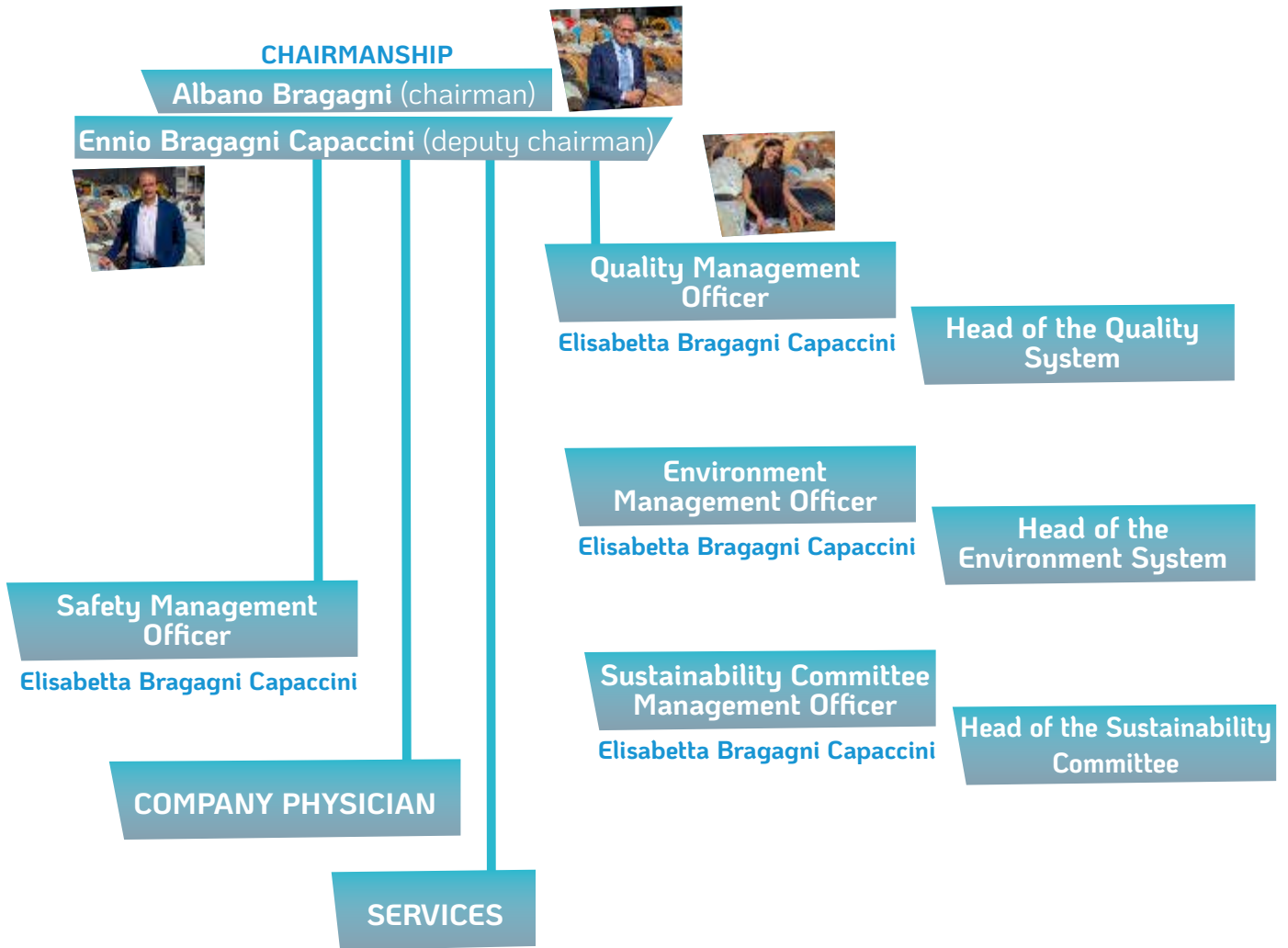
16 Sustainability Committee: its role is to promote and monitor sustainability initiatives within the company. The sustainability committee consists of a representative of the management board, the cable design department, the materials R&D department, and the HSE - Health, Safety and Environment department.

17 The workers' safety representative (WSR) is the spokesperson of the workers who has the task of reporting to the management any problems that may arise during day-to-day activities (Tratos prepared its safety plan on the basis of the results of the risk assessment that were deemed acceptable, the objectives, and the actions envisaged to avoid possible accidents.). The WSR of Tratos Cavi PSS is G. Ceccherini, the WSR of Tratos Cavi CT is S. Speranza, the WSR of Tratos HV is A. Berretti, and the WSR of Tratos srl is T. Guerrini.

organisational chart of TRATOS CAVI SPA - PIEVE SANTO STEFANO



organisational chart of TRATOS HV - PIEVE SANTO STEFANO



The head office of Tratos SRL, the group leader, is located at the Tratos Cavi plant in Pieve Santo Stefano, which is the main plant where all the main processes that also involve the other plants take place. The Group's plants are well connected from a functional point of view because they all adopt the same management programme. This keeps them up-to-date on each other's situation and allows the 'secondary' plants to receive the necessary information quickly.

THE STRUCTURE OF CORPORATE GOVERNANCE AS OF 31/12/2022

The governance structure of Tratos is represented by the Chairman, Deputy Chairman, Chief Executive Officer and Board of Directors (BoD). As of 31/12/2022, the Board of Directors of Tratos consists of five members.

Tratos srl is the group leader and therefore represents the highest governing body. Tratos srl controls the majority shareholding in Tratos Cavi and Tratos HV, so it has considerable influence in decision-making matters.

POSITION HELD	NAME OF MEMBER	GENDER	AGE GROUP
CHAIRMAN	Albano Bragagni	Man	Over 50
DEPUTY CHAIRMAN	Ennio Bragagni Capaccini	Man	30-50
MD	Elisabetta Bragagni Capaccini	Woman	30-50
COUNCILLOR	Marta Capaccini	Woman	Over 50
MANAGING DIRECTOR	Oriano Gregori	Man	Over 50

The board of directors meets once a year to approve the financial budget. Other meetings are called for ordinary/extraordinary matters.

In 2022 there were 3 meetings with an attendance rate of **100%**.

The parent company - Tratos srl - performs management and coordination activities for the other companies in the group, in the sense of directing, managing, planning, organising and controlling the individual business activities of the group.

COMPANY POLICY

The TRATOS group is headed by the Chairman, Albano Bragagni, who is responsible for the entire management of the group, including the product, the process and the management system (MS). The chairman has legal representation¹⁸. In the absence of the Chairman, the Deputy Chairman, Ennio Bragagni Capaccini, takes his place as legal representative. The chief executive officer (CEO) is Elisabetta Bragagni Capaccini. Both the Chairman and Deputy Chairman also fulfil the role of CEO. The three CEOs have total management of the company and have interchangeable duties. The internal subdivision specifies that the Deputy Chairman E. Bragagni is responsible for the purchasing department, while the CEO El. Bragagni is responsible for the sales department.

The Roles, Responsibilities and Powers of directors, employees and collaborators are defined with specific resolutions and/or procedures (Criteria for Conduct)

These tasks, responsibilities and powers must be known, accepted and respected.

Management assigns the roles, responsibilities and authorities and communicates these accordingly (e.g. in writing). This is followed by a training programme, where the company's organisational chart is attached and the person's role is communicated.

Employees are trained so that they have the skills and expertise to:

- fulfil the roles assigned by management;
- monitor performance, including environmental, energy and sustainability performance, of the process for which they are responsible;
- report to management on performance of the process and opportunities for improvement;
- keep subordinates informed of customer expectations and environmental, energy and sustainability aspects;
- manage any changes to the MS in order to maintain its integrity.

The notice period under normal conditions for a sudden change of duties is four weeks.

The relationships between the staff identified in the organisational structure of the company and who manage, perform and assess the work are managed according to appropriate operational procedures. Any disputes concerning the maintenance of the Management System that arise between company functions and cannot be resolved are brought to the attention of Management for resolution.

The Management has delegated Elisabetta Bragagni Capaccini to manage the Company Management System with full authority.



¹⁸ Pursuant to Art. 2381 of the Italian Civil Code and Art. 19 of the articles of association, as well as legal representation, all powers of ordinary and extraordinary administration of the company, which fall within the corporate purpose.

An Environmental Management Group was set up for better managing environmental aspects. The Group is formed of the Head of Environmental Management, the Management Officer, the Head of Air and Water Management (AWM), the Head of Waste Management and the Head of Environmental Impacts. The Head of AWM has responsibility and authority with regard to Environmental Management and other related issues and meets with the Management Representative when necessary.

The Head of AWM is jointly responsible, in various respects, for the documentation of the organisation's structure, which includes descriptions of buildings, sewers, compressors, equipment, etc. The Head must also ensure that the organisation's structure and its corporate policy are made known to employees and people working for the company; in addition, he must make sure that the Organisational Structure and Corporate Policy are made known to the employees and persons working for the company.

THE 'SENIOR MANAGERS', PEOPLE WHO HAVE WORKED AT TRATOS FOR MORE THAN 15 YEARS, WERE ALL RECRUITED FROM THE LOCAL COMMUNITY WHERE THE COMPANY IS BASED (PIEVE SANTO STEFANO AND CATANIA).

VALUE, MISSION, STRATEGY

Pieve Santo Stefano has a history stretching back thousands of years:

"In Roman times logs were thrown into the river Tiber where they floated to Rome. Two thousand years later, instead of logs, there are copper, fibre and superconductor cables"

The Tratos plant is home to unique technology that few in the world can produce. Some examples of high-tech products under the Tratos brand are superconductor cables supplied for the construction of the nuclear fusion power plant in France (ITER project), trailing cables for the port of Busan in South Korea and cables for the railway network in Great Britain.

Tratos was originally set up in this small, remote shed in Pieve Santo Stefano. The town of Pieve Santo Stefano and its citizens become an integral part of the company, which made an important contribution to the economic growth of the area.

The *mission of Tratos*, from Egidio Capaccini to Albano Bragagni, remains that of ensuring the well-being of the fellow citizens of Pieve, not only within the boundaries of the company, but also through the administration of the town, as Bragagni was mayor of Pieve for twenty-nine years.



POSITIVE IMPACT

Tratos is aware of the importance of its impact on the local area and does everything in its power to increase, directly or indirectly, the economic and social well-being of the local population, aware that this can have a positive impact on the prospects for Tratos' business. Improving the possibilities of growth of families and individuals in the local community also means helping people to acquire the technical/professional expertise required to work at Tratos in future years.

NEGATIVE IMPACT

The strong impact of Tratos on the local community, due to the high percentage of local people working or collaborating, even indirectly, with Tratos, represents a risk during difficult economic or social times. One example is the recent pandemic, which could have had a considerable impact on the local area.

STRATEGIES

Tratos continuously monitors market trends in order to prevent as far as possible negative effects on its own business and consequently on the local area. An early and careful reaction to the signs that may emerge can greatly reduce, if not eliminate altogether, negative consequences for both internal activity and the social fabric.

Tratos is a large production company with a small family business. Tratos touches many countries around the world, but the heart of the company remains in this small Tuscan town in the province of Arezzo. In keeping with our *mission*, the chairman Albano Bragagni never thought of moving the headquarters.



BUSINESS ETHICS AND INTEGRITY

TM2 TRANSPARENCY, ETHICS AND INTEGRITY		
POSITIVE IMPACT	NEGATIVE IMPACT	STRATEGIES
<p>Tratos believes strongly in respect for certain principles that it considers fundamental and necessary for everyone. These are principles that must be applied by all persons in any way connected with the working environment of Tratos, both in internal and external relations.</p> <p>Non-discrimination, equality, centrality of individuals, fairness and transparency are just some of these principles.</p>	<p>There is always the risk that these principles remain 'on paper' and are not effectively implemented. The company, however, must take all necessary measures to disseminate and promote this approach as much as possible.</p> <p>It must not be limited to 'only' compliance with laws and regulations, but must spread a consciousness and deep awareness in all its employees/ collaborators of the need to respect these principles.</p>	<p>In this regard, Tratos will work towards obtaining Gender Equality certification for the lead partner Tratos SRL.</p> <p>The approval of the Code of Ethics is in progress.</p> <p>The organisational model 231¹⁹ for the lead company Tratos SRL is in the process of being drafted.</p>

The challenges of sustainable development, the achievement of maximum customer satisfaction, the enhancement of shareholder value, the development of skills and the continuous professional growth of our people define the values and responsibilities that Tratos considers most important.

The Tratos code of ethics regulates the complex web of rights and responsibilities that the company assumes towards those with whom it interacts in the performance of its activities, which are carried out in accordance with the accreditation systems. Tratos is aware that it contributes with its work to the economic development of the country and in particular of the local communities. The company believes in the value of work and considers legality, fairness and transparency of action to be essential prerequisites for achieving its economic, production and social objectives.

Tratos expresses the congruence between its code of ethics and the pursuit of its mission.

Among the fundamental principles of conduct, which Tratos is committed to respecting in its dealings with anyone, are values such as *integrity in compliance with laws and regulations, Transparency and business ethics, and Legality and the fight against terrorism and crime.*



¹⁹ Legislative Decree 231 of 8/06/2001, also known as Model 231, is a legislative instrument that is adopted to allow companies to be exempt from offences committed by individual employees and, by filling it out, the company that signs it can legitimately request the exclusion or limitation of its liability arising from one of the offences mentioned in the regulation. Model 231 comprises a general part and a special part where the main offences taken into account in company management are defined. By adopting model 231, reference is made to corruption prevention actions.



INTEGRITY OF CONDUCT AND COMPLIANCE WITH LAWS AND REGULATIONS

The company is committed to creating and providing quality services and to competing on the market according to principles of fair and free competition and transparency, maintaining fair relations with all public and administrative institutions, citizens and third party companies. Each member of the company is obliged to act, in any situation, with integrity, transparency, consistency and fairness, conducting every business relationship with honesty. The company operates in strict compliance with the Law and ensures that all staff behave in accordance with the Law, depending on the context and activities carried out and the places where they work. This commitment must also apply to consultants, suppliers, customers and anyone who has dealings with our organisation.

TRANSPARENCY AND BUSINESS ETHICS

The organisation's history, identity and values are embodied in a business ethic based on:

- Reliability, the guarantee of absolute seriousness in projects launched, transactions and commitments made;
- Solidity, evidenced by the company's long life;
- Transparency, respecting ethical principles and work, but also putting in place ways for communities to be able to have the information to be able to reconstruct the work;
- Fairness in contractual matters, preventing anyone acting on behalf of the company from taking advantage of contractual loopholes, unforeseen events with the sole aim of exploiting the position of dependence/weakness created;
- Protection of competition, refraining from collusive, predatory and abusive behaviour.



LEGALITY AND COMBATING TERRORISM AND CRIME

The company believes deeply in democratic values and condemns any activity that may have the purpose of terrorism or subversion of the democratic order.

The organisation also condemns any activity that involves:

- Forgery, counterfeiting, alteration and/or spending of money, public credit cards and stamps;
- Acceptance and processing of proceeds from criminal activities (money laundering);
- Unauthorised access to external computer systems;
- Unauthorised possession of access codes;
- Damage to equipment and data;
- Fraud in the handling of electronic signature certification;
- Wiretapping, Obstruction and Interruption of Computer Communications;
- Spreading ideas of tolerance and omertà related to the use of drugs or addictive substances;
- Incitement to commit unlawful acts or acts contrary to the moral sense;
- Negligence in combating violence, damage to public property and compliance with internal regulations.



ECONOMIC PERFORMANCE

ECONOMIC AND FINANCIAL RESULTS

	Directly generated value - revenue (euro)	Economic value distributed (euro)	Economic value withheld ²⁰ (euro)
TRATOS SRL	8,163,448	8,034,833	128,615
TRATOS CAVI	185,470,585	174,196,708	11,273,877
TRATOS HV	31,782,530	30,618,875	1,163,655

Details of the costs of Tratos in 2022 are given:

TRATOS SRL		
ECONOMIC VALUE DISTRIBUTED (EURO)		EURO
	For raw materials, consumables and goods	7,385,587
	For services	105,068
	For use of third party assets	9,857
	For staff	511,228
	Depreciation and amortisation	7,303
	Sundry operating expenses	15,790
TOT		8,034,833

²⁰ Economic value retained before tax.

TRATOS CAVI

ECONOMIC VALUE DISTRIBUTED (EURO)	EURO
For raw materials, consumables and goods	130,967,169
For services	36,005,071
For use of third party assets	637,583
For staff	10,074,707
Amount and write-downs	2,301,010
Changes in inventories of raw, ancillary and consumable materials and goods	(6,804,662)
Sundry operating expenses	1,015,830
TOT	174,196,708

TRATOS HV

ECONOMIC VALUE DISTRIBUTED (EURO)	Euro
For raw materials, consumables and goods	19,166,706
For services	6,342,151
For use of third party assets	374,679
For staff	4,079,552
Amount and write-downs	1,689,977
Changes in inventories of raw, ancillary and consumable materials and goods	(1,174,548)
Sundry operating expenses	140,358
TOT	30,618,875

BENEFITS RECEIVED FROM THE PUBLIC ADMINISTRATION

Tratos received tax benefits from the government in the form of tax credits for energy consumption (offset against tax payments during the year) and contributions for research and development (R&D) - 160/2019 and 178/2020.

BENEFITS (EURO)	TRATOS CAVI PSS	TRATOS HV
ENERGY CONSUMPTION	465,812,97	989,273,27
R&D – L.N. 160/19 AND L.N. 178/20	83,261.51	-

TAX STRATEGY

The principles of the tax strategy define the guidelines for the Group companies, inspire the company's operations in the management of the tax variable and require the implementation of appropriate processes to ensure their effectiveness and application. The basic principles for the group are:

Transparency: The Group is transparent and actively cooperates with the tax authority, ensuring that the latter, among other things, can gain a full understanding of the facts underlying the application of tax rules.

Values: In line with its sustainability strategy, the Group acts according to the values of honesty and integrity in managing its tax activities, being aware that tax revenues are one of the main sources of contribution to economic and social development.

Legality: The Group strives to always work in compliance with the rules.

The Board of Directors defines the tax strategy of the Tratos Group and ensures its implementation within the Group, thereby assuming the role and responsibility of ensuring the dissemination of a corporate culture marked by the values of honesty and integrity and the principle of legality.

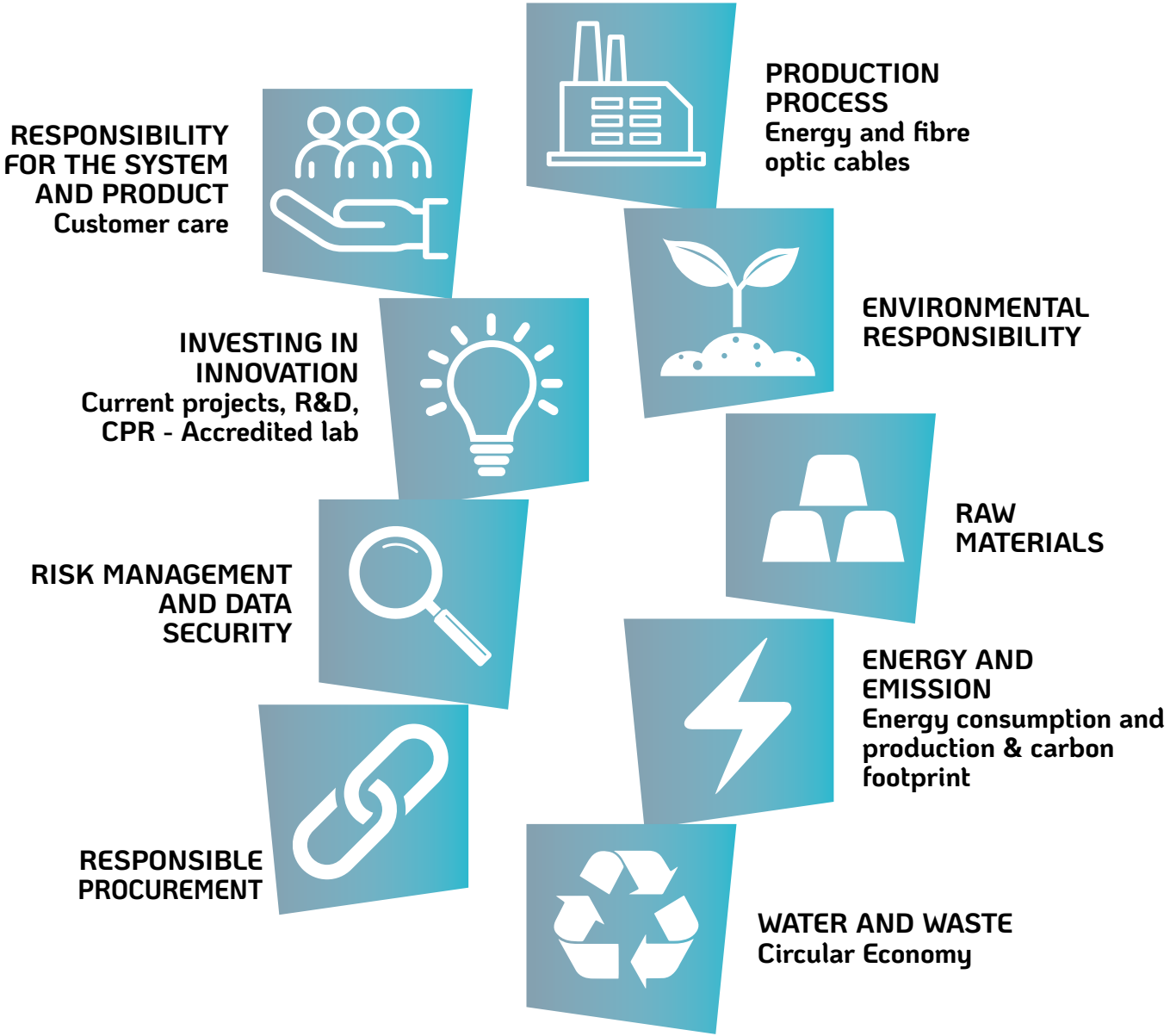
COMPLIANCE AND NON-COMPLIANCE

Tratos had to settle a dispute by the Internal Revenue Service for alleged non-payment of excise duties on a product the nature of which was that of a hydrocarbon, similar to that of fuel. Tratos acted directly, clarifying the problem on the record and the complaint was dropped. In fact, the type of material under observation was a hydrocarbon gel used in the production of fibre optic cables, and not used as fuel. There have been no cases involving the application of sanctions to Tratos.

This reported dispute is the only one that Tratos has had to deal with. No sanctions were applied upon resolution of the dispute.



A SUSTAINABLE VALUE CHAIN



The company puts the customer first during all stages, from **design to creation of Tratos products**. The products that are offered to Tratos' customers must fully meet their needs and must increasingly guarantee sustainability.

The **supply chain** involves responsible management, in social, environmental as well as economic terms, of all processes, from procurement, production and distribution to quality control. Good management of the supply chain ensures an important level of control of the flows of **material** and **information**, allowing improved operational performance and lower costs, with a positive effect on competitiveness. Tratos is committed to forming close relationships with its strategic suppliers and establishing a shared organisational process for the entire supply chain.

Managing the supply chain in a sustainable manner, according to ESG principles, leads to:

- the increased trust of customers, by meeting their expectations and confirming the company's responsibility in compliance with international standards;
- a smaller environmental footprint, by following sustainable development strategies
- improved resilience and transparency of the business, by ensuring compliance with laws and regulations and adherence to international standards.

Tratos remains committed to reducing the environmental impact of its production activities, which play a key role in the **energy transition** and **decarbonisation**.

The production of energy cables represents a pillar of the sustainable transition, which is also reflected in the increased demand in the market of energy cables due to the exponential increase in installations of renewable energy plants (solar, wind). The production of fibre optic cables also supports the sustainable transition, contributing to the process of **digitisation** of society.



RESPONSIBILITY FOR THE SYSTEM AND PRODUCT

TM1	CUSTOMER SATISFACTION & GROWTH AND TECHNOLOGICAL AND SUSTAINABLE INNOVATION OF THE PRODUCTS AND TRATOS	
	NEGATIVE IMPACT	STRATEGIES
<p>POSITIVE IMPACT</p> <p>Customer satisfaction is a cornerstone of Tratos' policy. Tratos is aware that continuous innovation in all phases of its business, from design to production and R&D of innovative and increasingly sustainable products, is necessary to gain wider markets. Achieving the customer's satisfaction by tailoring products to his needs is a key element of Tratos' strategy. Tratos certifies its processes and products according to national and international standards.</p>	<p>The market competition that Tratos is facing is getting stronger and stronger. In most cases, it is represented by highly structured and organised multinational companies. This requires Tratos to differentiate its products in order to create market spaces oriented towards satisfying specific customer needs: markets that are necessarily innovative and open to increasingly technological solutions.</p>	<p>With its policy firmly focused on customer satisfaction, Tratos is determined to offer specific solutions in the shortest possible time. This is made possible by the highly elastic and flexible structure of its organisation. Despite the fact that Tratos has just a few hundred employees, the family ownership and the very compact structure guarantee fast decision-making and execution. One of Tratos' objectives is to maintain and improve this structure through the evolution of the company's integrated system.</p>

One of the primary objectives of Tratos is the continuous improvement of the company in always meeting customer expectations. For better overall organisation and excellent quality of the final product, all stages of the company's policy are continuously reviewed and any management reviews are passed on to all operational structures.

Tratos has adopted a strategy of total commitment to quality of the system and product, including the suppliers of materials and services. As proof and guarantee of this daily commitment, the company adheres to a wide range of **international standards** and the same regulations are implemented in their entirety, ensuring the adoption of International Standards Organisation (ISO) criteria.

Since the logic of Quality Control was adopted by electrical and telephone cable manufacturers, TRATOS CAVI immediately gained ISO 9002 certification (BASEC - British Approvals Service for Cables) in 1987 and ISO 9001 certification in 1993. The Quality system is rigorously applied to the entire production cycle according to scrupulous operational procedures concerning the definition and dissemination of the standards to be applied.

The Tratos Environmental Management System is based on the ISO 14001 standard, which specifies the environmental management requirements that an organisation can use to improve its environmental performance. ISO 14001 was developed to support the SDGs (1-15). The compliance of Tratos' procedures with ISO 14001 was verified by two independent authorities, BSI (UK) and AENOR-IQNET (E).



SYSTEM CERTIFICATION

System certifications valid in the reporting year:









Table 3

Active certifications for the Tratos group subject to current reporting.

Tratos SRL

-  **ISO 9001**
Quality Management Systems
-  **ISO 14001**
Environmental Policy
-  **ISO 50001**
Energy Management System
-  **ISO 45001**
Occupational health and safety management systems
-  **EMAS**
Eco-Management and Audit Scheme

Tratos CAVI

-  **ISO 9001**
Quality Management Systems
-  **ISO 14001**
Environmental Policy
-  **ISO 45001**
Occupational health and safety management systems
-  **UNI EN ISO 14064**
Greenhouse gases
-  **UNI EN ISO 14067**
Greenhouse gases - Carbon footprint of products – Requirements and guidelines for quantification
-  **ISCC PLUS**
International Sustainability and Carbon Certification
-  **CYBER ESSENTIALS**
Cyber Essentials is an independently verified self assessment certification
-  **ISO/IEC 17025**
General requirements for the competence of testing and calibration laboratories *

Tratos HV

-  **ISO 9001**
Quality Management Systems
-  **ISO 14001**
Environmental Policy
-  **ISO 45001**
Occupational health and safety management systems
-  **UNI EN ISO 14064**
Greenhouse gases
-  **UNI EN ISO 14067**
Greenhouse gases - Carbon footprint of products – Requirements and guidelines for quantification
-  **ISCC PLUS**
International Sustainability and Carbon Certification



In recent years, Tratos has been instrumental in implementing and developing existing and required **fire performance standards** for power and signalling cables (**CPR - Construction Products Regulation**) installed in the railway and mass transit sector. Tratos is a manufacturer of flame retardant, low smoke, zero halogen cables.

The CPR regulation allows the reaction-to-fire performance of construction products to be evaluated throughout the European Union, enabling manufacturers in different countries to compare their products, and verifies how the product is brought onto the market according to the evaluation of its conformity performance.

All Tratos products subject to CPR are tested in our in-house laboratory (**LAT Laboratory n°1789L site A** compliant with ISO/IEC 17025 by ACCREDIA), in order to fulfil the minimum requirements of class C or higher. Most of our polymeric power cables fall into class B. The fire protection cables made by Tratos have been tested and certified by various bodies, such as LCPB, UKAS, BASEC, LUR and IMQ

The company carries out ongoing R&D and tests to improve the quality of its products. Fire tests performed in the Tratos laboratories allow for a very high level of production meeting the needs of all customers.

Tratos installed Taurus instruments' Fire Testing System for Cables to respond more quickly to the requirements of the CPR regulation. The cables are tested directly in the Tratos laboratories. This has resulted in the greater confidence of our customers and an ability to respond more quickly to new requirements.

The facilities at Tratos laboratories include: a system for flame propagation and development of heat and smoke under fire conditions (CEI EN 50399), vertical flame propagation (CEI EN 60332-1), measurement of smoke density (CEI EN 61034-1-2), system for assessing the degree of acidity of gases developed during combustion (CEI EN 60754-2), oxygen index (LOI) - ASTM D2863, flammability index (FI)- IDO 4589-3.



PRODUCT CERTIFICATION

THE COMPANIES OF THE TRATOS GROUP, LIKE OUR PRODUCTS, ARE CERTIFIED IN ACCORDANCE WITH THE CUSTOMERS' CERTIFICATIONS, INTERNATIONAL STANDARDS AND APPLICABLE LAWS.



IMQ



Lloyd's Register



DNV



CUSTOMERS' CERTIFICATIONS



TRANSPARENCY AND CUSTOMER CARE

Tratos is committed to ensuring the high satisfaction of its customers. To do so, Tratos applies a policy of market expansion. In fact, Tratos not only aims to deliver its products, but also looks for ways to establish itself in increasingly broad and varied markets. The new demands of customers are what drive Tratos and encourages it to redesign its products afresh.

Methods to measure our customers' satisfaction include indirect ones, such as feedback from the customers themselves, and direct methods such as evaluation questionnaires.

In fact, although there are many alternatives to Tratos, we pride ourselves on our 'short-range' customer policy, which allows for a direct relationship and an excellent standard of service. One method of indirectly assessing dissatisfaction is by looking at sales expectations and the penalties that may be applied at the end of the year by customers.

The direct way to determine the effectiveness of our customers' satisfaction is through evaluation questionnaires, which Tratos has been sending out since 2016. The evaluation questionnaires aim to assess the level of quality perceived by customers with respect to the products offered by Tratos. Customers are invited to express their opinions on various topics:

- General performance
- Product (product quality, your use)
- Commercial aspects (price, response time, offer of alternative solutions, relationship with sales representative)
- Delivery/logistics (punctuality, documentation compliance, logistics services, packaging)
- Services/support (technical support, handling of complaints, approach to quality)
- Relationship with Tratos: customers are asked to attribute a degree of importance to each of the topics assessed.

Data is duly collected and used to ascertain specific indicators of customer satisfaction, which help the company's managers to better manage activities.

Tratos maintains its relations with customers according to the following criteria:

- Impartiality: the company is committed to offering its products and services without discrimination;
- Clear and simple communication: compliant with regulations and comprehensive;
- Processing of customers' personal data in accordance with Legislative Decree 196/2003 providing the Personal Data Protection Code and EU Regulation no. 679/2016.



DIGITAL GOVERNANCE

TM3

CAREFUL MANAGEMENT OF RISKS AND DATA

POSITIVE IMPACT

Information technology and the digitisation of processes present enormous growth potential for Tratos. The big data and information assets acquired by Tratos can be properly managed thanks to increasingly advanced IT services.

Negative

IMPACT

The increasing spread of digitisation is bringing with it an increase in IT vulnerabilities of companies. Tratos is currently implementing and improving its Cyber Security procedures to protect its information systems. A high risk for the company can also be associated with the interruption of essential digital services for short/long periods.

STRATEGIES

to increase security processes are:

- increase the frequency of Recovery simulations;
- simulate malicious events to test the quality and readiness of XDR and SOC systems;
- increase the frequency of control of the DR system;
- activate simulations with mock malicious events to test users' ability to deal with potentially dangerous events.

The Tratos group comprises seven separate sites in Italy, Spain and the UK. The system adopted by all sites is unique and the server component (database and application servers) resides in the main office (Tratos Cavi - Pieve Santo Stefano).



The project **Cyber Security Tratos** is based on four key points:

1) External security

The sites are interconnected with a protected MPLS network operated by TIM.

The infrastructure used to run the system has no Internet access, with the exception of the head office.

The branch offices envisage physically separate accesses for the cloud switchboard and the camera service of the alarm system.

The main office is equipped with a 'checkpoint' firewall to protect the only Internet access.

2) Internal Security

An XDR Cynet system is in place on all endpoints, operated by Var Group - Yarix, for which a SOC H24 (security operations centre) service is active.

3) Three-level backup with Disaster Recovery system

- a) The backup system, implemented on the Veeam platform, performs a nightly backup (a weekly full backup plus daily incrementals) on NAS drives.
- b) Copy to tape drive, a process performed in cascade with step a, which transfers the NAS data. The tape units are taken out in the afternoon and kept in a safe place.
- c) Transfers of systems to a Disaster Recovery environment, not accessible from the network.



4) Staff Training

Regular safety training has been implemented, including online courses with questionnaires on comprehension of the subject that are checked and evaluated by the tutor. Training is foreseen for all persons with mail and internet access.

The global increase in cyber attacks launched by criminal organisations are confronting companies with the challenge of developing, implementing and constantly reviewing security strategies to ensure comprehensive protection of their critical IT systems. Security strategies include **the implementation of IT certifications** such as Cyber Essential. Tratos cavi has been positively assessed according to the Self-Assessment of the Cyber Essential scheme in the period of validity 2021-2022, issued by IASME²¹.

Cyber Essential, an independently verified self-assessment certification based on technical checks designed to protect against the most common Internet-based cyber security threats. Cyber Essentials is now widely recognised as the minimum level of IT security for organisations of all sizes.



²¹ IASME, since 2020, has become the only Cyber Essential Partner of the National Cyber Security Centre. IASME is committed to helping companies improve cybersecurity, risk management and good governance through an effective and affordable range of certifications. The IASME Consortium was established in 2012 to take the results of the project forward. Today, IASME offers six different certifications and delivers to organisations of all sizes and in all sectors.

INVESTING IN INNOVATION

For Tratos, innovation is about the design and development of innovative products, and it does this by often taking on major challenges.

CURRENT PROJECTS AND ACHIEVEMENTS

POWER GRIDS:

Transmission and wiring cables, underground network cables, waveform cables, service cables, power transmission cables, underground networks without cover, line conductors and high voltage cables



TELECOMMUNICATIONS:

Telephone cables, LAN cables, fibre optic and coaxial communications and telecommunications cables used in wide-ranging applications, including mobile networks, data centres, industrial telecommunications and railway systems where reliability is paramount. These products have positive implications in digitisation and interconnections.



Special cables: power, control, signalling and fibre optic components.



“Cold ironing” onshore power supply system, with positive effects on passenger and freight transport.



Long Beach Container Terminal (LBCT) automated container terminal, with positive effects on passenger and freight transport.



Piccadilly - Underground extension.
 Tratos is currently developing a Railways power supply and signalling product for the rail industry approved by Network Rail (it is the Infrastructure Manager of Great Britain under the Railways & Other Guided Transport Systems (ROGS) regulations).



OK

High-voltage cable for ITER - Contribution to research for the generation of clean and inexhaustible energy - see Fusione Nucleare - Superconduttori - DTT (Divertor Tokamak Test)



Power cables for UK airports, with positive effects on passenger and freight transport.



Port PSA Voltri Genova, with positive effects on passenger and freight transport.



DUSS Terminals Germany, with positive effects on passenger and freight transport.



Carbon fibre overhead lines - with environmental and social implications, reducing impact on land and noise pollution and improving the resilience of infrastructure.



Submarine cable for Eni Mexico - interconnections, speeding up communications with economic and social implications.



High-speed broadband in MDU - with positive effects on digitisation and interconnections.



Peel Ports Liverpool 2 container terminal, with positive effects on passenger and freight transport.



High-speed broadband for Andorra - with positive effects on digitisation and interconnections.



RESEARCH AND DEVELOPMENT

In recent years, Tratos has carried out intensive industrial research and experimental development, through multi-year projects, with the aim of developing and improving innovative products, thereby increasing the company's know-how and contributing to sustainability.

NUCLEAR FUSION - SUPERCONDUCTORS - DTT (DIVERTOR TOKAMAK)

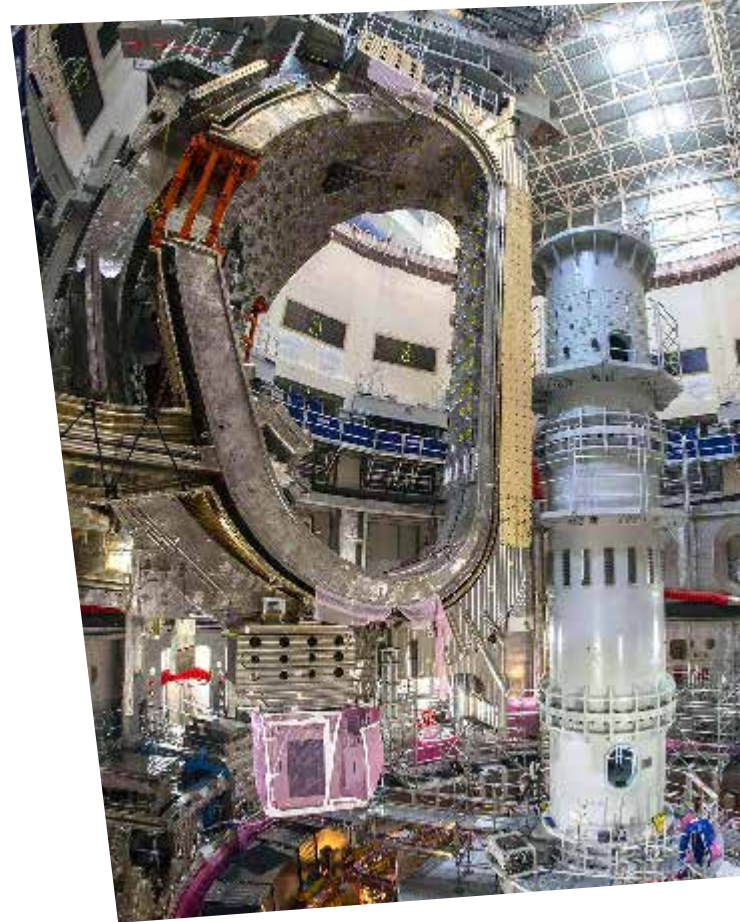
Nuclear fusion is seen as one of the best ways to ensure a large-scale, safe, environmentally friendly and inexhaustible source of energy. Demand for energy will rise sharply in the coming decades, but we will have to move away from the use of fossil fuels in order to achieve NetZero. To date, the most advanced way of harnessing fusion energy is with Tokamak machines, where nuclear reactions take place within a toroidal plasma that must be confined in the reaction chamber by an intense magnetic field.

Tratos worked on the production of superconducting cables for the **Fusion for Energy** project, which aims to generate controlled thermonuclear fusion with **International Thermonuclear Experimental Reactors (ITER)**. The ITER facility is to build a reactor capable of producing 500 MW of power from nuclear fusion, the same process that powers the sun and stars.

Tratos is one of the international partners of the **ICAS consortium**, which includes **ENEA** (National Agency for New Technologies) and the Piedmont-based company **Criotec Impianti SpA**. ICAS's goal is to obtain superconductors capable of withstanding magnetic fields of up to 12 Tesla and high neutron and temperature loads.

Currently in the field of physics experimentation for magnetic confinement, Tratos is collaborating with ENEA, along with universities and other Italian research organisations, in the construction of the **prototype of the DTT (Divertor Tokamak Test- Divertor Tokamak Test facility reactor)**, an infrastructure of strategic importance in the 'road map' towards energy production from nuclear fusion processes. In fact, the DTT acts as a link between the major international projects **ITER** and **DEMO**. The DTT was created to tackle one of the crucial missions on the path of development of the DEMO prototype reactor (the successor to ITER, the first fusion demonstration power plant in Europe), in which it will be necessary to manage the significant flow of heat that will be carried by charged particles onto the outer walls.

Obviously, it must be demonstrated that the performance in terms of heat dissipation capacity will be achieved without adversely affecting in any way the good confinement of the fuel inside. **DTT will be Europe's leading Tokamak** and the most comprehensive and flexible experiment in the world to address and solve the problem of disposal of residual heat: the first plasma is expected to be set up in 2025 and to operate at full power within approximately five years.



FIBER CABLE 4.0 PROJECT

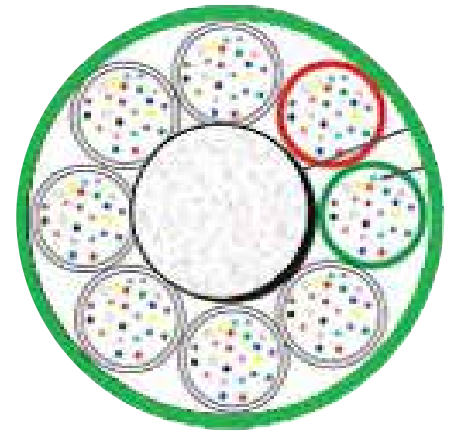
The Fiber Cable 4.0 project has involved the design, development and production of innovative fibre optic cables for high-performance data transmission with zero release of toxic substances in drinking water, to enable the adoption in Italy of 5G connection technologies and higher given the existing infrastructural constraints.

The use of such innovative cables, with the adoption of 5G and higher connections, will help **strengthen the infrastructure communication network, implementing the digitisation of the country**, according to Industry 4.0. Such cables in fact contain a higher number of optical fibres than standard cables within the same amount of space. This is essential in order to be able to **adapt the use of cables to the infrastructure already in place** in Italy, avoiding rebuilding where not necessary.

Another objective of the project, in the interest of sustainable development, was to reduce the thickness of the tubes that make up the fibre optic cable, which resulted in a reduction in the amount of material required to produce a cable with higher than standard transmission power.

The FiberCable4.0 project involved the pooling of expertise of various companies and universities of excellence in Tuscany in the period between 02/11/2020 - 31/12/2022.

The project was co-funded by POR FESR 2014-2020 - action 1.1.5 sub-action a1 - Call for proposals 1 "Strategic Research and Development Projects" approved by Executive Decree no. 3647 of 04.03.2020, amended and supplemented by Executive Decree no. 5899 of 17.04.2020 - Project "Innovative fibre optic cables for high-performance data transmission with zero release of toxic substances in drinking water, to enable the adoption in Italy of 5G connection technologies and higher given the existing infrastructural constraints", Acronym "FiberCable4.0". Project implementation period: 2020-2022²².



Combustion chamber - prototype project by OPUS Automazione - partner of the FiberCable4.0 project. It makes it possible to test single components, without the need to industrially produce the hollow core, thus saving material.

Other partners:

LASI, NEST

Scuola Normale Superiore (PISA)

Laboratorio Chimico Biologico srl



Project co-funded by the Regional Operation Programme EFRD 2014-2020



Regione Toscana



²² Total budget for the project: €. 2,989,557.36

Budget of Tratos Cavi S.p.A.: €. 1,329,137.00

Financial support received from Tratos Cavi S.p.A.: €. 332,284.25

CAPACITY

The aim of the Capacity project was to develop innovative polymer-based compounds for the transmission of energy (high, medium and low voltage power cables) and information (telecommunication and data transmission cables). These manufactured cables had to serve multiple purposes, such as insulation, protection, mechanical reinforcement and fire resistance. In addition, these cables had to ensure better performance and sustainability over their entire life cycle. Innovative compounds were designed and implemented to achieve these goals. In these compounds, polymers from fossil sources have been replaced with bio-based polymers, increasing the sustainability of the compound base.

In addition, nano-fillers were used in the production of the compounds, which led to easier recycling of the material at the end of its life, better processability of the nano-composites, and a reduction in energy consumption and processing costs.

Project financed by REGIONE TOSCANA BANDI RS - Regional Operation Programme EFRD 2014-2020. The project started in 2016 and ended in 2019.



ICEPHOBIC CABLES

Tratos is working to develop new technologies for reliable, sustainable and resilient infrastructures, as stated in point 9 of the SDGs: developing solutions for mitigating the effects of heavy loads of snow on conductors and guard ropes.

Tratos, working in collaboration with Ricerca Sistema Energetico (RSE) since 2017, has developed possible solutions to mitigate the effects of snow deposits on conductors and guard ropes - Icephobic cables. Such overloads, often due to the formation of sleeves of snow and ice on overhead line conductors, can lead to blackouts, the failure of facilities, and prolonged disruptions to service.

The products that Tratos proposed for trials on TERNA's line, have two characteristics that ensure their icephobic properties: the surface discontinuity principle and the hydrophobicity of the coating. In particular, the new concept of the icephobic rope alternates 'bare' metal wires with wires coated with a fluorinated polymer - ETFE - known as TEZFEL (fluoropolymers are known for their high chemical stability, low reactivity, high hydrophobicity, resistance to abrasion and shear, resistance to cryogenic temperatures and resistance to continuous operating temperatures of up to 250°C). ETFE has greater mechanical strength than other similar fluoropolymer resins such as PTFE.

While the high performance required to reach and maintain these infrastructures has led to the choice of fluoropolymers such as ETFE, the use of fluorinated materials has aroused a great deal of debate due to the environmental problem of pollution of PFAS (per- and poly-fluoroalkyl substances).

The proposed REACH restriction of the use of around 10,000 per-e polyfluoroalkyl substances²³ submitted to ECHA (European Chemicals Agency) is subject to continuous monitoring by Tratos. The scientific and economic evaluations of the proposed restriction were carried out with a focus on fluoropolymers.

Indeed, fluoropolymers have different physical and toxicological properties from other substances belonging to the broader group of PFAS considered in the proposed restriction. Fluoropolymers fulfil the criteria set out by the Organisation for Economic Cooperation and Development (OECD) for Low Concern Polymers: they are chemically and biologically stable i.e. they do not break down into smaller PFAS molecules in the environment. They are stable in air, water, sunlight and chemical and microbial environments, and are non-bioaccumulative (as very large molecules) and non-toxic.



²³ The proposal was prepared by the authorities of Denmark, Germany, the Netherlands, Norway and Sweden and submitted to ECHA on 13 January 2023. It aims to reduce PFAS emissions into the environment and to make products and processes safer for people (<https://echa.europa.eu/it/-/echa-publishes-pfas-restriction-proposal>).

ENVIRONMENTAL RESPONSIBILITY

TM4

A SUSTAINABLE AND CIRCULAR VALUE CHAIN

POSITIVE IMPACTS

Tratos is at the forefront in the design and production of innovative cables according to market trends in sustainability and circularity. The ever-increasing demand of customers for such solutions, also in view of the current global situation, poses challenges involving the entire value chain.

NEGATIVE IMPACTS

Risk associated with the lack of continuity in the sustainability of the value chain with negative economic, social and environmental effects.

STRATEGIES

Tratos is already trying, and will continue to try, to strengthen its value chain through collaborations with its suppliers and the search for new suppliers. Tratos is widening its range of recycled materials to include recycled metal materials and, in the case of plastics, is intensifying its search for urban post-consumer materials.

The production chain must relate with the environment in a responsible manner, reducing the use of raw materials, recycling water and processing waste when possible, and using high-efficiency plants and energy from renewable sources. Although the matter is complex, one must aspire to reduce the ecological effect of industrial production on the raw materials directly supplied by the planet.

Sustainable management is strongly expressed in the concept of quality. In fact, Tratos remains attentive to the regulations (ISO 14001, EMAS, ISO 14064 and ISO 14067) on respect for the environment and sustainable development. The group annually sets itself a series of objectives and improvement actions to be achieved in order to increasingly optimise its environmental performance and spread awareness of health and safety at the workplace.



RESPONSIBLE SOURCING

Good management of the supply chain ensures an important level of control of the flows of **inbound materials**, allowing improved operational performance and lower costs, with a positive effect on competitiveness. Tratos is committed to forming close relationships with its strategic suppliers and establishing a shared organisational process that also integrates **ESG principles**, for the entire supply chain.

Why is it important to manage the supply chain in a sustainable way?

The inordinate exploitation of our planet's limited resources of raw materials and the exponential growth of the world's population has led to the search for new sustainable models of production that depart from the current linear economic model. The model of **circular economy** brings increased employment, resilience and prosperity, while reducing greenhouse gas emissions, waste and pollution. It gives us the tools to tackle climate change and biodiversity loss together, while addressing important social needs.

Tratos is constantly searching for innovative materials for the production of ever more sustainable cables. A large part of our R&D is dedicated to improving the ecological credentials of our cables. The supply chain is the dimension in which the company can have a positive influence, in its own interest and in that of its stakeholders and society, through actions guided by ESG principles. This is because the extraction and use of raw materials has a strong impact on the environment and increases energy consumption and CO₂ emissions (see Misura delle emissioni).

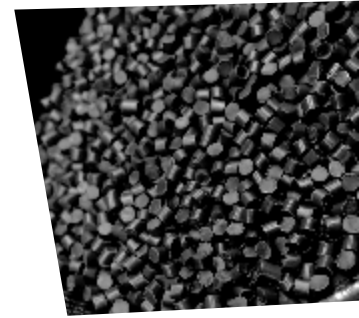
Tratos uses **two main categories of raw materials: plastic materials and metal materials.**

To implement the circular economy, Tratos started by designing new, innovative and sustainable cables. In recent years, it has committed to a policy of purchasing **plastic materials** of plant origin and recycled materials for the construction of cables with *more sustainable sheathing* (in the coming years, it will also implement such materials in other components of cables e.g. insulation).

The types of plant-derived materials are defined as **Bio Attributed** (generated from plant-derived materials, such as sugar cane, maize, etc.) and **Bio-Circular Attributed** (recycled from plant-derived waste material). Recycled materials from non-renewable resources, instead, are defined as **Circular attributed**.

For the management of these more renewable plastics, the **ISCC+**²⁴ (International Sustainability & Carbon Certification Plus) certification allows us to demonstrate the sustainability of our products by controlling the entire supply chain. The principles guiding ISCC+ certification are to combat the most serious impacts of the climate crisis, reduce deforestation and foster the development of a true circular economy.

PLASTIC MATERIALS



METAL MATERIALS



VEGETABLE ORIGIN



RECYCLED



²⁴ Tratos Cavi and Tratos HV are ISCC+ certified (see Table 3)

Furthermore, the classifications of recycled materials are constantly evolving, distinguishing between the categories of recycled plastic material, *post-industrial and post-consumer urban* material²⁵.

The other macro category of materials that Tratos uses in the development of sustainability of its cables are **metal materials**.

From an environmental point of view, recycled metal materials, both Copper and Aluminium, represent major and important components within the Tratos supply chain. Therefore, in order to increase the sustainability of certain types of cables and significantly reduce the CO₂ footprint emitted during the entire production process, Tratos will, in the coming years, purchase metal raw materials consisting of a percentage of recycled material. The percentage of recycled material can be certified by various bodies, such as **SCS global service - Certified recycled content**.

In order to ensure a *sustainable supply chain* that respects ethical, economic, environmental and social principles throughout the value chain, Tratos adopts appropriate criteria to evaluate its suppliers and ensure a sustainable and responsible supply chain:

From an *ethical* point of view, Tratos aims to ensure a 'conflict-free' supply chain, i.e. one that does not contribute to fuelling armed conflicts in high-risk areas of the world.

Conflict Minerals are raw materials or minerals that come from a particular part of the world where a conflict is taking place and affect the extraction and trade of these materials.

Conflict Minerals are *tin, tungsten, tantalum and gold*, known as **3TG**, which are mined in eastern Congo.

Current legislation and initiatives established by regulatory organisations are determined to keep conflict minerals out of industrial supply chains, requiring companies to provide proof of the origin of their minerals, to prove that they do not come from conflict-affected regions, and to demonstrate that their trade has not contributed to the financing of these armed groups in the DRC. This helps to improve the due diligence of companies operating in Western countries.

The new EU Conflict Minerals legislation obliges all European importers of minerals and metals containing 3TG to carry out checks to ensure that due diligence obligations are met by their suppliers.

Tratos sources **tin** and continuously checks that the supply chain it sources the tin from is always covered by the Conflict Minerals Reporting Template (CMRT), a reporting template that facilitates the transfer of information through the supply chain, regarding the country of origin of the minerals and the smelters and refineries used. The CMRT also facilitates the identification of new smelters and refineries that could potentially be audited.



Figure 2: SCS global service - Certified recycle



Figure 3: Conflict Minerals Reporting Template (CMRT)

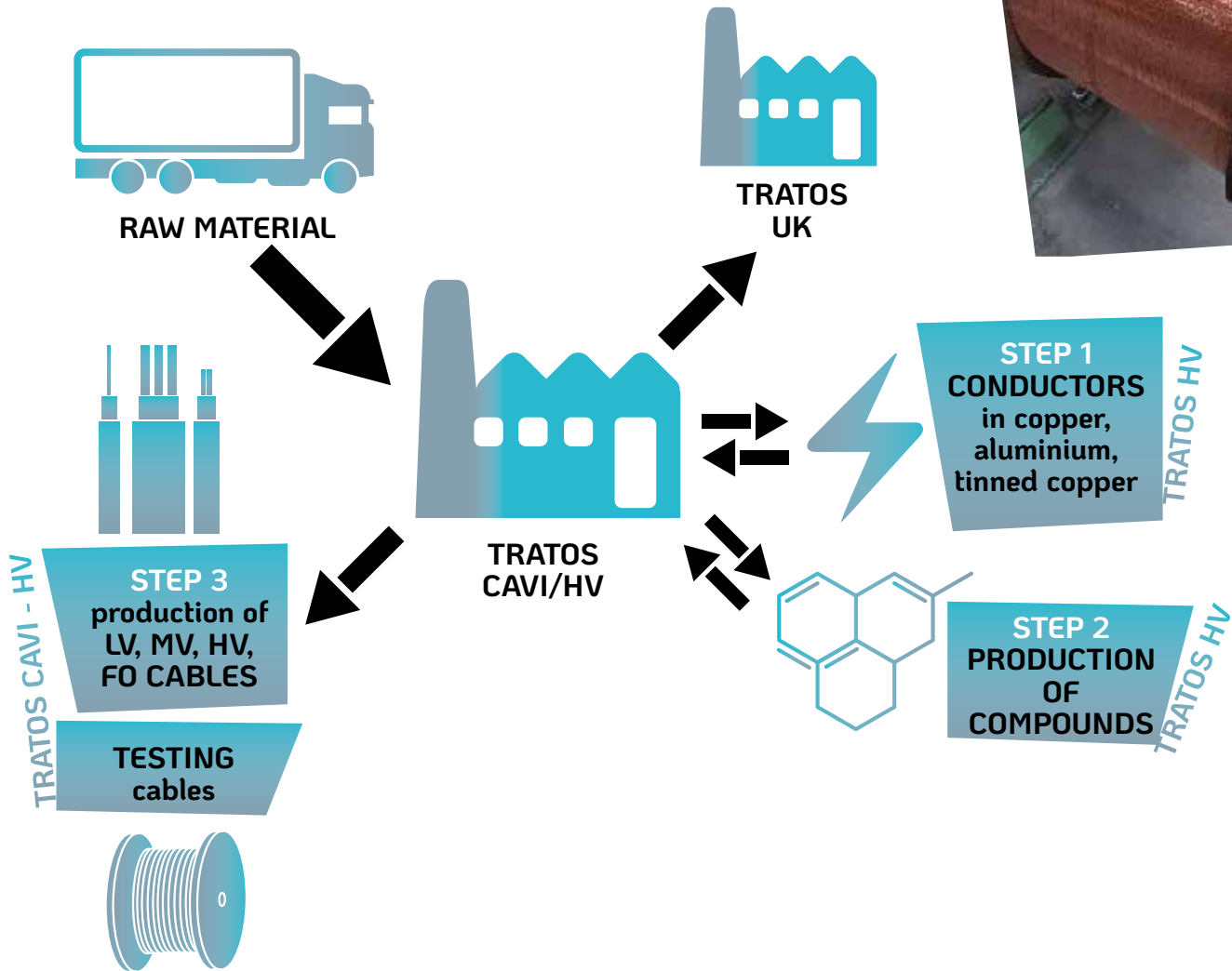


25 Certification . ISCC System Updates. ISCC International Sustainability&Carbon Certification, 07/03/2023, www.iscc-system.org/updates/07-march-2023

THE PRODUCTION PROCESS

Tratos Cavi and Tratos HV handle all the purchased raw materials. The various components are then sent to the specific departments of the company for processing. The raw material is also sent to Tratos UK Ltd²⁶.

- 1) **Production of conductors – in the metallurgy department** metals in the form of copper, aluminium and tinned copper wire rod are sent to the METALLURGY department to make the conductor



²⁶ Tratos UK Ltd has not been included in the current reporting of 2022, but has been included in the chart to show comprehensively how the raw material is distributed after its purchase.

- 2) **Compounds department – production of compounds** - sheaths and insulators - mechanically mixing (with Banbury mixer) different components such as plastics and additives (inorganic fillers, antioxidants, anti-UV, etc.).



3) **Production of the energy cable**



4) **Testing (Farady Cage)**



5) **Production of the fibre optic cable**



THE RAW MATERIALS

Tratos considers the environment when purchasing raw materials. Tratos has recently been researching alternatives to non-renewable materials²⁷, and therefore purchasing recycled materials, materials of biological origin or materials produced with the use of renewable energy sources.

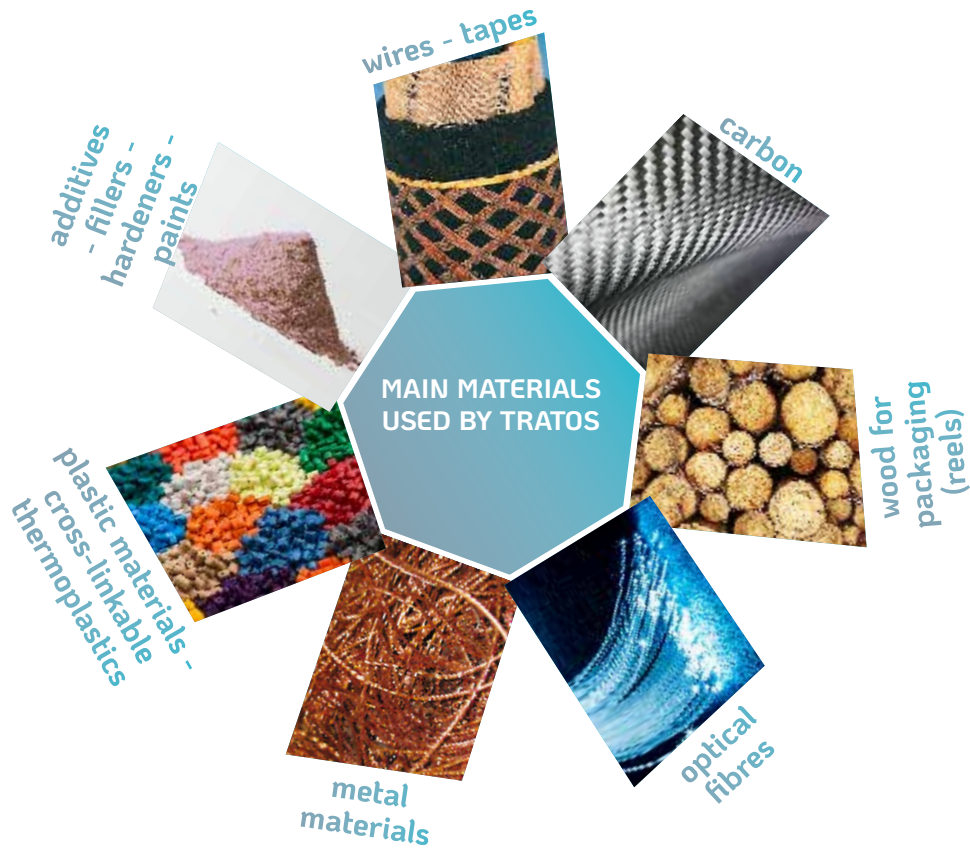
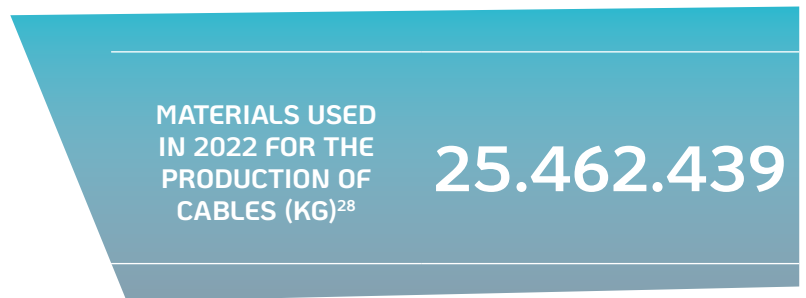


Table 4 Types of main materials used by Tratos

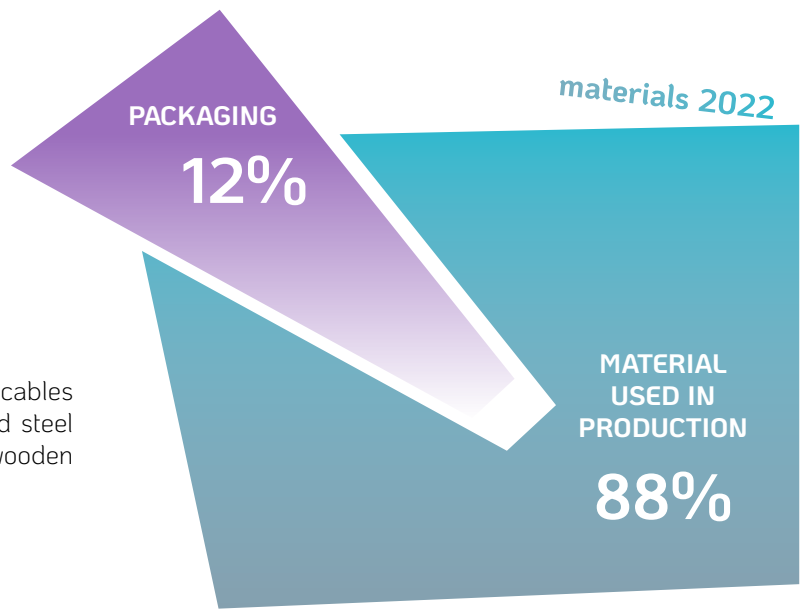


The materials purchased are mainly non-renewable, such as metals, minerals, fibres and plastics of fossil origin. The renewable materials²⁹ purchased, instead, are wood used in packaging and plastics obtained from plant sources.

²⁷ Non-renewable material is a resource that does not regenerate in short periods of time.

²⁸ Analytical data of the weight of materials used for production at Tratos, extrapolated from the Data Processing Centre. Raw materials are purchased externally.

²⁹ Renewable materials (according to GRI 301 - Material derived from abundant resources that are rapidly replenished through ecological cycles or agricultural processes so that the services provided by these and related resources are not compromised and remain available for future generations).



The most commonly used packaging for transporting cables are reels. Tratos uses two types of reels: wooden and steel (steel reels are used during in-house processes, while wooden reels are used for delivery of the finished product)

FOCUS ON RECYCLING AND CLIMATE CHANGE

The wooden reels are procured locally, from a company in Pieve Santo Stefano.

Wooden reels are used for delivering cables to customers and are often **recovered** and **reused**, depending on their condition, and are reintroduced into the company's production cycle.

23% percentage of recovered packaging in relation to total packaging in 2022

Tratos has also implemented a policy to reduce the use of wood as much as possible for the delivery of cables to customers. The wooden slats used to protect the cable wound on the reel can be replaced with a recycled material called **Propaflex**. This innovative material is a plastic sheet made from recycled and 100% recyclable materials, and is specially designed to provide total, high quality protection for those products that are packaged in rolls, such as our cables.

NO. OF WOODEN REELS USED IN 2022	WEIGHT OF WOODEN REELS (KG)
45,118	3,407,478

NO. OF REELS RECOVERED AND REUSED	WEIGHT OF RECOVERED AND REUSED REELS (KG)
6113	809,232



WOODEN SLATS SAVED BY USING PROPAFLEX	247,083 Kg
---------------------------------------	------------



441,220 dm³
of wood saved
EQUAL TO 427 TREES

30

Recycling is a good way to achieve sustainability because it reduces the need to use natural resources and raw materials and helps prevent and solve pollution.

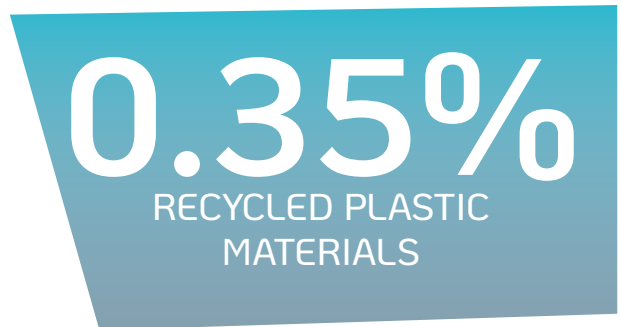
Plastic products are not an officially recognised source of greenhouse gas emissions (GHGs), so they are not directly associated with climate change. But all the processes related to the life cycle of plastics, such as extraction, refining and production, and even incineration and disposal, are carbon-intensive and release toxic pollutants³¹.

0.13% recycled materials out of the total raw material used in Tratos

0.35% recycled plastics compared to the plastics used in Tratos

The plastic materials that Tratos purchased in the current reporting year have a very low weight compared to the weight of metal materials.

One of Tratos' future goals, therefore, will be to expand the range of recycled materials to include **recycled metal materials**, which will be used in the production of copper and aluminium conductors and lines.



30 Calculation reference: CHEP - a Bramble company

31 Plastic & Climate: The Hidden Costs of a Plastic Planet, 2019

ENERGY AND EMISSIONS

MEASUREMENT OF ENERGY³²

ENERGY CONSUMPTION WITHIN TRATOS	INTERNAL ENERGY CONSUMED (GJ)		
	Tratos Cavi (PSS)	Tratos Cavi (CT)	Tratos HV
ELECTRICITY EE CONSUMED	6126	12040	35472
METHANE CONSUMED	46194	10964	19701
LIQUID FUEL	150	7.2	43.0
COMPANY CARS	569	-	-
ENERGY CONSUMPTION WITHIN TRATOS	2022 - INTERNALLY CONSUMED ENERGY (GJ)		
	on road	on ship	
INLAND TRANSPORT	2663	15684	
ENERGY CONSUMPTION OUTSIDE TRATOS	2022 - EXTERNAL ENERGY CONSUMED (GJ)		
	Road	Ship	
RAW MATERIAL TRANSPORTED IN TRATOS	19449	8,649,261	
DELIVERY TO THE CUSTOMER	24,777	3,285,924	
WASTE DELIVERED	669.7	-	

Energy intensity represents the ratio of total energy consumption within the organisation per kilometre of cable produced during the year 2022.

ENERGY INTENSITY (INTERNAL)	
Internal energy consumption	149613 GJ
Cables produced 2022	54,937 km
Energy intensity	2.72 GJ/Km

³² Energy conversions: National Standard Parameter Table, Coefficients used for the inventory of CO₂ emissions in the UNFCCC National Inventory (average of values for the years 2019-2021). These data can be used to calculate emissions from 1 January 2022 to 31 December 2022.

Conversion of energy consumption

Methane	35.337 GJ/1000 Stdm ³
Electricity	0.0036 GJ is 1 kWh
Diesel	42.873 GJ/ton

Other conversion values

Diesel density	0.835 kg/L
Car consumption	2.8 km/L
Ferry speed	20 knots (37 km/h)
Cargo ship speed	25 knots (46 km/h)
Ship consumption	10000 L/h

ENERGY PRODUCED BY COGENERATOR AND TRIGENERATOR

Cogeneration is the combined production of electricity and heat from the same primary energy (e.g. natural gas), which guarantees significant energy savings compared to separate production. Trigeneration is an extension of cogeneration, i.e. combined production of electricity, heat and air/chilled water.

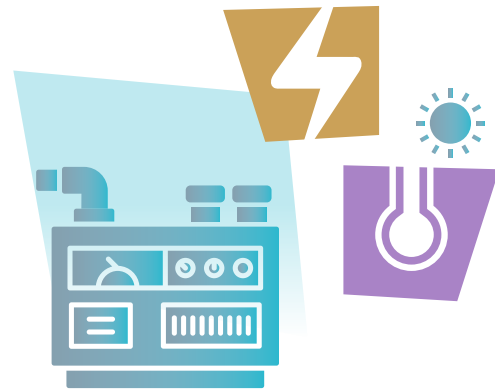
Unlike conventional thermal power plants, where the production of electricity by burning fuel is between 30-55% efficient and results in a loss of thermal energy that is lost as heat, in cogeneration most of the heat is recovered and utilised, increasing the energy yield to 60-90%. Switching to a CHP unit can save up to 30% on energy costs, as well as cutting carbon dioxide (CO₂) emissions³³.

Evolution of High Yield Cogeneration (CAR):

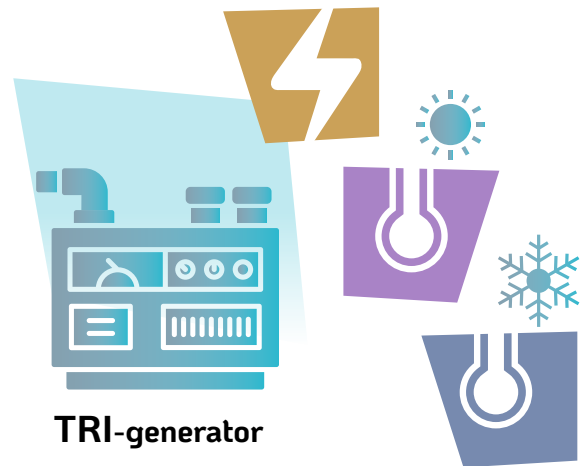
- Directive 2004/8/EC transposed by Italy and in force since 2011
- Directive 2012/27/EU transposed in Italy by Legislative Decree. 102/14
- National Energy Plans, L.D. 112/2008 and Decree 8 March 2013 - National Energy Strategy (SEN 20-20-20: GHGs reductions, renewable development, energy efficiency)

Increasing energy efficiency can help achieve the greenhouse gas reduction target. According to Law 308/82 (1982) and later with Laws 9/91 (1991) and 10/91, the following are also regarded as energy sources assimilated with renewable energy sources: cogeneration, understood as the combined production of electrical or mechanical energy and heat.

Tratos has a cogenerator in operation at Tratos Cavi in Pieve Santo Stefano and a trigenerator at Tratos HV³⁴. The fuel used for running the cogenerator and trigenerator is methane³⁵.



CO-generator



TRI-generator

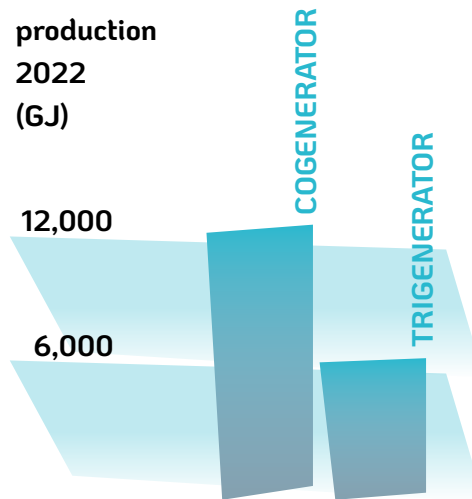
RENEWABLE ELECTRICITY PRODUCTION ³⁶ (GJ)	COGENERATOR OF TRATOS CAVI (PSS)	TRIGENERATOR OF TRATOS HV
	12722	5962

³³ <https://www.enelx.com/it/it/faq/cosa-e-impianto-cogenerazione-quali-sono-principali-benefici>

³⁴ Details of the breakdown of fuel used in the production of electricity, heating energy and cooling energy are currently not available.

³⁵ Methane fuel taken from the national grid is metered to monitor the amount of energy consumed within the company (GRI 302-1), while the energy produced by the co-generation plants is not metered, to avoid double metering. When reporting emissions, methane fuel taken from the national grid is metered in Scope 1 to quantify the company's direct emissions (GRI 305-1).

³⁶ L. 9 January 1991, no. 1



RATIO OF RENEWABLE ENERGY TO TOTAL ENERGY CONSUMED (RER%) FOR 2022

TOT ELECTRICITY CONSUMED [KWH]	20040106
TOT ENERGY CONSUMED AND PRODUCED BY RENEWABLES (CO-GENERATION) [KWH].	5190020
RER%	26%

The tri-generation plant has suffered downtime as a consequence of the uncertain situation for natural gas supplies since early 2022. Downtime of the plant has led to a fairly low RER%.

MEASUREMENT OF EMISSIONS³⁷

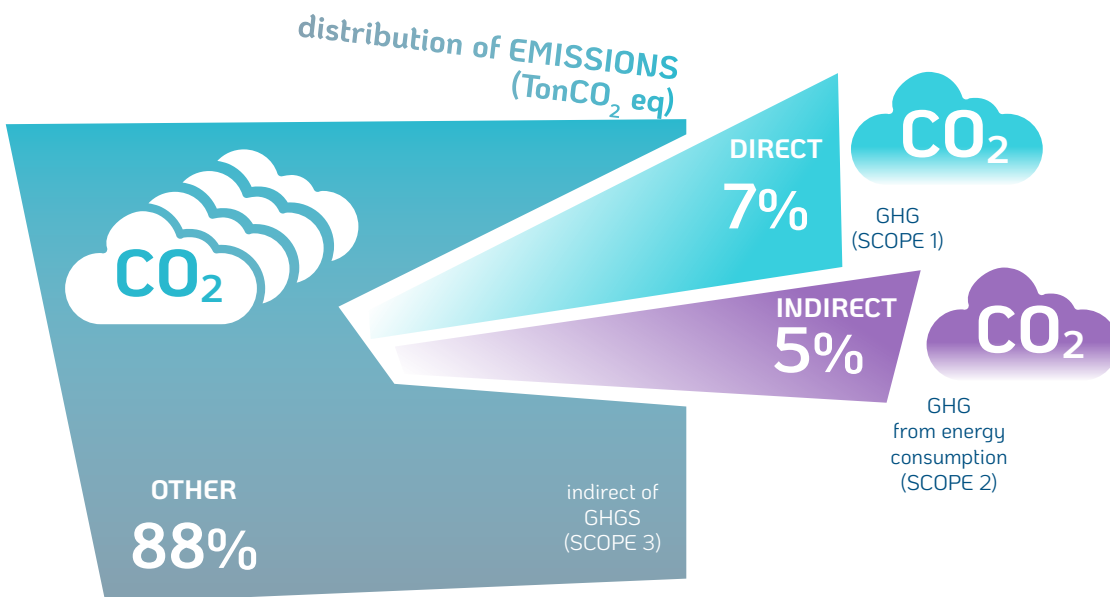
CO₂ emissions are the main driver of **global climate change**. It is widely recognised that to avoid the worst impacts of climate change, the world must urgently reduce emissions.

The company works to bring greener, cleaner and more affordable recycling solutions to all the industries it produces for, from ports and the sea to mass transportation and communications.

³⁷ For energy conversions: National Standard Parameter Table, Coefficients used for the inventory of CO₂ emissions in the UNFCCC National Inventory (average of values for the years 2019-2021). These data can be used to calculate emissions from 1 January 2022 to 31 December 2022.

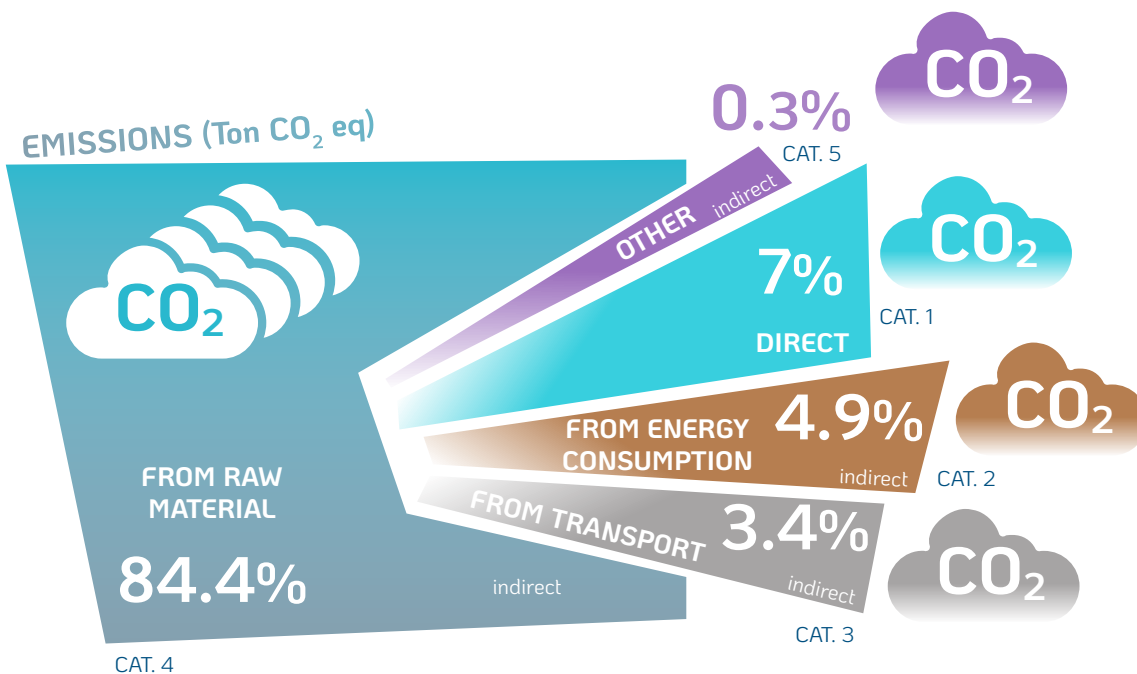
The emissions produced by Tratos are shown in the tables below.

DIRECT GHG EMISSIONS (SCOPE 1)	TOT (TONCO ₂ EQ)
Purchased energy Methane (Smc)	
Internal transport (Km)	5247.1
Forklifts (Km)	
INDIRECT GHG EMISSIONS (SCOPE 2)	TOT (TONCO ₂ EQ)
Energy purchased EE (KW/h)	3660.7
INDIRECT GHG EMISSIONS (SCOPE 3)	TOT (TONCO ₂ EQ)
Raw material (RM) purchased (Kg)	
Transport of RM (Km)	
Water (dmc)	
Employee travel (Km)	
Production of waste (Kg)	65986.8
Transport of waste (Km)	
Delivery to customers (Km)	
Packaging (Kg)	
EE Grid Losses	
Losses of consumption of methane for heating	
GHG EMISSIONS (SCOPE 1, 2, 3)	TOT (TONCO ₂ eq)
	74894.7



Distribution of emissions according to ISO 14064:2018

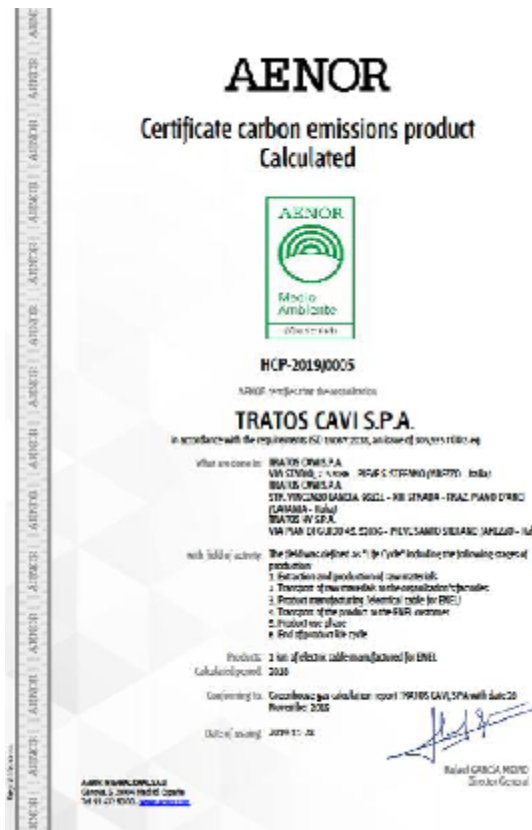
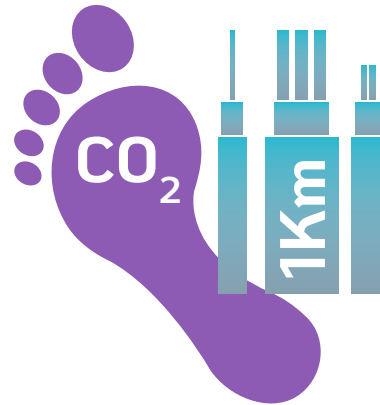
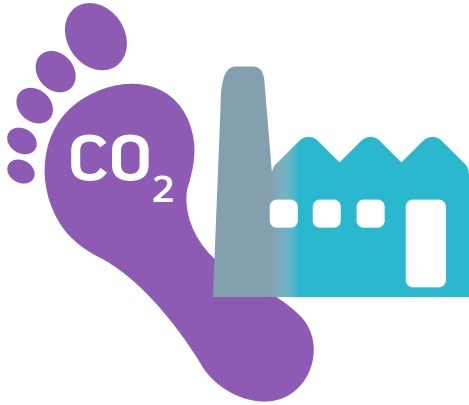
GHG EMISSIONS - CAT CRITERIA	TONCO ₂ EQ
CAT.1: Direct emissions	5247.1
CAT.2: Indirect emissions from energy consumption	3660.7
Cat.3: Indirect emissions from transport	2557.3
Cat.4: Indirect emissions from raw materials	63182.3
Cat.6: Other indirect emissions	247.2
TOT	74894.7



TRATOS' CARBON FOOTPRINT

- Tratos is able to determine the carbon footprint of each cable produced, and therefore the level of greenhouse gases (GHGs) released into the environment. The Kyoto Protocol defines six groups of greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF₆) and Perfluorochemicals (PFCs). The unit of measurement for calculating the carbon footprint is CO₂eq, which allows the emissions of different greenhouse gases to be weighed together.
- These first steps are the principle to promote sustainable development and to provide a positive impact on the environment.

- In 2019, Tratos obtained the accreditation UNI EN ISO -14067 'Greenhouse gases – Carbon footprint of products – Requirements and guidelines for quantification' and UNI EN ISO-14064 'Greenhouse gases'.
- ISO-14067 defines the principles for quantifying and communicating the Carbon Footprint of a Product (CFP) while ISO -14064 aims to manage, report and verify data and information related to the total emissions of Greenhouse gases (GHGs).

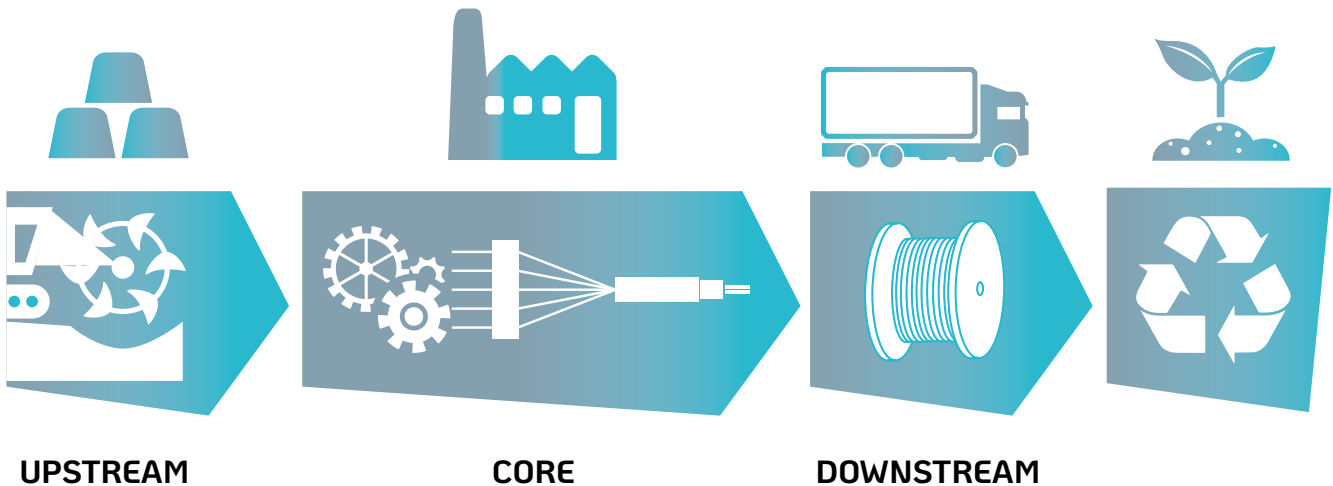


ENTERING THE CFP

Tratos quantifies greenhouse gas emissions according to its reference unit, 1 km of cable. Greenhouse gas emissions associated with the production process of the individual cable are expressed in **tonCO₂ eq/Km**.

The total emissions of CO₂ eq from the production of Tratos cables are the sum of three macromodules: Upstream, Core and Downstream.

- **Upstream**, processes upstream from the manufacture of the product under analysis (RM used, transport of RM to the company, packaging of RM)
- **Core**, company processes, i.e. the actual production of the product, which takes place on the company premises (electricity consumption, methane consumption, water consumption, waste production, transport on the premises).
- **Downstream**, downstream processes i.e. the scenarios of the product from the moment it leaves the gate of the company to its 'end of life' (delivery to the customer, distribution, use, disposal, waste disposal).



TRATOS' INTERNAL CASE STUDIES

The calculation of the Carbon Footprint (CFP) is a tool that Tratos uses to estimate the CO₂ eq emissions associated with the cable manufacturing processes.

By calculating the CFP, it is possible to obtain information on the CO₂ eq emissions for the different phases of the Upstream, Core and Downstream processes.

- An example of a case study, related to a **group of cables produced by Tratos**, clearly identifying the contribution of different processes, is shown in Table 5. Example of emission values obtained by calculating the CFP for a group of cables produced by Tratos Table 5 and Figure 4.

Table 5 Example of emission values obtained by calculating the CFP for a group of cables produced by Tratos

TRATOS CASE STUDY	CFP VALUE	%
UPSTREAM	8.58 tonCO ₂ eq	90.75%
CORE	0.71 tonCO ₂ eq	7.48%
DOWNSTREAM	0.17 tonCO ₂ eq	1.77%
TOTAL	9.46 tonCO ₂ eq	100.00%

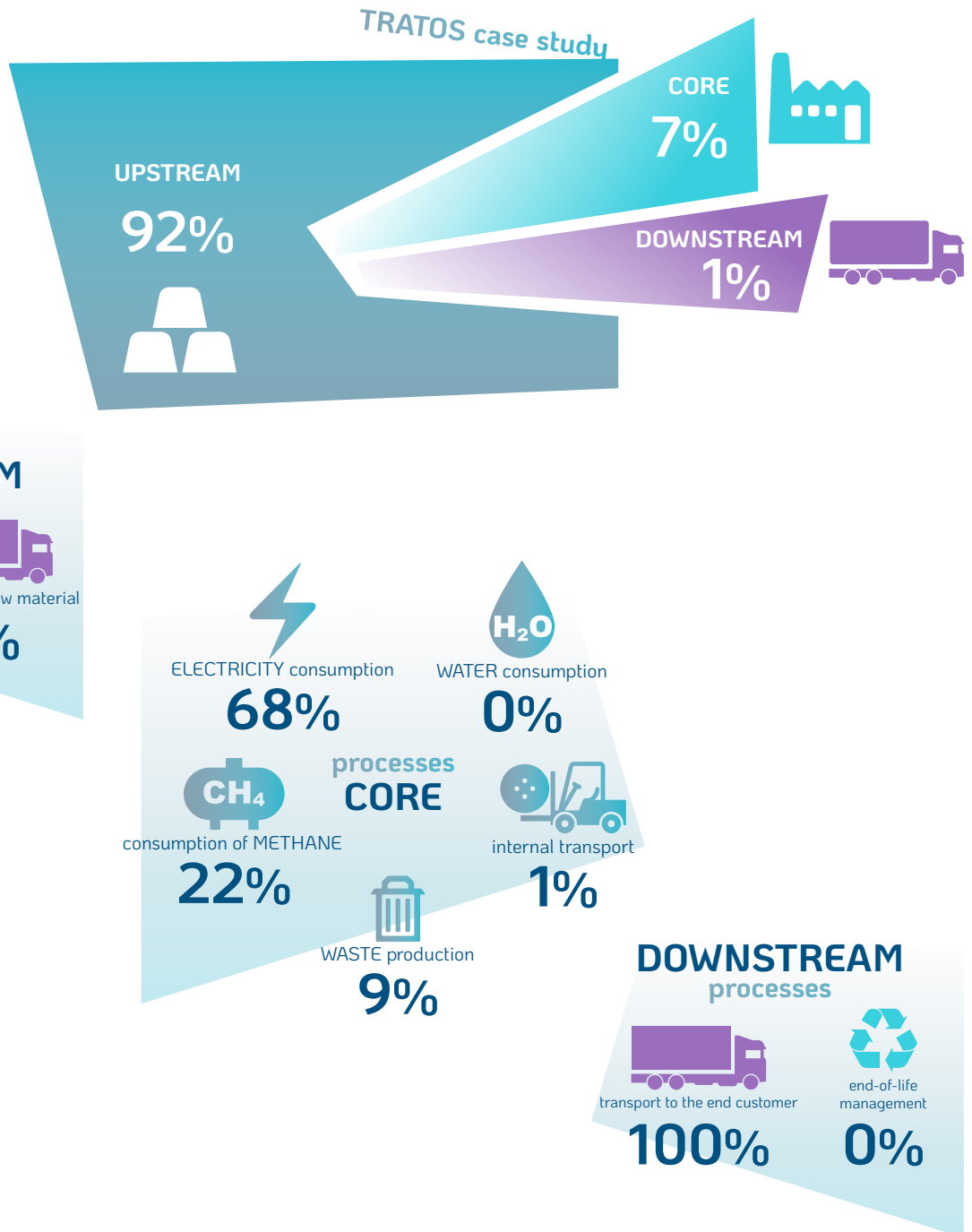


Figure 4 Detail of CO₂ emissions for a case study carried out at Tratos. Emissions are divided into the UpStream, Core and DownStream macromodules, each of which comprises several processes.

From this example, it can be seen that Upstream processes are the largest contributors to CO₂eq emissions. Particularly among the UpStream processes, the largest contribution to emissions comes from RM, more than roughly 90%. Of the Core processes, instead, the largest contributor is electricity (EE) consumption.

Tratos is committed to performing ever more accurate daily CFP calculations. The CFP can be continually improved thanks to the increasing transparency of the processes of the supply chain, starting from the production of RMs up to their transportation, and the better, more detailed knowledge of the processes and the related GHG emissions.

REDUCTION AND OFFSETTING OF EMISSIONS

Tratos has been making great strides in achieving sustainability by developing innovative products and lowering the amount of emissions with the implementation of measures such as: using innovative materials, sourcing materials at shorter distances, using materials of vegetable and/or recycled origin, installing renewable energy plants, and offsetting actions by planting trees.

- In 2021, Tratos planted several hundred trees of various species in an area owned by the company itself, with the aim of offsetting the emissions relating to the production of a group of different types of cables. This intervention allows an absorption of CO₂ of about **8.17 tonCO₂/year**³⁸.
- We have shown that most of the CO₂eq emissions related to cables produced by Tratos are associated with Upstream processes. The emissions related to Tratos' production of 2 different cables (representative of the energy cable category) can be reduced by using **green sheaths**, i.e. sheaths produced from sustainable materials (e.g. plant-based and recycled materials). In the graph, one can observe a lowering of emissions related to the Upstream process by comparing **green cables** with **standard cables**.



Reduction of CO₂ of the production of cables with GREEN sheaths

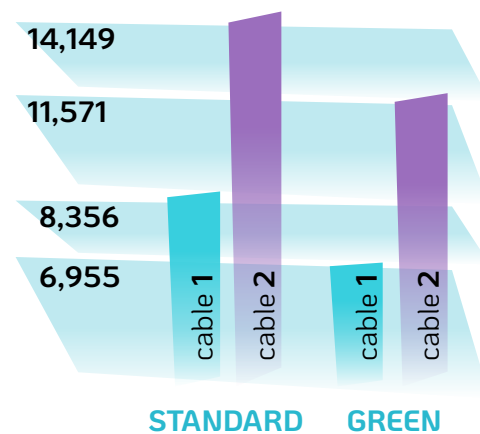
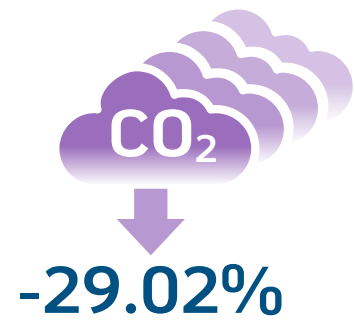


Figure 5 Simulation of CFP calculation to compare the values of Kg CO₂eq/Km emitted for traditional (STD) and green (GREEN) sheathed cables.

³⁸ Source of data for calculation: Regional Plan for Air Quality of the Region of Tuscany and database <https://servizi.toscana.it/RT/statistichedynamiche/piante/>.

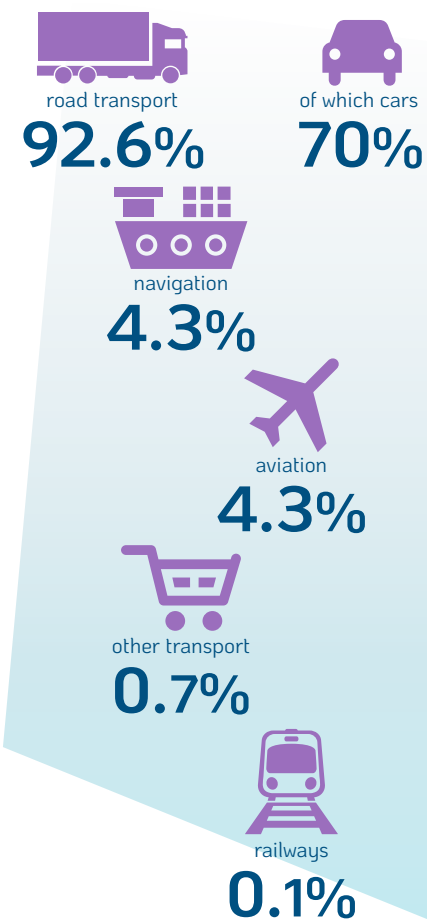
- Here is an example of a group consisting of different types of cables produced at Tratos, with the traditional version (Standard - virgin polymer of fossil origin) and the version with recycled sheathing (Recycled - with recycled plastic material). From the CFP calculation, it was estimated that in the case of Standard cables, total emissions are 84.35 tonCO₂eq, whereas in the case of Recycled cables, this value is reduced by approximately 30% to 59.37 tonCO₂eq. For both cases, Upstream processes account for more than 95 per cent of the contribution to emissions.



	TRADITIONAL CABLES		RECYCLED CABLES		CO ₂ REDUCTION (%)
	CFP value (TonCO ₂ eq)	%	CFP value (TonCO ₂ eq)	%	
UPSTREAM	81.97	97.18%	57.49	96.02%	29.02%
CORE	2.34	2.77%	2.34	3.91%	
DOWNSTREAM	0.04	0.05%	0.04	0.07%	
TOTAL	84.35		59.87		

- One of the actions of Tratos that have had a positive impact on the process of reducing GHGs emissions into the atmosphere has been the collaboration with **Network Rail** in the development of power supply and signalling products for the rail and metropolitan sector in the UK (Current projects and achievements). This indirect action has helped to significantly reduce transport-related emissions.

Emissions of the TRANSPORT sector by type of transport in Italy



THE TRANSPORT SECTOR IS AMONG THE LARGEST CONTRIBUTORS TO GLOBAL GREENHOUSE GAS EMISSIONS, ACCOUNTING FOR 16% OF THE TOTAL. IN ITALY, THE FIGURE IS AROUND 25%. THE COMPONENT MOST RESPONSIBLE FOR EMISSIONS IS **PASSENGER AND GOODS TRANSPORT BY ROAD**: ABOUT 92% IN THE SECTOR AND 75% IN ITALY. MAJOR WORKS SUCH AS RAILWAYS AND METROS PLAY AN ESSENTIAL ROLE IN THE DE-CARBONISATION OF THE TRANSPORT SECTOR.

[<https://www.linkedin.com/feed/update/urn:li:activity:7042781943192506368> – ISPra 2021]

- Among the actions that Tratos will undertake by 2023 in order to reduce electricity consumption and related GHG emissions is the installation of a 1 MW photovoltaic plant at the Pieve Santo Stefano site. Similar plants will also be installed at the Catania site of Tratos Cavi.
- Tratos obtained two loans for the installation of these photovoltaic plants: for the construction of two plants for Tratos Cavi (in Pieve Santo Stefano and Catania) and for the construction of one plant for Tratos HV. These are partially subsidised loans (SACE Green)
- Reduction of CO₂ emissions with the photovoltaic installation project [FtE EE from the national grid 0.2457 KgCO₂eq/kWh, FtE from the production of EE with PV = 0.055 KgCO₂eq/kWh]

SITE	NOMINAL KWH PRODUCED	NOMINAL KWH CONSUMED	TON CO ₂ EQ EMITTED FROM CONSUMPTION OF EE FROM NATIONAL GRID	CONSUMPTION OF CO ₂ FOR PROD. OF EE FROM PV	REDUCTION OF EMISSIONS
TRATOS CAVI VIA DELLO STADIO, PIEVE SANTO STEFANO	494,400	494,400	121.5	27.2	22%
TRATOS CAVI STRADA XIII – ZONA INDUSTRIALE, CATANIA	535600	535600	131.6	29.5	22%
SITE	NOMINAL KWH PRODUCED	NOMINAL KWH CONSUMED	TON CO ₂ EQ EMITTED FROM CONSUMPTION OF EE FROM NATIONAL GRID	CONSUMPTION OF CO ₂ FOR PROD. OF EE FROM PV	REDUCTION OF EMISSIONS
TRATOS HV VIA PIAN DI GUIDO 45, PIEVE SANTO STEFANO	828,000	828,000	203.4	45.5	22%

WASTE MANAGEMENT AND RECYCLING

Tratos is committed to applying **circular economy** practices to reduce its environmental impact, using fewer resources during production and ensuring a longer lifespan for products issued under the Tratos brand, thanks to ongoing research into new technologies.

In recent years, Tratos has been working on the implementation within its supply chain of recycled metal and plastic materials. The most common difficulties encountered are the high costs associated with such recycled materials and the limited availability of these in the market.

Relationships with suppliers become essential to ensure the continuous supply of recycled materials, as does joining multi-year innovative research projects to support such advancements.

Materials that Tratos can no longer use are considered waste and can be handled in either of two ways: they can be sent for recovery and thus be recycled, or they can be sent for disposal.

At Tratos, all metal materials are collected for recycling.

According to the EWC (European Waste Code) that identifies the type of waste, and depending on whether it is classified as hazardous, the waste is entrusted to authorised third parties who take care of its management when it leaves the Tratos plant. The whole process is managed by the company management system, and everything is tracked in the annual Environment Statement Form, generally issued at the end of April each year.

Cables may in some cases become special waste, and must be analysed by external laboratories in order to associate the relevant EWC code with them.

SOURCE OF WASTE AND MEANS OF DELIVERY

Tratos manages the waste it produces during its manufacturing processes in a precise and correct manner in accordance with 183 Legislative Decree 152/06.

WASTE CYCLE waste production

RAW MATERIALS



The waste generated is related to the packaging of incoming raw material

Processes in the metallurgical department can generate metal waste that is recovered, and waste oil from production that is disposed of



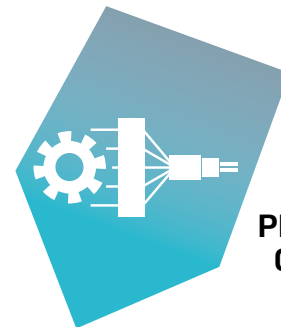
METALLURGICAL

COMPOUNDS



The waste generated is related to the packaging of incoming raw material. In addition, waste may be produced as a result of the Q&C of compounds during production

Waste can be generated during the extrusion of compounds on cables in production (purging)



PRODUCTION OF CABLES

PACKAGING



Waste can be produced during the recovery of packaging that is not suitable for reuse

DISPOSAL CLASS

EWC CODE	QUANTITY (KG)	MACROTYPOLGY
070213	1,000	
070213	164,486	
070213	72,624	Recovered plastics
150102	48,660	
170203	1,300	
130208	7,800	Industrial/commercial waste for disposal
150101	153,900	Recovered paper/cardboard
150103	127,476	Recovered wood
150106	372,210	Waste plastic + waste paper
170401	180,060	
170402	88,183	Recovered metals
170405	94,520	
170406	1,500	
170411	1,277,095	Industrial/ commercial waste for disposal
200121	120	



080111	170.00	
080318	50.00	
120104	2,750.00	
120109	43,000.00	
120301	180.00	
150110	680.00	
150110	4,310.00	
150110	5,350.00	
150202	1,915.00	Industrial/ commercial waste for disposal
150202	420.00	
150203	20.00	
150203	720.00	
160114	2,000.00	
160303	100.00	
160304	360.00	
160708	300.00	
161002	5,000.00	
161002	112,000.00	
160306	650.00	Mixed organic waste for disposal
120105	7,500.00	Plastic for disposal
200301	14,860	MSW for disposal



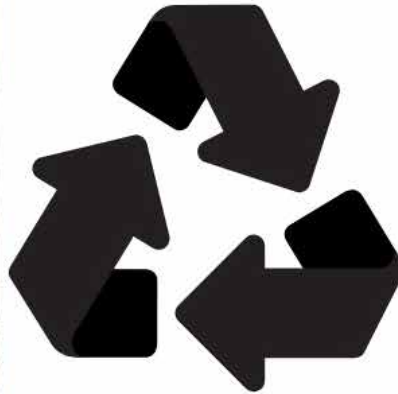
39 R = recovery

40 D = Disposal

	WASTE PRODUCED (KG)	WASTE NOT DESTINED FOR DISPOSAL (KG)	WASTE FOR DISPOSAL (KG)
TOTAL WASTE	2793269	2,590.934	202,035
HAZARDOUS WASTE	-	7,920	63,125
NON-HAZARDOUS WASTE	-	2,583,014	138,910

Tratos is authorised to apply Regulation (EU) no. **715/2013** on criteria determining when certain types of scrap metal (Copper) cease to be waste under Directive 2008/98/EC of the European Parliament and of the Council (End of Waste).

This regulation therefore makes it possible to transport copper, not considered as waste, to smelters and to obtain recycled wire rod again.



**from scraps
to rods**



SOCIAL RESPONSIBILITY

OUR PEOPLE

TMS		HEALTH AND SAFETY	
POSITIVE IMPACTS	NEGATIVE IMPACTS	STRATEGIES	
<p>The health and safety of people are core values for Tratos.</p> <p>Tratos is certified to ISO 45001 - Occupational Health and Safety Management Systems, which guarantees controlled, procedural and structured management of the processes.</p> <p>The health of employees also depends on the value placed on their professionalism and individual contribution, allowing for a more liveable and, consequently, more efficient environment.</p>	<p>The increase in production activity and the constant changing of this could lead to an increase in the health and safety risk for workers.</p> <p>The risk of peak production, of an increased pace of work, must always be kept under control and managed so as to avoid unpleasant consequences.</p>	<p>Tratos constantly monitors the flow of orders and market trends so as to react promptly to any needs.</p> <p>New employees can be readily recruited, when the need arises, thanks to close contact with the local area.</p> <p>Precise information, also of a regulatory nature (both national and international), is obtained to promptly react to any new developments that require changes in the organisational and management structure.</p>	

The company recognises the importance of human resources and believes that a key factor for success and development is the professional contribution of its people.

The company has always placed the professionalism and individual contribution of its people at the centre of its work, giving continuity to a style of relationship that aims to recognise the work of each person as a fundamental element of corporate and personal development.

At the same time, the company places dialogue, the exchange of information - at whatever level -, the enhancement and professional development of its collaborators and the establishment of a corporate identity and sense of belonging at the centre of its daily work

This value involves:

- The creation of a working environment that encourages the contribution and potential of the individual through the gradual empowerment of staff.
- The forming of a relationship system that encourages teamwork.
- The daily effort to share skills and knowledge also through the use of innovative systems.

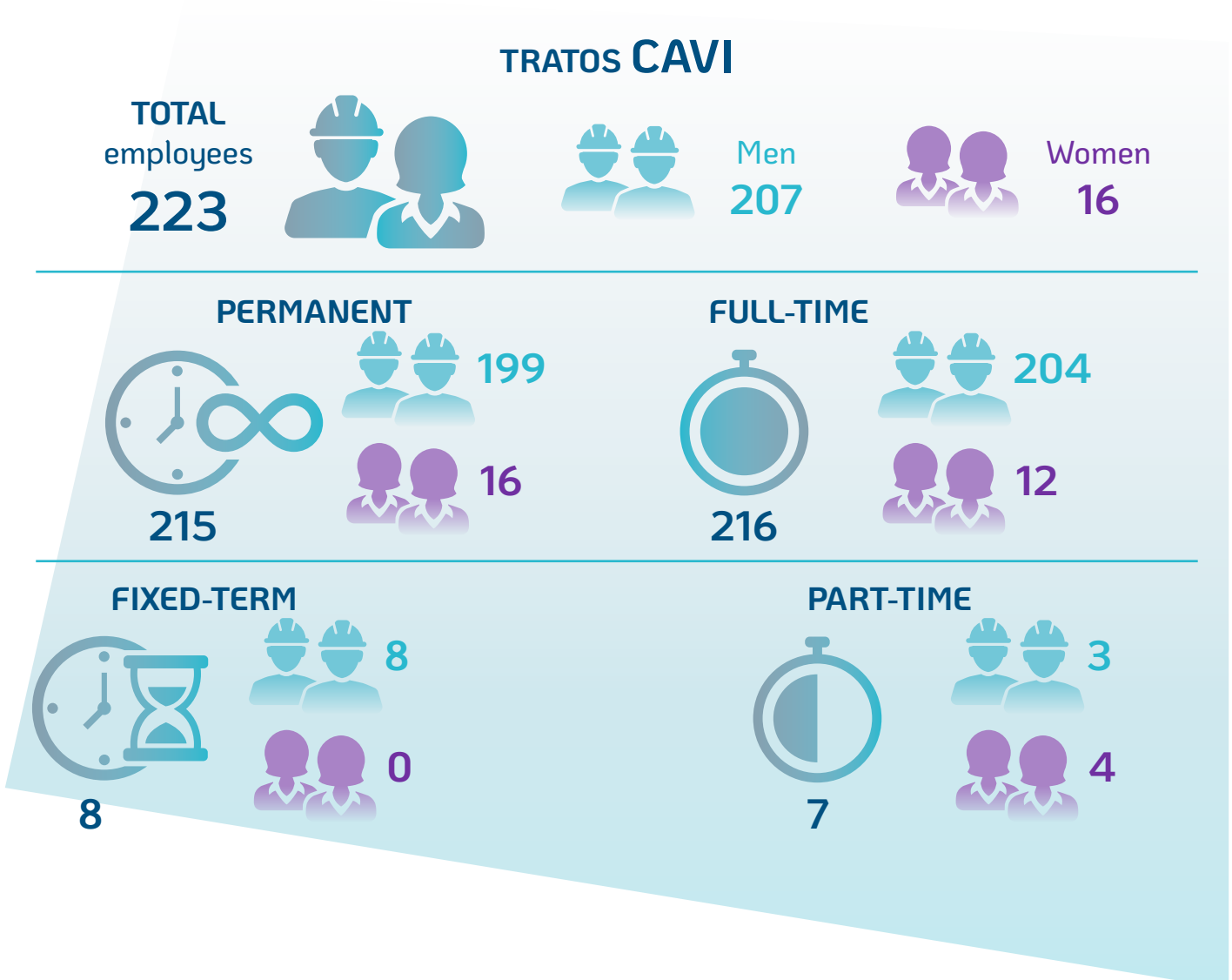


The company attaches the utmost importance to those who work within its organisation and contribute to its growth: because it is only through its human resources that the company is able to provide, develop, improve and guarantee optimal management of its services. Without prejudice to legal and contractual provisions on the duties of workers, employees are required to be professional, dedicated to their work, loyal, cooperative, mutually respectful, and have a sense of belonging and morality.

In the management of contractual relationships involving the establishment of hierarchical relations, our company undertakes to ensure that authority is exercised fairly and correctly and that all forms of abuse are avoided: in particular, the company ensures that authority does not turn into the exercise of power detrimental to the dignity and autonomy of the person. These values must in any case be safeguarded when making choices about the organisation of work.

Information on the number of employees is obtained directly from the INAZ software.

Presentation of data on employees BY GENDER Year 2022



TRATOS HV

TOTAL
employees
90



Men
89

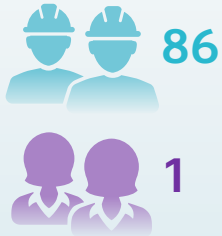


Women
1

PERMANENT



87



FULL-TIME



89



FIXED-TERM



3



PART-TIME



1



TRATOS SRL

TOTAL
employees
9



Men
6



Women
3

PERMANENT



9



FULL-TIME

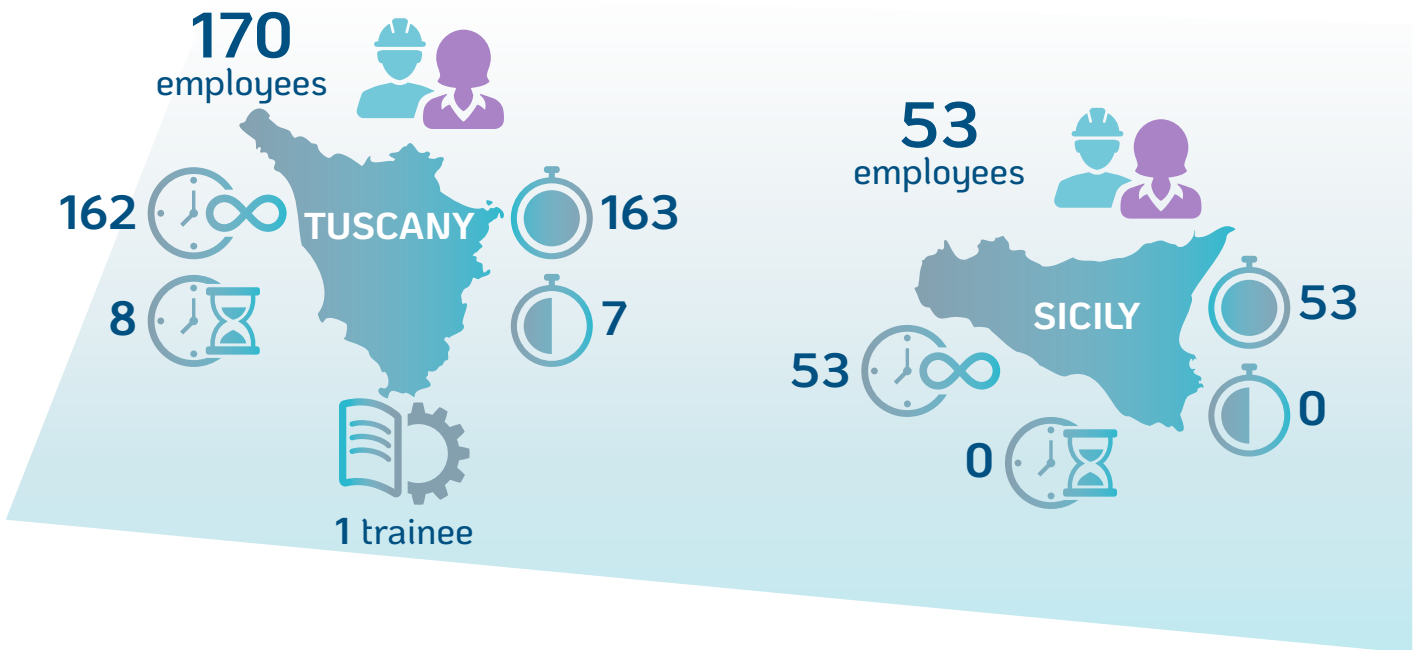


9



Presentation of data on employees Year 2022

BY REGION - TRATOS CAVI



Presentation of data on employees BY AGE GROUP Year 2022

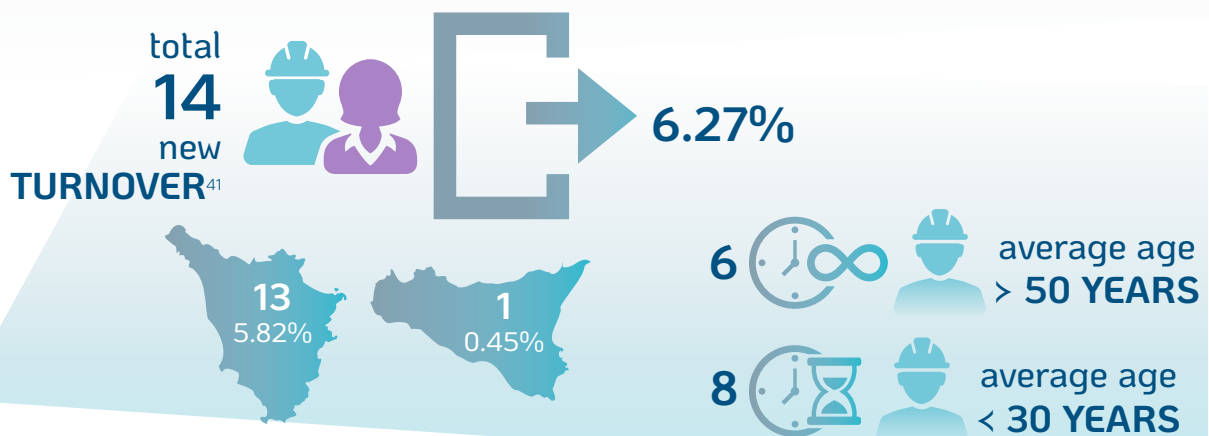
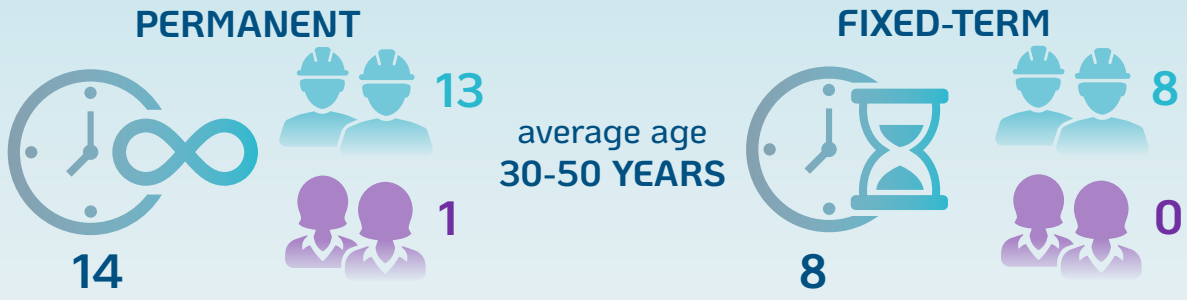
	< 30 years	Between 30 and 50 years	> 50 years	Total
Tratos CAVI PSS	25	83	62	170
Tratos CAVI CT	5	25	23	53
Tratos HV	10	49	31	90
Tratos SRL	-	5	4	9



TREND NO. OF EMPLOYEES AT TRATOS 2022

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Tratos CAVI PIEVE	157	161	160	160	165	164	167	169	169	171	172	173	+ 16
Tratos CAVI CATANIA	53	53	53	52	52	52	52	52	52	54	53	53	+0
Tratos HV	88	87	87	88	88	88	89	89	89	91	90	90	+2
Tratos SRL	9 employees for all months of 2022												

NEW RECRUITMENT AND TURNOVER Year 2022



⁴¹ The main reasons driving turnover at Tratos are related to retirements. The recruitment of employees involves a six-month probationary period. In almost all cases the contract is renewed after the probationary period. In some cases, however, employees may decide not to stay after the probationary period.

BENEFITS PROVIDED FOR EMPLOYEES

The company makes certain benefits available to employees, providing them without distinction between different types of contract, such as fixed-term or open-ended, and without distinction between different genders.

The benefits paid in 2022 were fuel coupons.



DIVERSITY AND EQUAL OPPORTUNITIES

The company, in order to promote diversity, requires its directors, employees and collaborators to behave in a way that is respectful towards other people and therefore also towards the organisation:

- It guarantees the most scrupulous observance of regulations protecting child labour, and the freedoms and rights of workers.
- It guarantees the conditions for free membership of trade unions.
- It does not tolerate human rights violations.
- It promotes integration in the complex social fabric as a form of collective enrichment.

In particular, the company condemns any form of discrimination on the basis of gender, ethnicity, politics and religion.

The company repudiates any discrimination in decisions affecting relations with stakeholders(staff management and work organisation, selection and management of suppliers, relations with the local community and the institutions representing it), and the organisation avoids any discrimination on the basis of age, gender, sexuality, health status, race, nationality, political opinions and religious beliefs of its stakeholders.

A regular report on the situation of male and female employees has been drawn up for the two-year period 2020/2021, as required by law for companies with more than 50 employees, as in the case of Tratos.

Employees are entitled to parental leave and then return to the same job. At Traots, men can also benefit from parental leave, which brings a positive spin on gender equality. The fact that men can exercise their right to parental leave may have a positive influence on female employees in the company, who will be able to take it without jeopardising their careers.



4
PARENTAL LEAVE

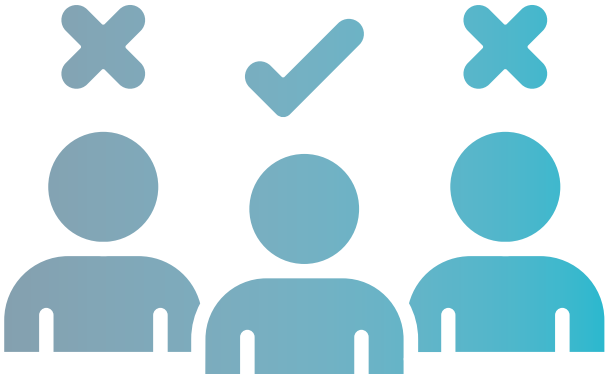


No. of employees who could take parental leave	4 Workers(MALE)
No. of employees who took parental leave	4 Workers(MALE)
Total number of employees who returned to work during the reporting period after taking parental leave	4 Workers(MALE)
Total number of employees who returned to work after taking parental leave and who were still employed by the organisation in the 12 months following their return	4 Workers(MALE)
Return to work and company retention rate of employees who have taken parental leave	Return-to-work rate = 100% Retention rate = 100%

NON-DISCRIMINATION

At Tratos, there were no cases of discrimination based on race, colour, sex, religion, political opinion, national ancestry or social origin in the reporting year.

0%
DISCRIMINATION



HEALTH AND SAFETY

All of Tratos' plants comply with **ISO 45001**. The company is committed to providing a working environment that protects the health and safety of its staff by implementing and enforcing a culture of safety, spreading awareness of the risks and encouraging employees responsible behaviour.

The company also works to preserve the health and safety of its workers, especially through preventive actions. One of the main objectives is to protect human resources by constantly seeking to form close relations not only internally but also with suppliers, external consultants and customers involved in the company's activities.

All employees are required to comply with the internal rules and procedures on risk prevention and health and safety protection and to promptly report any shortcomings or instances of non-compliance with the applicable rules.

The company adopts the general measures for the protection of health and safety at work prescribed by law, with particular reference to the provisions of Legislative Decree no. 81/2008 as amended. The organisation is committed to scrupulously complying with all regulations concerning health and safety at work for employees, collaborators and users. In particular:

- It defines the operational procedures to be followed and coordinates occupational health and safety activities;
- It ensures the application of current regulations also by preparing risk assessment documents and defining work procedures in line with current safety standards;
- It aims to always keep abreast of the latest legislation and implement it accordingly.

The company also undertakes to ensure:

- The assessment of all health and safety risks (Risk assessment);
- The planning of preventive measures that take into account operational conditions and the influence of environmental factors and the organisation of work activities;
- The elimination of risks and, where this is not possible, the reduction of risks to a minimum in relation to the expertise acquired through technological progress;
- The observance of ergonomic principles in the organisation of work, in the design of workplaces, in the choice of equipment and in the definition of methods for working and for the provision of services, particularly with a view to reducing the health effects of monotonous and repetitive work;
- The reduction of risks at source;
- The replacement of what is dangerous with what is not or is less dangerous;
- The limiting to a minimum the number of workers who are or may be exposed to the risk;
- The limited use of chemical, physical and biological agents in the workplace;
- The priority of collective protective measures over



individual protective measures;

- The health monitoring of workers (Servizi di medicina del lavoro);
- The removal of the worker from exposure to the risk for health reasons relating to his or her person and transfer where possible to another task;
- Appropriate information and training for workers, managers, supervisors, the WSR and all staff (At Tratos, the active participation of workers in occupational health and safety is guaranteed. Formal participation is on the basis of the risk assessment document RAD according to Legislative Decree 81/2008. Active participation involves the workers' safety representatives (WSRs), the employer (E), the health and safety officer (HSO), the company physician (CP) and other technical figures of the company, with the aim of identifying dangers and assessing and mitigating the associated risks. Formally elected and recognised WSRs are actively consulted during implementation and evaluation of the company's occupational health and safety management system.);
- Appropriate instructions for workers;
- The participation and consultation of workers and the WSR (Tratos prepared its safety plan on the basis of the results of the risk assessment that were deemed acceptable, the objectives, and the actions envisaged to avoid possible accidents.);
- The planning of measures deemed appropriate to ensure the improvement of safety levels over time, including through the adoption of codes of conduct and good practices;
- The emergency measures to be implemented in the event of first aid, fire-fighting, evacuation of workers and serious and immediate danger;
- The use of warning and safety signs;
- The regular maintenance of rooms, equipment, facilities with particular regard to any safety devices in accordance with the respective manufacturers' instructions;
- Appropriate instructions for employees, collaborators and users and training for them in accordance with the law and the national collective labour agreement (CCNL) for staff.

The Director of Health and Safety since 2016, Ms. Elisabetta Bragagni Capaccini - an *electrical engineering graduate from Rome* - is among the women in management positions.

RISK ASSESSMENT

The purpose of the risk assessment is to enable Management (or a deputy) to take the measures that are necessary to safeguard the health and safety of workers.

The assessment process involves the following steps:

- analysis of workplaces and processes;
- identification of sources of danger;
- identification of what could be damaged and how;
- identification of the prevention and protection measures to be implemented;
- recording of data;
- analysis and extraction of data from the accident register;
- use of data in official risk assessment.

In general, Management (or a deputy) has a duty to ensure that the health and safety of workers, in all workplaces, is guaranteed for all the activities and tasks they perform. The purpose of the risk assessment is to enable Management or a deputy to take the measures that are effectively necessary to safeguard the health and safety of workers.

These measures include:

- prevention of occupational risks
- providing information for workers
- vocational training of workers
- organisation and means to implement the necessary measures.

The occupational risk assessment must be reviewed each time a change is introduced that alters the risk situation in the workplace.

Tratos prepared its *safety plan* on the basis of the results of the risk assessment that were deemed acceptable, the objectives, and the actions envisaged to avoid possible accidents.

PARTICIPATION AND COMMUNICATION IN MATTERS OF HEALTH AND SAFETY

At Tratos, the active participation of workers in occupational health and safety is guaranteed. Formal participation is on the basis of the risk assessment document RAD according to Legislative Decree 81/2008. Active participation involves the workers' safety representatives (WSRs), the employer (E), the health and safety officer (HSO), the company physician (CP) and other technical figures of the company, with the aim of identifying dangers and assessing and mitigating the associated risks. Formally elected and recognised WSRs are actively consulted during implementation and evaluation of the company's occupational health and safety management system.

PROVISION OF SAFETY COURSES
IN 2022

Studio Panichi Angiolo

SAFETY TRAINING

Safety training in high risks (for production staff) and low risks (for office staff) is provided by experts from outside the company.

Training is given face-to-face to small groups of people to make it easier for employees to learn. Lessons are provided free of charge and during paid working hours.

The topics covered in the courses:

- **High risk:** roles and responsibilities relating to safety, the transit of vehicles and/or lorries, working at height, falling from a height, stored products, mechanical risk from machinery, pressurised equipment, night shifts, work equipment with VDT, thermal hazards, artificial optical radiation (AOR) , ATEX, chemical agents, COVID-19, fire fighting.
- **Low risk: Common topics** - Accidents and near misses, work environment, microclimate and lighting, PPE, video terminals, MMC, electrical risk, biological risk, noise and vibrations, optical radiation, electromagnetic radiation, safety signs (exits, ladders...), emergency procedures (first aid, fire...).

Sector topics - work spaces and environments, office furniture, work equipment.

The efficiency of the training is evaluated at the end of the lessons by means of final evaluation and satisfaction tests.

The hours of safety training provided in the reporting year are shown in the table.

PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS WITHIN BUSINESS RELATIONSHIPS

Tratos' approach to avoid and prevent negative impacts in terms of health and safety for workers who are not employees but who carry out activities within the company, are regulated by Legislative Decree 81/2008, which indicates the drafting of the "Assessment of risks from interference" document. This document is drawn up by the company contracting out the work and contains the measures taken to eliminate and/or minimise the risks of interference, and then analyses and describes the management of safety during contracted activities.

OCCUPATIONAL HEALTH SERVICES

The organisation provides occupational medicine services to protect the health of workers while they fulfil their duties at the company. The occupational medicine services are provided by skilled professionals (company physician - CP). Details of professionals active during the reporting year are given in the table.

SAFETY TRAINING PROVIDED TO EMPLOYEES (TRATOS CAVI, SRL AND HV) IN 2022



33
men

1
women



1345
hours



20
hours

COMPETENT BODIES AND PROFESSIONALS		SITES
SAPRA SANITÀ SRL - OCCUPATIONAL MEDICINE	Dr Catia Baldassarri <i>Specialist in occupational medicine</i>	Tratos Cavi PSS Tratos HV Tratos srl
ACI SANT'ANTONIO CT	Dr Roberto Grasso <i>Specialist in occupational medicine</i>	Tratos Cavi CT

To facilitate workers' access to occupational health services, the organisation undertakes to provide the service at the workplace and during working hours.

The organisation guarantees the privacy of workers, maintaining the confidentiality of personal health information. The results of workers' analyses are sent to the company in a sealed envelope and are given directly to the worker. The only results that the company sees are those related to the fitness (partial or total) of the *worker, guaranteeing his privacy.*

Access to health and medical services outside the company is guaranteed by the Italian Constitution⁴². Italy has its own National Health Service (Servizio Sanitario Nazionale - SSN), i.e. a system of structures and services aimed at guaranteeing universal access to health services to all citizens on an equal footing, mostly free of charge for the user.

The organisation does not provide access to voluntary health programmes and services aimed at addressing major non-work-related health risks in the reporting year.

⁴² Art. 32 of the Italian Constitution. The basic principles on which Italy's national health system has been based since its establishment by Law No 833 of 1978 are universality, equality and equity.

ACCIDENTS

NO. OF ACCIDENTS	TRATOS CAVI (PSS)	TRATOS CAVI (CT)	TRATOS HV	TOT
2022	4	2	6	12
2021	9	2	3	14

TRATOS CAVI (PSS)	No. of accidents	Hours worked	Days of injury	Frequency Index (C)	Severity index (D)
2022	4	275409	273	14.52	0.99
2021	9	263382	592	34.17	2.25

TYPE OF INJURY - TRATOS CAVI (PSS)	Days of injury	Cuts	Harm to eyes	Harm to upper limbs	Harm to lower limbs	Muscle aches, bruises	Accidents with vehicles	Wounds to the body	Total
	2021	17	0	144	397	29	5	0	592
	2022	7	0	0	236	0	30	0	273
	Number of injuries	Cuts	Harm to eyes	Harm to upper limbs	Harm to lower limbs	Muscle aches, bruises	Accidents with vehicles	Wounds to the body	
	2021	2	0	1	2	3	1	0	9
2022	1	0	1	1	0	1	0	4	

TRATOS CAVI (CT)	No. of accidents	Hours worked	Days of injury	Frequency Index (C)	Severity index (D)
2022	2	91363	29	21.89	0.32
2021	2	85854	48	23.30	0.56

TYPE OF ACCIDENT - TRATOS CAVI (CT)	Days of injury	Cuts	Harm to eyes	Harm to upper limbs	Harm to lower limbs	Muscle aches, bruises	Accidents with vehicles	Wounds to the body	Total
	2021				45	3			48
	2022	16				13			29
	Number of injuries	Cuts	Harm to eyes	Harm to upper limbs	Harm to lower limbs	Muscle aches, bruises	Accidents with vehicles	Wounds to the body	
	2021	0	0	0	1	1	0	0	2
2022	1	0	0	0	0	1	0	2	

TRATOS HV	No. of accidents	Hours worked	Days of injury	Frequency Index (C)	Severity index (D)
2022	6	155850	123	38.50	0.79
2021	3	148391	50	20.22	0.34

TYPE OF ACCIDENT - TRATOS HV	Days of injury	Cuts	Harm to eyes	Harm to upper limbs	Harm to lower limbs	Muscle aches, bruises	Accidents with vehicles	Wounds to the body	Total
	2021	18	0	0	0	11	21	0	0
2022	0	0	0	74	40	0	0	9	123
TYPE OF ACCIDENT - TRATOS HV	Days of injury	Cuts	Harm to eyes	Harm to upper limbs	Harm to lower limbs	Muscle aches, bruises	Accidents with vehicles	Wounds to the body	Total
	2021	1	0	0	0	1	1	0	0
2022	0	0	0	4	1	0	0	1	6

There was a downward trend with respect to the accidents that occurred in the reporting year.

MANAGEMENT OF TRAINING

A plan is in place for training workers in occupational safety and hygiene. It takes into account legislative obligations, the company's risk assessment and the training needs of each individual worker.

Training at our company is carried out as follows:

- direct training at the workplace, by the manager or supervisor;
- external training by qualified staff;
- training obtained with company provisions, obligations, prohibitions.

All people at Tratos are trained to work in their specific field of expertise. The training hours are represented by hours of work activity supported by one's tutor/supervisor. Examples of external training are low and high risk training (see Health and safety/Health and Safety).

REMUNERATION POLICIES

The remuneration policy for employees is set by the management every three years. Managers have a separate contract. The national collective agreement (contratto collettivo nazionale, CCNL) for the rubber/electrical cables sector has several levels, each with a minimum wage. For all employees, regardless of gender, nationality and creed. Remuneration is related to the level and independent of the type of contract (full-time or part-time). The first level is the one that starts at the end of the first 3 months of employment. For subsequent levels, however, department and office

managers are responsible for nominating employees for promotion. In addition, there is a second-level agreement with the trade unions, which was created with the aim of increasing levels of productivity, and which allows employees to work even on rest days. Employees adhering to the second contract give their willingness to work on rest days up to a maximum of 12 days per year. Shifts are defined with the department managers, and some flexibility in the choice of shifts is allowed. Remuneration during rest days is paid in the form of an increase in salary. In addition, the Management has allocated 'funds' to cover the worth of tokens that are accumulated at the end of the year by employees who have worked during their days off. Employees may not exceed 250 hours of overtime per year; a tally is kept of these hours and the relevant pay slips in a logbook.

The salary of an employee at the highest level is 63% higher than the salary of an employee at the lowest level.

RATIO OF THE ANNUAL TOTAL REMUNERATION OF THE HIGHEST PAID PERSON TO THE AVERAGE ANNUAL TOTAL REMUNERATION OF ALL EMPLOYEES	
TRATOS SRL	2.4
TRATOS CAVI	5.6
TRATOS HV	1.4

The ratio of women's pay to men's pay for each category of employees, grouped according to their role, is shown in the tables below. This index makes it possible to monitor how actions are implemented to promote diversity and eliminate gender discrimination and support equal opportunities.

TRATOS CAVI - PSS ⁴³			
CATEGORY	No. Women	No. Men	Ratio of Average Remuneration for Women/Men
COLLABORATORS	2	12	0.57
APPRENTICES	1	1	0.77
EMPLOYEES	13	12	0.68
WORKERS	1	135	0.51
MIDDLE	1	15	1.11

⁴³ Tratos Cavi CT is not shown in the table because there are no female workers in any category.

TRATOS HV			
CATEGORY	No. Women	No. Men	Ratio of Average Remuneration for Women/Men
COLLABORATORS	0	4	
APPRENTICES	0	2	
EMPLOYEES	0	4	
WORKERS	0	86	
MIDDLE MANAGERS	1	1	0.77

TRATOS SRL			
CATEGORY	No. Women	No. Men	Ratio of Average Remuneration for Women/Men
COLLABORATORS	0	1	
APPRENTICES	0	0	
EMPLOYEES	3	1	1.0
WORKERS	0	0	
MIDDLE MANAGERS	0	4	

PENSION FUNDS

The statutory retirement plan is the one managed by INSP. Another retirement plan provided by Tratos is the industry pension fund, the Fondo Gomma. Membership of the Fondo Gomma requires the Tratos company to contribute a certain fixed quota value. Investment in either fund is at the employee's discretion, depending on market inflation, and on whether a more/less aggressive investment is preferred. There are no private supplementary funds.

COMMITMENT TO THE COMMUNITY

"From the ruins of a Tuscan village rose a global business with a warm heart"

Pieve Santo Stefano and its community, destroyed during the Second World War, were at the centre of one man's thoughts and desires... on his return home from Argentina. His nostalgia and memories gave him the impetus to put things back where they belonged, with the ambition to rebuild his home and achieve prosperity and security for his family and fellow citizens.

Thanks to this great strength of will, Egidio Capaccini created an enterprise to help bring his town back to life. He built the company to create employment and housing and to feed families, giving it a name that put it at the centre of a saved community (TRATOS 'Trafilerie Toscane' [Tuscan Extractors]). Capaccini was a good man who brought to fruition a vision with great values and a mission that has stood the test of time.

Fairness, respect and sharing have always been the basic principles of the company, and Tratos today still has this vision, these values and the same mission. The great gifts left by an honourable man and the highest levels of government remain part of his significant legacy today.

The company aims to carry out projects that directly involve citizens, public and private institutions, businesses and associations in everything related to health education, prevention and personal welfare. The company takes and will continue to take steps to ensure that the entities collaborating with it comply with the same rules of conduct and base their activities on the same principles and values.

The company also promotes local development through a strong connection with the various actors in the local community. It works in the local community to develop a rich and generative society, capable of recognising and boosting resources, skills and potential, valuing gender, cultural and ethnic diversity, promoting well-being, integration and social development, and encouraging the recognition of these by the users and those who actively provide the service



'EGIDIO CAPACCINI' AWARD

The Egidio Capaccini award ceremony takes place every year at the headquarters of the Italian branch of Tratos in Pieve Santo Stefano. The initiative, which has been running for years, aims to reward students from local communities who have achieved the highest grades in their final year of middle and high school. The ceremony is usually held in the 'Giovanni Papini' municipal theatre of this small town in the heart of Tuscany.

The ceremony is attended by members of the municipal authorities and the Bragagni-Capaccini family. On the same day, a memorial ceremony is held to remember all those who gave their lives during the two Wars.

The award exemplifies Tratos' commitment and culture of valuing and supporting its local community in order to ensure continuous development and innovation and provide local students with more opportunities, in honour of the founder of Tratos.

RELATIONS WITH SCHOOLS

Tratos arranges annual visits for secondary school students, and takes on trainees, also from secondary schools, in various departments (laboratory, IT, mechanical and electrical workshop, administration, human resources).

CHARITY AND SPONSORSHIP

Since it actively supports the local communities in which it operates, Tratos has always made a concerted effort to ensure that the money it pays through taxes and royalties to governments and local authorities is disclosed transparently.

Tratos ensures that the right amount of money is used for development and other community needs. Among other things, it has sponsored various local community activities in Pieve Santo Stefano, in the province of Arezzo.

Tratos makes contributions to societies and associations in the local community, participating in events that these associations hold during the year.

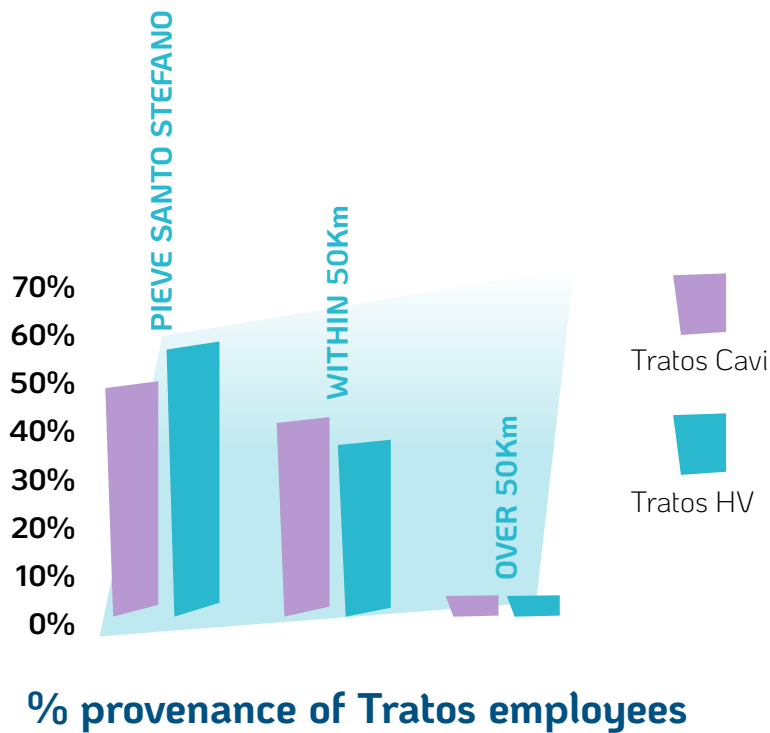
Table 6 Examples of associations and events partly financed by Tratos



Tratos is looking to invest more in disadvantaged areas and regions. In 2019, it set up the **Esharelife Foundation**, a charitable organisation that gives out grants. The charity is officially registered with the Charity Commission of England and Wales (Charity No. 1183101) and actively supports other charities around the world in fulfilling a mission: sharing life in the digital age.

INVESTMENT IN THE COMMUNITY OF PIEVE SANTO STEFANO

One of the company's ongoing commitments is to promote the economic and social welfare of the Pieve Santo Stefano community. An indicator of this commitment is the percentage of people from local communities who work for Tratos.



METHODOLOGICAL NOTE

This document is the Tratos Group's Sustainability Report.

It applies to the Tratos companies in Italy, i.e. Tratos SRL, Tratos Cavi and Tratos HV [Tratos SRL - Tratos Cavi SpA - Tratos HV SpA | VAT no. - 02328320516]. The parent company is Tratos SRL, and the shares of the company are held by private individuals who are members of the Bragagni-Capaccini family. Tratos Cavi and Tratos HV are joint-stock companies with private partners and shareholders.

The purpose of this document is to explain the organisational model, activities, main risks and performance indicators of Tratos according to ESG principles relating to environmental, social and governance matters during one year (from 1 January to 31 December).

The Sustainability Report aims to provide an understanding of the company's activities, covering the results of these and the effects they have on the environment, people and the economy.

The Sustainability Report was prepared in accordance with the "*GRI Sustainability Reporting Standards*" published in 2016 by the "*GRI - Global Reporting Initiative*", and updated thereafter (in 2018 and 2021). The document was drafted considering the material issues, i.e. the topics considered a priority for Tratos, as presented in the chapter "Materiality analysis for Tratos". In the final part of this document is the **Content Index** (Appendix 1. GRI content index in accordance with), as indicated by the reporting standards, which details the indicators reported by Tratos, stating the location and any omissions. Finally, Table 7 Correlation between material topics (MTs) and GRI Standards Table 7 shows the relationship between material topics (MTs) and the GRI indicators reported according to the 2022 materiality analysis (Table of correlation between material topics and GRI Standardsd').

This sustainability report will be made available on our website (<https://tratosgroup.com/>).

The process of collecting the data and information necessary to compile the Sustainability Report was carried out according to the guidelines of the GRI Reporting Standards (GRI 1), ensuring accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. In the case of Tratos, the information was collected directly in the 'Sustainability Report' section of the company's internal management system. This section, while independent, is integrated with the company's management system, allowing for accurate, complete and reliable data collection. The data collection, which will be implemented on an annual basis, will make it possible to identify and manage the topics of greatest interest to the company. The publication of this Sustainability Report is a pilot project for Tratos, which will be aligned with the publication of the financial report.

Elisabetta Bragagni Capaccini is in charge of reviewing this sustainability document. The Board of Directors of Tratos approved this document on 31/07/2023.

This document was verified by an impartial third-party certification body, AENOR (www.aenoritalia.com), to assess its compliance with the GRI Standards.

For comments, requests, opinions and suggestions for improvement on the information in this Tratos document, please contact:

Sustainability Committee: sustainability@tratos.it

TABLE OF CORRELATION BETWEEN MATERIAL TOPICS AND GRI STANDARDS

Table 7 Correlation between material topics (MTs) and GRI Standards

MATERIAL TOPICS FOR TRATOS	GRI STANDARDS	CHAPTER	
 <p>MT1 - CUSTOMER SATISFACTION & GROWTH AND TECHNOLOGICAL AND SUSTAINABLE INNOVATION OF THE PRODUCTS AND TRATOS</p>	2-6	Presence on the market	
	2-6	Responsibility for the system and product	
	2-22	CEO LETTER Sustainability for Tratos	
	3-3	System Certification	
	201-1	Economic performance	
	2-6	The production process	
	2-6	Current projects and achievements	
	3-3	Research and Development	
	203-1	Tratos Invests in Innovation	
	203-2	Tratos Invests in Innovation	
	201-1	Economic performance	
	201-2	Reduction and offsetting of emissions	
	 <p>MT2 - TRANSPARENCY, ETHICS AND INTEGRITY</p>	2-1	Our company
		2-2	History
		2-3	Tratos in the world
2-4		The composition of the Tratos Group	
2-5		Methodological Note	
2-7		Categories of Stakeholdersr	
2-9		Governance and organisation	
2-10		Company policy	
2-11			
2-12			
2-13			
2-14		Methodological Note	
2-15		Business ethics and integrity	
3-3		Transparency and customer care	
413-1		Value, mission, strategy	
2-28		An international network	
3-1		Materiality analysis for Tratos	
3-2			
3-3			
2-29			
201-1	Economic performance		
207-1	Tax strategy		
2-27	Compliance and non-compliance		



MT3 - CAREFUL MANAGEMENT OF RISKS AND DATA



TM4 - COMBATING CLIMATE CHANGE, ENERGY TRANSITION AND SUSTAINABLE MATERIALS

3-3	Digital governance
201-2	Potential issues
201-2	Icephobic Cables
403-2	Risk assessment
403-9	Accidentsi
201-2	Sustainability for Tratos
203-1	Tratos invests in Innovation Reduction and offsetting of emissions
2-6 2-25	Environmental responsibility Sustainable value chain
301-1 2-6	Responsible sourcing
201-2	Focus on Recycling and Climate Change
301-1 301-2 301-3	The raw materials
302-1 302-2 302-3	Energy and emissions Measurement of Energy Energy produced
302-4	Tratos invests in Innovation
305-1 305-2 305-3 305-4	Energy and emissionsi Measurement of emissions Tratos' carbon footprints
305-5	Tratos' carbon footprint Reduction and offsetting of emissions
306-1 306-2	Responsible sourcing Waste management and recycling Focus on Recycling and Climate Change
306-3 306-4 306-5	Source of waste and means of delivery



TM5 – HEALTH AND SAFETY

2-19 2-20 2-21	Remuneration policies
2-7	Our people
3-1	Diversity and equal opportunities
401-2	Benefits provided for employees
401-3	Diversity and equal opportunities
403-1	Health and safety System Certification
403-2	Risk assessment
403-3	Occupational health services
403-4	Participation and communication in matters of health and safety
403-5	Safety training
403-6	Occupational health services
403-7	Prevention and mitigation of occupational health and safety impacts within business relationships
403-8	Health and safety System Certification
403-9	Accidents
405-1	The structure of corporate governance as of 31/12/2022 Our people
405-2	Remuneration policies
406-1	Non-discrimination
2-19 2-20 2-21 2-30	Remuneration policies
2-7 202-2	Our people
204-1	Proximity principle Tratos invests in Innovation
413-1	Value, mission, strategy Commitment to the community Charity and sponsorship 'Egidio Capaccini' award Relations with schools
413-2	Measurement of emissions
2-6	Presence on the market
501	Commitment to the community Investment in the community of Pieve Santo Stefano



TM6 – POSITIVE IMPACT ON THE LOCAL AREA

APPENDIX 1. GRI CONTENT INDEX IN ACCORDANCE WITH

Table 8 GRI Content Index

IN ACCORDANCE WITH GRI STANDARDS FOR THE PERIOD 01/01/2022 TO 31/12/2022.						
USING GRI 1	GRI 1 – Basic Principles – Version 2021					
RELEVANT GRI SECTOR STANDARDS	N.A (GRI standards for our sector have not yet been published)					
GRI STANDARDS	Disclosure	Description	Location of omitted requirements	Reason page	Omission	
GRI 2: GENERAL INFORMATION 2021	2 - 1	Organisational details	History	6		
			Our company	5		
			Tratos in the world	7		
			The composition of the Tratos Group	8		
			Methodological Note	92		
			Entities included in the organisation's sustainability reporting	Our company	5	
				Tratos in the world	7	
			Methodological Note		92	
Reporting period, frequency and point of contact		92				
	Methodological Note		92			
Review of information		Methodological Note	92			
	External Assurance	Methodological Note	92			
Activities, value chain and other business relations		Methodological Note	92			
	Sustainable value chain		35			
Employees		Categories of Stakeholders	20			
		Our people	73			
2 - 8	Non-employees	There are no non-employees working exclusively for Tratos				

3. GOVERNANCE

2 – 9	Governance structure and composition	Governance and organisation Methodological Note	21 92
2 – 10	Appointment and selection of the highest governing body	Governance and organisation	21
2 -11	Chairman of the highest governing body	Governance and organisation Company policy	21 26
2 – 12	Role of the highest governing body in impact management control	Governance and organisation Company policy	21 26
2 – 13	Delegation of responsibility for impact management	Governance and organisation Company policy	21 26
2 -14	Role of the highest governing body in sustainability reporting	Methodological Note Company policy	92 26
2 -15	Conflicts of interest	Business ethics and integrity	29
2 -16	Communication of issues		Information not available/incomplete
2 -17	Collective knowledge of the highest governing body		Information not available/incomplete
2 - 18	Performance evaluation of the highest governing body		Information not available/incomplete
2 -19	Rules concerning remuneration	Remuneration policies	86
2 -20	Procedure for determining remuneration	Remuneration policies	86
2 -21	Annual total remuneration ratio	Remuneration policies	86

4. STRATEGY, POLICIES AND PRACTICE

2 -22	Sustainable Development Strategy Statement	CEO LETTER Sustainability for Tratos	1 12
2 -23	Policy commitments	Materiality analysis for Tratos	16
2 - 24	Integration of policy commitments		Information not available/incomplete
2 - 25	Processes to remedy negative impacts	Environmental responsibility on the environment	50
2 - 26	Mechanisms for requesting clarifications and raising concerns		Information not available/incomplete
2 -27	Compliance with laws and regulations	Compliance and non-compliance	34
2 -28	Membership of associations	An international network	11
2 -29	Approach to the involvement of stakeholders	Materiality analysis for Tratos	16
2 - 30	Collective agreements	Remuneration policies	86

5. INVOLVEMENT OF STAKEHOLDERS

GRI 3: MATERIAL TOPICS 2021

INFORMATION ON MATERIAL TOPICS

3 -1	Process of determining material topics	Materiality analysis for Tratos TM6 TM2 TM1 TM43 TM54 TM5	16 27 29 36 42 50 73
3 - 2	List of material topics	Materiality analysis for Tratos	16
3 - 3	Management of material topics	Materiality analysis for Tratos TM6 TM2 TM1 TM43 TM54 TM5	16 28 29 36 42 50 73

**GRI 200:
ECONOMIC
PERFORMANCE**

GRI 201: Economic performance	201-1	Directly generated and distributed economic value	Economic performance	32
	201-2	Financial implications and other risks and opportunities due to climate change	Potential issues - Icephobic Cables	10 49
	201-3	Pension plans with defined benefits and other retirement plans	Remuneration policies	86
	201-4	Financial assistance received from the government	Benefits received from the public administration Fiber Cable 4.0 project	33 47
GRI 203: Indirect economic impacts	203-1	Investments in Infrastructure and funded services	Tratos invests in Innovation	10
	203-2	Significant indirect economic impacts	Reduction and offsetting of emissions	67
GRI 204: Procurement practices	204-1	Proportion of spending on local suppliers	Proximity principle	9
GRI 207: Taxes	207-1	Approach to taxation	Tax strategy	34
	207-2	Fiscal governance, control and risk management		Information not available/ incomplete
	207-3	Involvement of stakeholders and addressing tax concerns		Information not available/ incomplete
	207-4	Country-by-Country Reporting		Information not available/ incomplete

**GRI 300:
ENVIRONMENTAL
PERFORMANCE**

GRI 301: Materials	301-1	Materials used by weight or volume	The raw materials	56
	301-2	Materials used that come from recycling	The raw materials	56
	301-3	Recovered or reclaimed products and their packaging materials	The raw materials	56
GRI 302: Energy	302-1	Energy consumed within the organisation	Energy and emissions Measurement of Energy	59 59
	302-2	Energy consumed from outside the organisation	Energy and emissions Measurement of Energy	59 59
	302-3	Energy intensity	Energy and emissions Measurement of Energy	59 59
	302-4	Reducing energy consumption	Energy and emissions Measurement of Energy	59 59
	302-5	Reducing the energy requirements of products and services		Information not available/ incomplete
GRI 305: Emissions	305-1	Direct GHG emissions (Scope 1)	Energy and emissions Measurement of emissions	59 61
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	Energy and emissions Measurement of emissions	59 61
	305-3	Other indirect GHG emissions (Scope 3)	Energy and emissions Measurement of emissions	59 61
	305-4	Intensity of GHG emissions	Energy and emissions Measurement of emissions	59 61
	305-5	Reducing GHG emissions	Tratos' carbon footprint Reducing and offsetting emissions	63 67
	305-6	Emissions of ozone-depleting substances (ODS)		Information not available/ incomplete
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions		Information not available/ incomplete
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Waste management and recycling	70
	306-2	Management of significant waste-related impacts	Waste management and recycling	70
			Responsible sourcing Focus on Recycling and Climate Change	51 57
	306-3	Waste generated	Source of waste and means of delivery	70
	306-4	Waste not intended for disposal	Source of waste and means of delivery	70
306-5	Waste for disposal	Source of waste and means of delivery	70	

**GRI 400:
SOCIAL**

GRI 401: Employment	401-1	New recruitment and turnover		77	
	401-2	Benefits provided for full-time employees, but not for part-time or fixed-term employees	Benefits provided for employees	78	
	401-3	Parental leave	Diversity and equal opportunities	78	
GRI 403: Health and safety at work	403-1	Occupational Health and Safety Management System	Health and safety	80	
	403-2	Identification of hazards, risk assessment and investigations of accidents	Risk assessment	82	
	403-3	Occupational health services	Occupational health services	83	
	403-4	Participation and consultation of workers and communication on occupational health and safety	Participation and communication in matters of health and safety	82	
	403-5	Training of workers in occupational health and safety	Safety training	83	
	403-6	Safeguarding the health of workers	Occupational health services	83	Italy has a national health system to which all citizens are entitled and which is mostly free of charge. The organisation does not provide access to voluntary health programmes and services.
	403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	Prevention and mitigation of occupational health and safety impacts within business relationships	83	
	403-8	Workers covered by an occupational health and safety management system	Health and safety	80	
	403-9	Accidents at work	Accidents	85	
	403-10	Occupational illnesses			Information not available/incomplete

**GRI 400:
SOCIAL**

GRI 405: Diversity and equal opportunities	405-1	Diversity in governing bodies and among employees	The structure of corporate governance as of 31/12/2022 Our people	25 73
	405-2	Ratio of basic salary and pay of women to men	Remuneration policies	86
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective measures taken	Non-discrimination	79
GRI 413: Local communities	413-1	Activities involving local communities, impact assessments and development programmes	Value, mission, strategy	27
			Commitment to the community Charity and sponsorship	89 90
	413-2	Activities with significant potential and current negative impacts on local communities	Measurement of emissions	61

**NEW INDICATOR
- TOPIC NOT
COVERED BY GRI
STANDARD**

501	501-1	Percentage of people from local communities working for Tratos	Investment in the community of Pieve Santo Stefano	91
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