



**TRATOS<sup>®</sup> Tt**

**SUSTAINABILITY  
REPORT  
2023**

**AENOR**  
SUSTAINABILITY  
REPORT  
VERIFIED

# CEO LETTER

Tratos is fully involved in the project to reach the Net Zero Target through the development of all alternative energy sources such as solar and wind by strengthening and constructing low, medium and high voltage networks.

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 rest of the energy is produced with gas, which allows us to reduce our CFP by 50% 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.

Being well integrated into the geographical and social fabric in which we find ourselves and nurturing our attachment to this land and our origins, we have never supported the idea of outsourcing production to a place that would be economically more beneficial. And we have refused numerous purchase offers from partners and funds of various kinds. Today, then, renouncing the division of profits, we are thinking about investing in the acquisition of new companies in countries of primary economic importance, such as Germany, with a view to being able to expand our markets and underscore our Eurocentric position.

Collaborating with leading banking institutions, guided and generated by mutual trust, is essential for us to guarantee a constant cash flow and to allow us to issue performance bonds that are required in European tenders. The main objective is, then, to maintain the high rating that we have today and to be able to meet the ESG criteria demanded by the same institutions.



Our policy is to favour the local economy and to keep our supply chain - as far as possible - in Europe. Avoiding becoming a base for non-European players to enter remains one of our objectives and this fully aligns with our desire to guarantee the sustainability of our supplies by indirectly favouring the local economy.

We live in a context defined as an internal area for the head office, for the Catania facility and for the UK subsidiary, for which, having increased employment levels is a significant benefit for areas with fewer job opportunities than many other places.

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

Our hope today is to be able to sustain the solidarity that distinguishes us for as long as possible, avoiding events that might dampen the enthusiasm that we feel today in working, each day, for the well-being of the company and, by extension, all its employees.

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WE WILL NOW WRITE ABOUT SUSTAINABILITY FOR TRATOS, REFERRING TO RECORDS KEPT SINCE 1984 IN THE DIARY ARCHIVE OF THE TOWN OF PIEVE SANTO STEFANO.

## HIGHLIGHTS 2023



The release of our first Sustainability Report (the 2022 report – published voluntarily) was made possible thanks to the publication of the document on the website, <https://tratosgroup.com>, and in the links shared by email by the sales, quality and sustainability offices at Tratos, as well as notification through our social media channels.

We have not received any reports or requests for clarification at the email address used to collect stakeholder feedback ([sustainability@tratos.it](mailto:sustainability@tratos.it)) regarding the 2022 Sustainability Report.

# 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 focused on the drawing of copper, expanded its horizons by successfully embarking on the production of electrical and telecommunication cables. In 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. The reporting scope of this Sustainability Report covers the Italian Tratos companies, hence, Tratos SRL (the group's parent company) Tratos Cavi and Tratos HV.

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

We have not yet included all the companies making up the Tratos Group in the current sustainability reporting scope. This remains one of our goals for the near future.

The Tratos sustainability report is prepared voluntarily by the company and communicates our sustainability initiatives and results to our stakeholders. Given that the publication of the sustainability report is not mandatory for 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

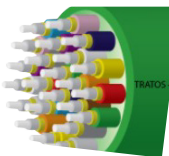
QUEEN'S AWARD FOR INNOVATION



2020

2022

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



2023

- Cable with 144 and 288 fibres and smaller diameters
- Anti-ice ropes
- Carbon cables
- BRAST Cable



# 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 ( $U_m=170$  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 ( $U_m=170$  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

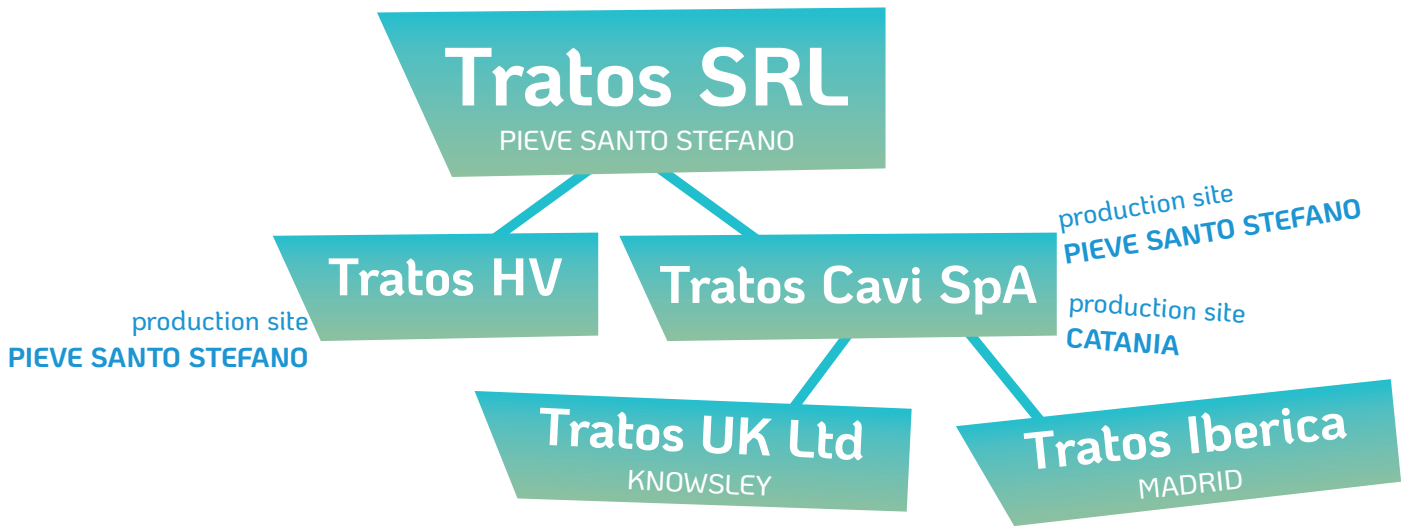


**3** production facilities

**2** storage sites

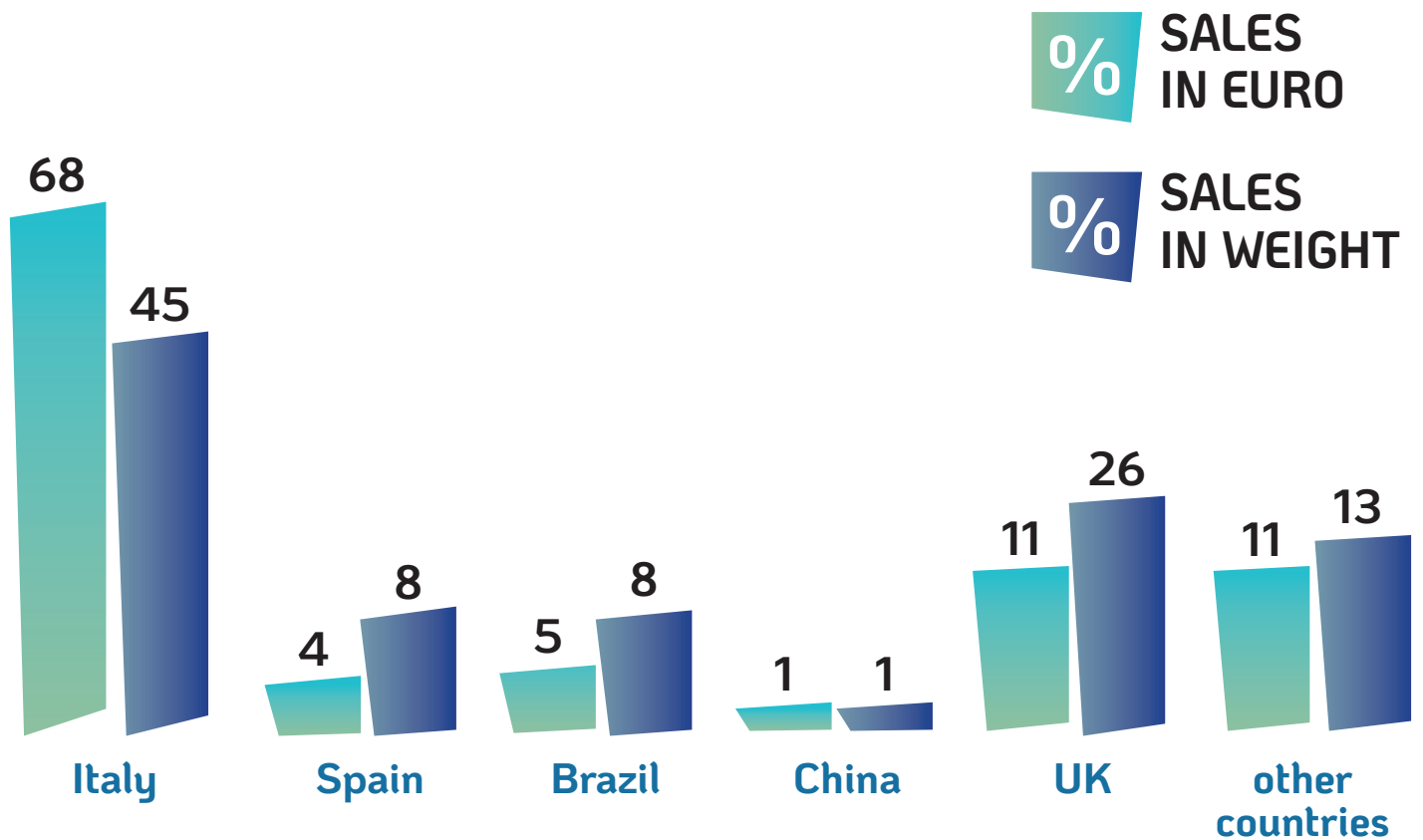
**9** sales offices

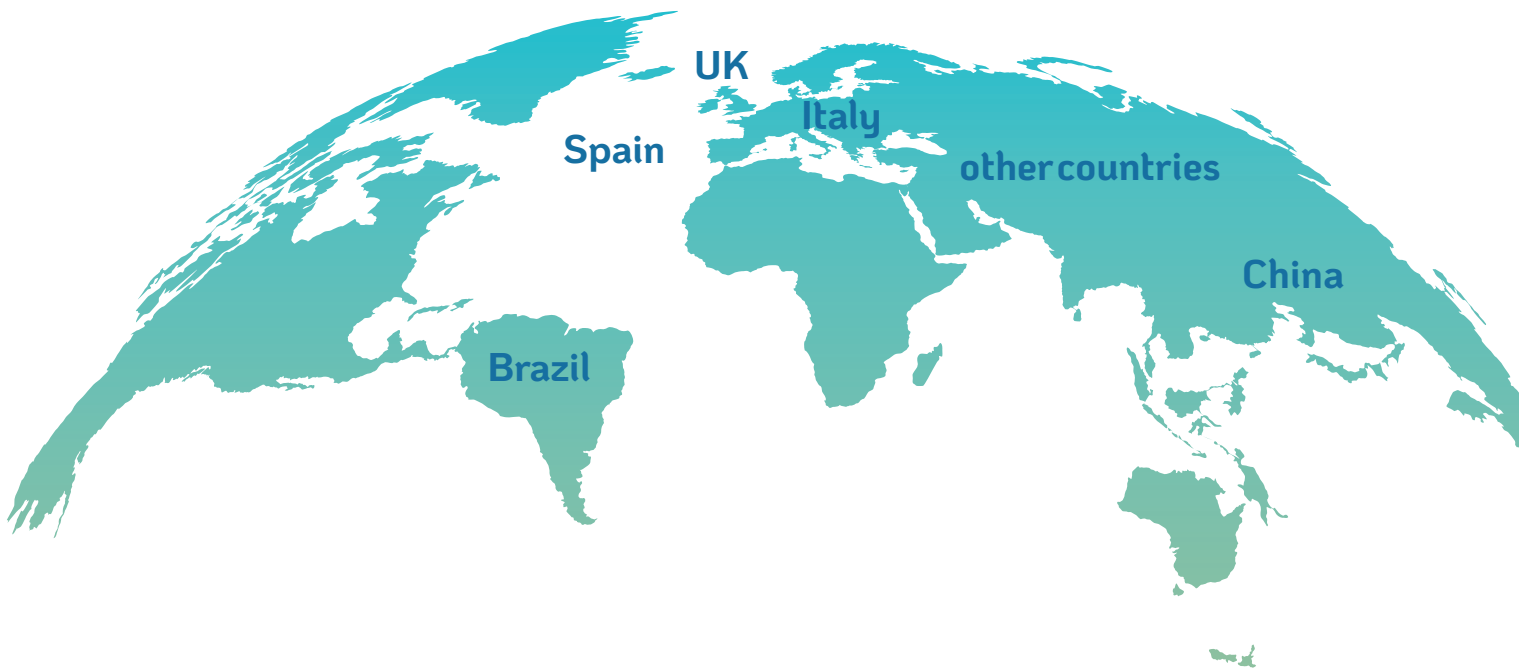
# THE COMPOSITION OF THE TRATOS GROUP



## 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** or **closeness principle**, which refers to establishing economic relationships with what is nearby, both places and people in the local area <sup>1</sup>.

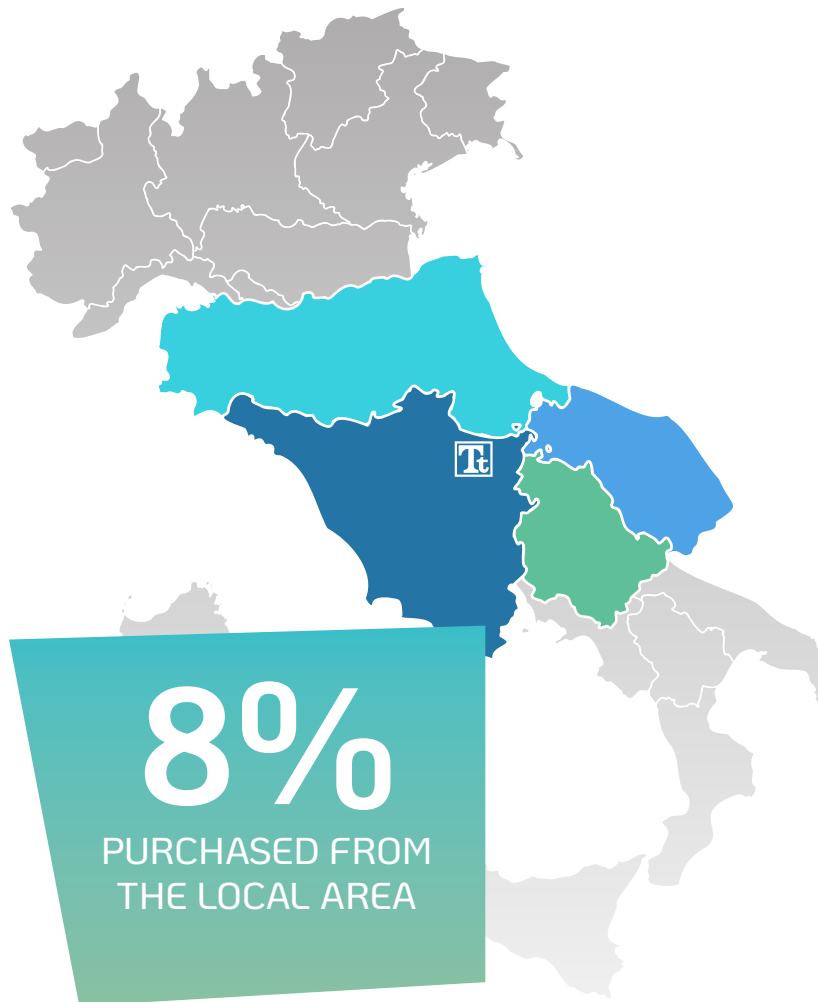
**8%** is the percentage of purchases from the local area (PuLoc), out of the total purchases of raw material (RM) made by Tratos in 2022.

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 help the professionals in our community benefit, even indirectly, by creating regular job opportunities and involving all the businesses in our community in the company's internal processes.

Tratos, meaning the management team together with the professionals and technicians in various fields, has always established direct relationships with Tratos suppliers by visiting their companies in person in order to understand their internal processes that lead to the development of the raw materials we need.

One short-term goal is to implement a new method of qualifying Tratos suppliers in ESG terms. Following the ever-increasing need to be able to choose and prefer suppliers who respect the environment, people and the quality of work, Tratos will implement a method (ESG questionnaire) to involve, in a more direct way, our stakeholders located upstream in our supply chain and to develop a supplier assessment procedure that relies on platforms already used by several of our customers. Tratos has always worked to strengthen the relationship of trust and to increase dialogue with its suppliers.



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

# TRATOS INVESTS IN INNOVATION

In 2023 Tratos made the following investments:

- Land and buildings for Tratos Cavi<sup>2</sup> and Tratos HV<sup>3</sup>
- Plants and machinery for Tratos Cavi<sup>4</sup> and Tratos HV<sup>5</sup>
- Industrial and commercial equipment for Tratos Cavi<sup>6</sup> and Tratos HV<sup>7</sup>

Among the investments, the installation is almost complete of 2 photovoltaic plants to generate energy for Tratos Cavi, both at the plant in Pieve Santo Stefano and at the one on Catania (the production of renewable energy should begin in the second half of 2024). An installation at the Tratos HV plant.



Photovoltaic panel installation at the Tratos Cavi plant in Pieve Santo Stefano



Photovoltaic panel installation at Tratos HV

## 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 the magnitude of extreme weather events.

There were no extreme weather events in the reporting year in the areas included in the reporting scope.

There were no potential issues reported in 2023 with regard to the various ESG areas.

<sup>2</sup> Cost 176,667 euro

<sup>3</sup> Cost 563,505 euro

<sup>4</sup> Cost 1,223,014 euro

<sup>5</sup> Cost 775,668 euro

<sup>6</sup> Cost 57,874 euro







<sup>7</sup> Cost 33,617 euro



Photovoltaic panel installation at the Tratos Cavi Catania plant

# AN INTERNATIONAL NETWORK

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

	ASSOCIATION	ROLE OF TRATOS
	EUROPACABLE ECBL	Working fire – <i>D. Dori</i> Task Force on Product Environmental Footprint – Energy <i>M. Camaiti</i> Sustainability Leadership Team <i>E. Bragagni Capaccin, M. Camaiti</i>
	AICE/ANIE	ANIE - Elisabetta Bragagni Capaccin Deputy Chairperson with the Environment and Sustainability mandate  Working groups to which we belong: <hr/> <i>LV power cables group</i> <i>D. Dori</i> <hr/> <i>MV and HV power cables group</i> <i>D. Dori</i> <hr/> <i>Communication cables working group</i> <i>M. Camaiti</i>
	CEI	Committees to which we belong: <hr/> <i>CT 11/7 – overhead power lines and conductor materials</i> <i>S. Boncompagni, A. Posati</i> <hr/> <i>SC 18A – electric cables for electrical installations in ships and fixed and mobile offshore units</i> <i>F. Montalti, V. Bellini</i> <hr/> <i>CT 20 – power cables</i> <i>V. Bellini</i> <hr/> <i>CT 20 – Host/Coordinator, the “Sustainability” Working Group 2023</i> <i>M. Camaiti</i> <hr/> <i>SC 20A – high voltage power cables</i> <i>D. Dori</i> <hr/> <i>CT 86 – fibre optics</i> <i>F. Montalti, E. Feliciano, M. Gori</i> <hr/> <i>SC 86A – fibres and cables</i> <i>F. Montalti, M. Gori</i> <hr/> <i>SC 86B – connection devices and passive components for fibres</i> <i>F. Montalti, M. Gori</i> <hr/> <i>SC 86C – optical systems and devices</i> <i>F. Montalti, M. Gori</i> <hr/> <i>CT 306 – interconnection of electronic communication equipment</i> <i>F. Montalti</i>
	CONFINDUSTRIA	ELISABETTA BRAGAGNI CAPACCINI GENERAL REPRESENTATIVE Tratos Cavi SpA
	CHAMBER OF COMMERCE AREZZO - SIENA	ELISABETTA BRAGAGNI CAPACCINI 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 developing the Tratos Cavi plant in Catania and the Tratos UK plant 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.

## 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.

In the local area, especially in Pieve Santo Stefano, Tratos returns profits by creating jobs and financing cutting-edge R&D activities 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, more sustainable and more 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 certifications (see "System Certification" and e Carbon footprint in Tra Carbon Footprint"). Tratos is, therefore, constantly looking for ways to mitigate its climate and environmental impacts and create increasingly sustainable products.

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 the ENEA - the Italian 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.

Furthermore, Tratos will meet its energy needs in the near future with the commissioning of the solar panel installations at Tratos Cavi in Pieve S. Stefano and in Catania and at Tratos HV.

## ECONOMIC OBJECTIVES

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



## SOCIAL OBJECTIVES

4 QUALITY EDUCATION



11 SUSTAINABLE CITIES AND COMMUNITIES



5 GENDER EQUALITY



17 PARTNERSHIPS FOR THE GOALS



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



## ENVIRONMENTAL OBJECTIVES

6 CLEAN WATER AND SANITATION



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



# ECOVADIS

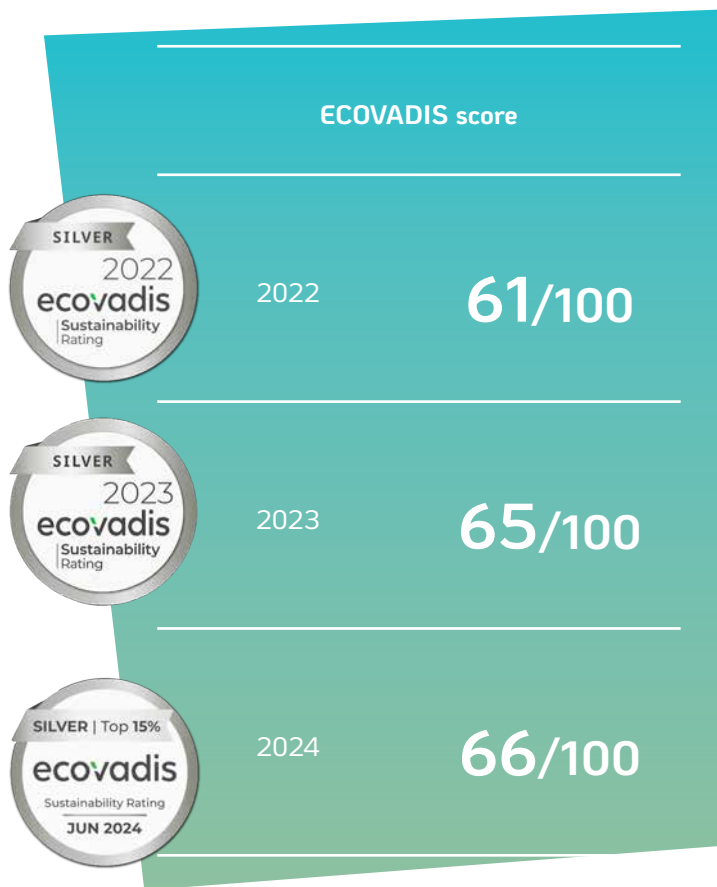
EcoVadis is a platform for companies to improve their environmental and social practices.

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:

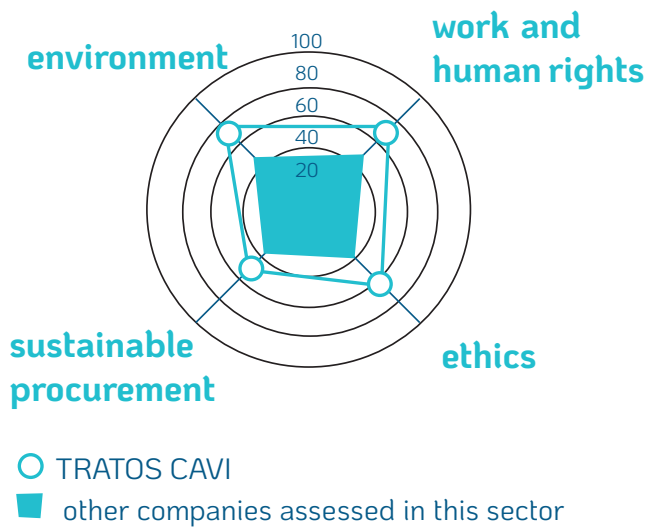
- Platinum: overall score between 78 and 100;
- Gold: overall score between 70 and 77;
- Silver: overall score between 59 and 69;
- Bronze: overall score between 50 and 58.



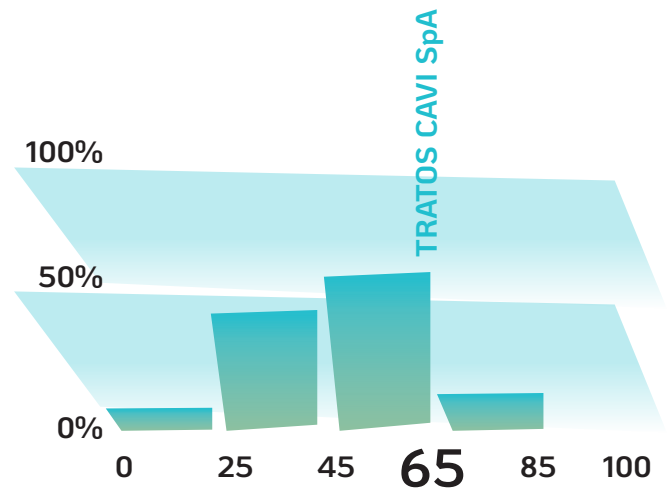
Tratos' score is higher than that of the 86th percentile<sup>8</sup> of the companies assessed by EcoVadis in the same sector.



### Comparison of topic scores



### 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 86th percentile, which means that our score is greater than or equal to the score of 86% of all companies evaluated by EcoVadis.

<sup>8</sup> The percentile rank is calculated when the score is published.

# MATERIALITY ANALYSIS FOR TRATOS

After the first materiality analysis done in 2022, we refined the study of the **sustainability topics** which are more relevant for Tratos for this Sustainability Report.

We started from an initial phase of bibliographical study, analysing non-financial reports from the same sector, non-financial reports from competitors, sustainability reports from different business contexts but relating to the same geographic areas 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<sup>9</sup>.

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

The sample of

## INTERNAL STAKEHOLDERS

interviewed is represented by:

**34**  
EMPLOYEES  
of various  
levels  
and duties



**9**  
WORKERS  
in the production  
department



The sample of

## EXTERNAL STAKEHOLDERS

interviewed is represented by:

**16**  
SUPPLIERS



**41**  
CUSTOMERS



**11**  
RESEARCH BODIES /  
COLLABORATORS  
FOR R&D



**9**  
BANKS



MUNICIPAL  
ADMINISTRATION



The assessment by stakeholder involves:

- sending ESG questionnaires to employees via the company's IT management system.
- sending ESG questionnaires to external stakeholders via an online form.

The questionnaires involved assigning scores of between 1 (not at all relevant) to 5 (very relevant) to the various issues, for the purpose of assessing a stakeholder's level of interest.

<sup>9</sup> 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 ISSUED THAT EMERGED IN PHASE 1 CLASSES (label)



**E**  
ENVIRONMENT



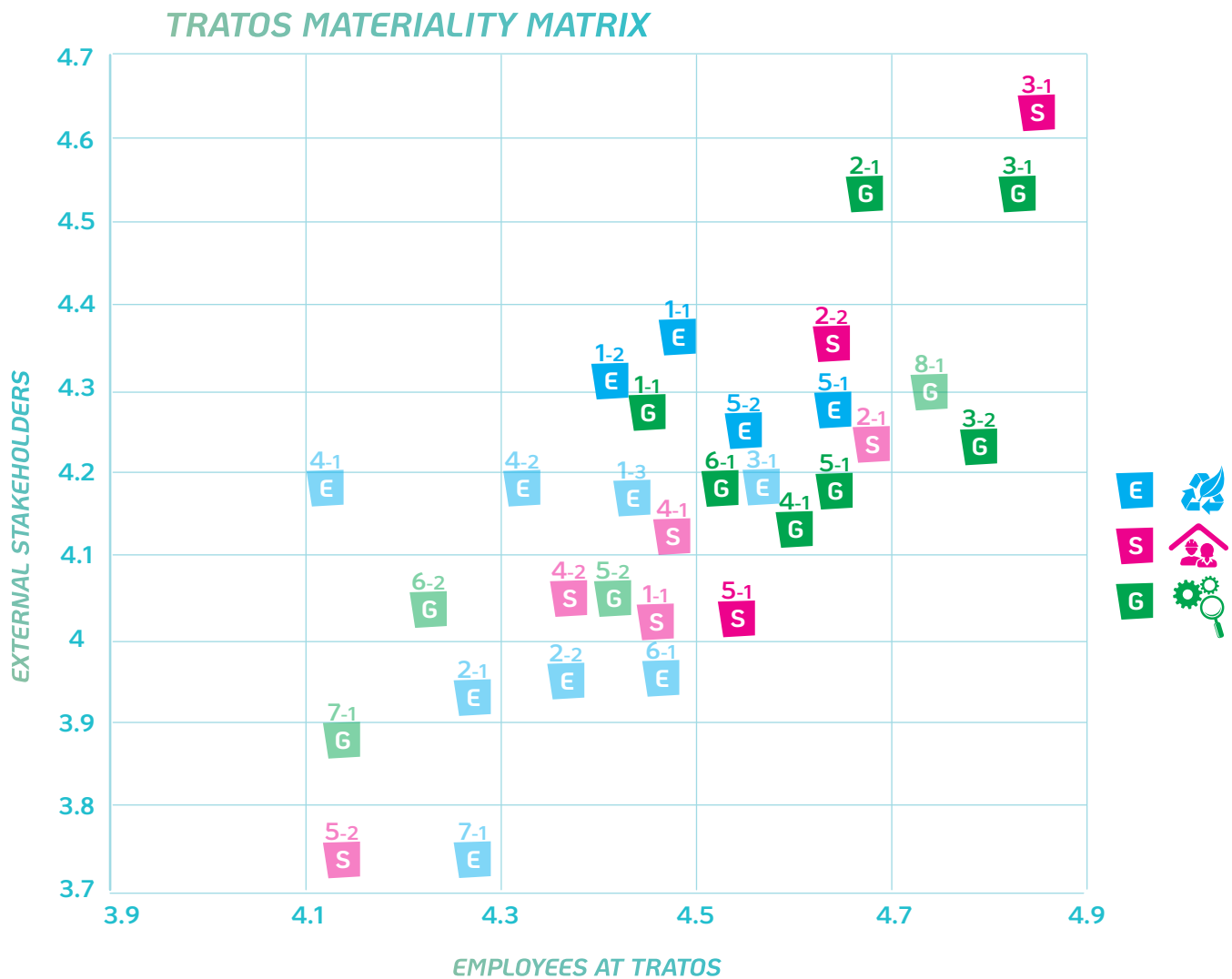
**S**  
SOCIAL



**G**  
GOVERNANCE

Improving energy efficiency	E1_1	TM6	
Monitoring consumption	E1_2		
Implementing renewable energies	E1_3		
Implementing circular economy processes	E2_1		
Management and use of waste	E2_2		
Controlling water resources	E3_1		
Sustainable supply chain	E4_1		
Research into sustainable purchased materials	E4_2		
Managing polluting emissions into the atmosphere	E5_1	TM6	
Lowering greenhouse gas emissions into the atmosphere	E5_2		
Safeguarding biodiversity	E6_1		
Training on sustainability issues with regard to communities	E7_1		
Involving employees in company objectives and activities	S1_1		
Employee training	S2_1		
Enhancing employee skills and abilities	S2_2	TM8	
Health and safety in the workplace	S3_1	TM7	
Corporate welfare	S4_1		
Diversity and inclusion (equal opportunities)	S4_2		
Supporting the local community and area	S5_1	TM9	
Volunteering and sponsorships	S5_2		
Economic performance	G1_1	TM2	
Customer satisfaction	G2_1	TM3	
Quality of Tratos products	G3_1		
Technological innovation	G3_2	TM4	
Investments in R&D	G4_1		
Cyber security and data protection	G5_1	TM5	
Digitalisation	G5_2		
Transparency, ethics and integrity	G6_1	TM1	
Transparency on ESG strategies	G6_2		
Partnerships and collaborations with institutions	G7_1		
Management of risks	G8_1		

The feedback from the questionnaires was then processed graphically in the form of a materiality matrix.





















Material topics grouped by Tratos' management team on the basis of the results of the materiality analysis in step 1.

Through the graphic representation of the materiality matrix, it was possible to group the topics, in agreement with the management team at Tratos, to generate the Material Topics (MTs).

Among the classes considered of high relevance, the materiality matrix highlights class E3-1 (Controlling water resources), which, however, does not appear to be part of relevant topic according to Tratos. The reason is related to the use of a very small amount of water which is used mainly in closed-circuits during production activities. More details can be found in "The production process" chapter. Tratos is, however, committed to managing water resources by checking the quality of the waste water in accordance with the Single Environmental Authorisation [*"Autorizzazione Unica Ambientale (AUA)"*] for each site considered in the sustainability report (see the "Controlling water resources" chapter).

Among the classes that are of medium relevance, S5\_1 (Support for the community and the local area) is mentioned, which, following an analysis by the management team at

Tratos, was added to the list of Material Topics.

LIST OF MATERIAL TOPICS		CLASSES
	TM1 Transparency, ethics and integrity	G6-1 
	TM2 Economic performance	G1-1 
	TM3 Quality of the products and Customer satisfaction	G2-1, G3-1 
	TM4 Innovation of products and R&D	G3-2, G4-1 
	TM5 Careful management of data	G5-1 
	TM6 Energy efficiency, monitoring and fighting climate change	E1-1, E1-2, E5-1, E5-2 
	TM7 Health and safety	S3-1 
	TM8 Enhancing skills	S2-2 
	TM9 Positive impact on the local area	S5-1 

For this 2023 Sustainability Report, Tratos is committed to reporting its actions regarding sustainable development on a **voluntary**<sup>10</sup> basis.

**FUTURE STRATEGIES**

**INCREASING THE POOL OF STAKEHOLDERS, INTERNAL AND EXTERNAL, TO WHOM THE ESG QUESTIONNAIRE CAN BE SENT.**

*For example, by including insurance companies among the external stakeholders and interviewing a larger number of employees with different roles and responsibilities.*

<sup>10</sup> 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<sup>11</sup> considered relevant by Tratos, considering the sector to which the Company belongs, are the following:

- **Employees 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;
- **Customers:** enterprises, companies and 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;
- **Community and the local area:** the people and the 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. Furthermore, 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 and other entities that compete economically with Tratos for services and products related to the sector; Prysmian, Nexan;
- **Suppliers:** enterprises, companies and 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 shareholder;
- **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;
- **The 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.**



<sup>11</sup> Employees, customers, suppliers, banks, municipal administration bodies and research bodies were involved in this materiality analysis for the first time.

# GOVERNANCE AND ORGANISATION

The company's Board of Directors meets 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, executive and non-executive members have been required to perform at the highest personal and professional standards, following the guidelines of the Code.

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 breach of the terms of the appointment.

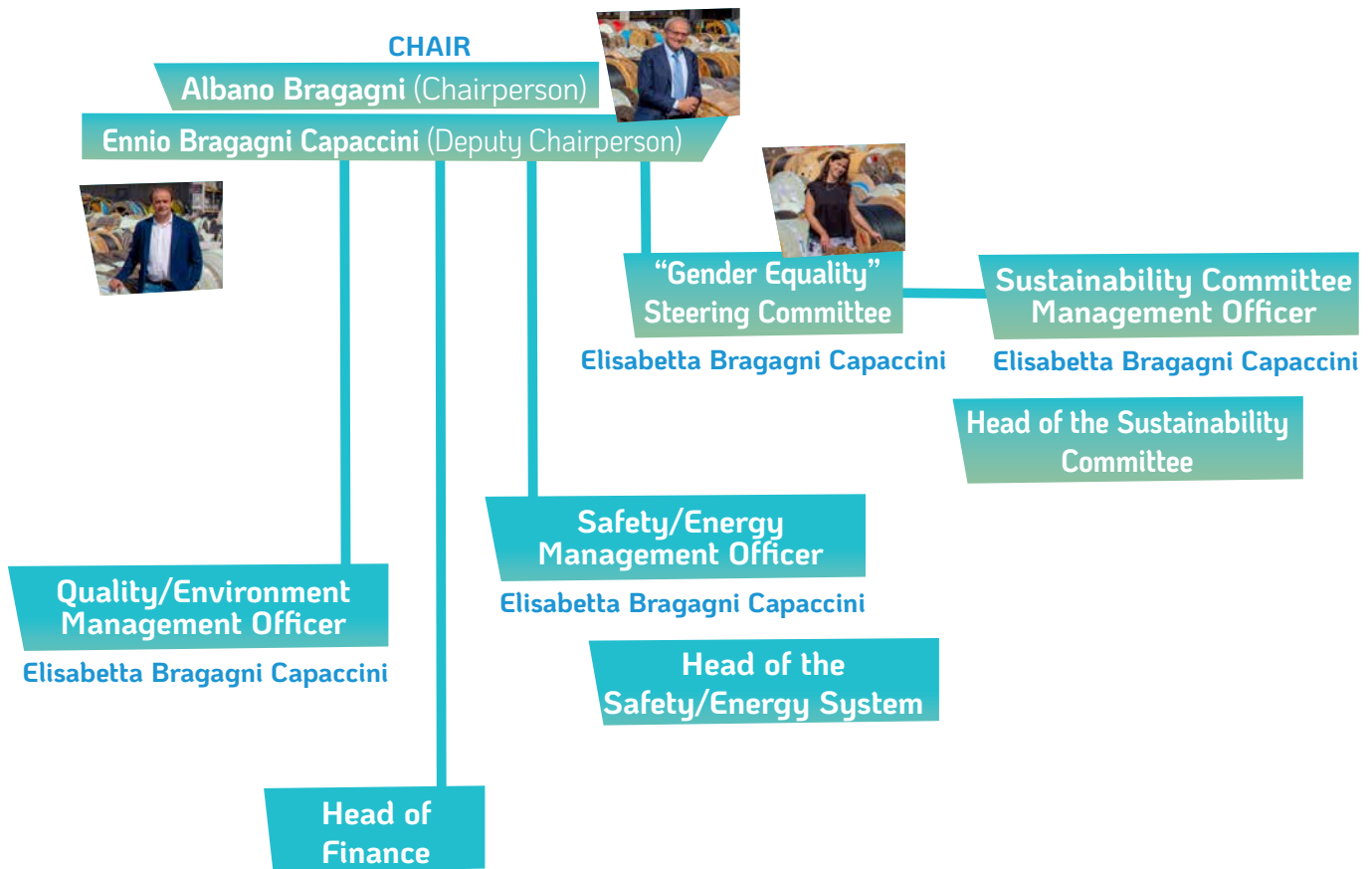
The Code also includes the provisions of existing disciplinary documents that refer to the responsibilities and obligations of board members, and by adopting them fully or even before its time, Tratos has paved the way for best business practices, always maintaining its policy and standards at the highest 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



# Organisation chart for TRATOS SRL



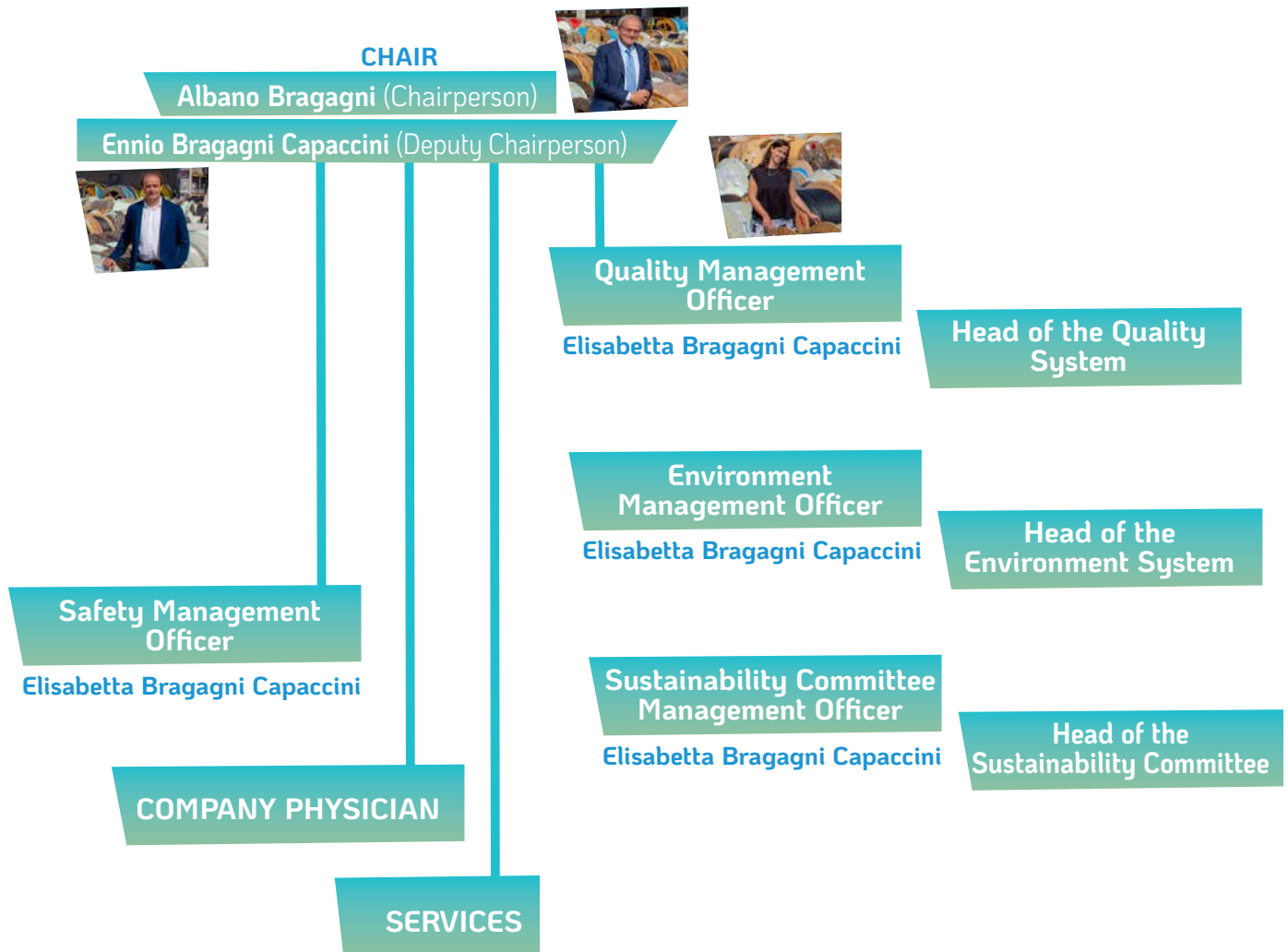
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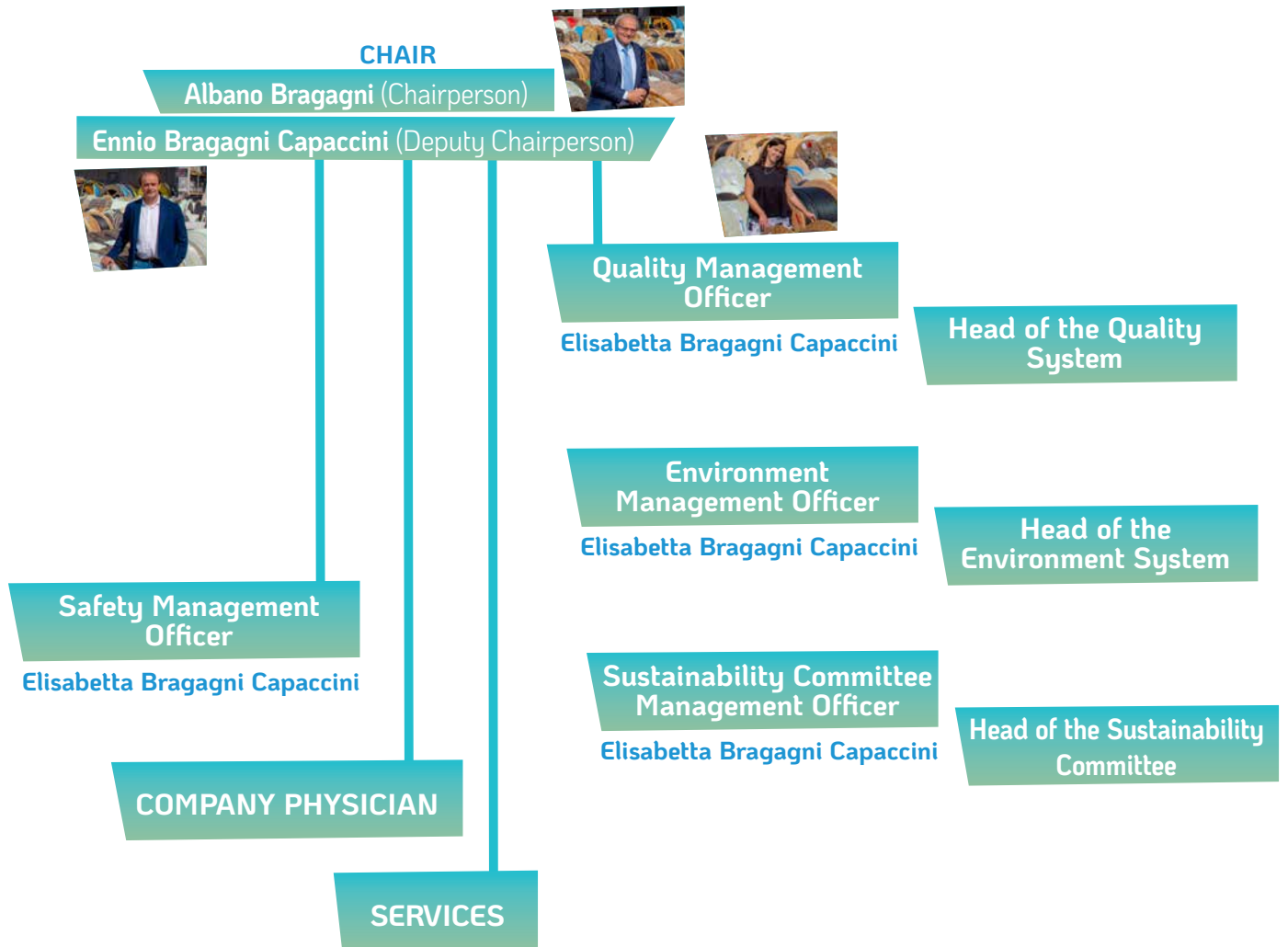
12 Sustainability Committee: its role is to promote and monitor sustainability initiatives within the company. The sustainability committee consists of a representative for the management team, the cable design department, the materials R&D department and the HSE - Health, Safety and the Environment - department. Some sustainability committee members also represent Tratos, in terms of sustainability, in the Europacable associations (Task Force on Product Environmental Footprint – Energy – M. Camaiti and Sustainability Leadership Team – E. Bragagni Capaccini, M. Camaiti) and the AICE association (Elisabetta Bragagni Capaccini - Vice Chairperson with the Environment and Sustainability mandate).

13 The workers’ safety representative (WSR) is the spokesperson for the workers and has the task of reporting to the management team any issues 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 at Tratos Cavi PSS is G. Ceccherini, the WSR at Tratos Cavi CT is S. Speranza, the WSR at Tratos HV is A. Berretti, and the WSR at Tratos srl is T. Guerrini.

# Organisation chart for TRATOS CAVI SPA - PIEVE SANTO STEFANO



# Organisation chart for 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 use 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 CORPORATE GOVERNANCE STRUCTURE AS OF 31/12/2023

The governance structure of Tratos is represented by the Chairperson, Deputy Chairperson, Chief Executive Officer and the Board of Directors (BoD). As of 31/12/2022, the Tratos Board of Directors consists of 5 members.

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

POSITION HELD	NAME OF MEMBER	GENDER	AGE GROUP
CHAIRPERSON	Albano Bragagni	Man	Over 50
DEPUTY CHAIRPERSON	Ennio Bragagni Capaccini	Man	30-50
CEO	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 2023, 3 meetings were held 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.

The Board of Directors meets to review and approve the sustainability report. In order to be able to review the performance of the indicators in ESG terms (METHODOLOGICAL NOTE).

# COMPANY POLICY

The TRATOS group is headed by the Chairperson, Albano Bragagni, who is responsible for the entire management of the group, including the product, the process and the management system (MS). The chairperson has legal representation<sup>14</sup>. In the Chairperson's absence, the Deputy Chairperson, Ennio Bragagni Capaccini, takes their place as legal representative. The Chief Executive Officer (CEO) is Elisabetta Bragagni Capaccini. Both the Chairperson and Deputy Chairperson 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 Chairperson, Ennio Bragagni, is responsible for the purchasing department, while the CEO Elisabetta 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.

The management team 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 organisation 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 the management team;
- monitor performance, including environmental, energy and sustainability performance, of the process for which they are responsible;
- report to the management team on the 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 Management System in order to maintain its integrity.

The notice period under normal conditions for a sudden change of duties is 4 weeks.

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

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

An Environmental Management Group (EMG) was set up

<sup>14</sup> 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.



to better manage environmental aspects. This Group is composed of the Head of Environmental Management, the management team's representative, the Head of Air and Water Management (AWM), the Head of Waste Management and the Head of Environmental Impacts. The EMG has the responsibility and the authority with regard to Environmental Management and other related issues and meets, as requested, by the management team's representative.

The EMG is jointly responsible, in various aspects, for the documentation relating to the organisation's structure, which includes descriptions of buildings, sewers, compressors, equipment, etc. They must also ensure that the organisation's structure and the company's policies are made known to the employees and the people who work 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 wires, fibre optics and superconductor cables."*

The Tratos plant is home to unique technology that few in the world can produce. Some examples of the high-tech products bearing the Tratos brand are superconductor cables supplied for the construction of the nuclear fusion power plant in France (the 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.

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

TM1		TRANSPARENCY, ETHICS AND INTEGRITY
<p><b>POSITIVE IMPACT</b></p> <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. Non-discrimination, equality, centrality of individuals, fairness and transparency are just some of these principles.</p>	<p><b>NEGATIVE IMPACT</b></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. 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><b>STRATEGIES AND OBJECTIVES ACHIEVED</b></p> <p>In 2023, Tratos obtained certification on Gender Equality for the lead company, Tratos SRL.</p> <p>The <b>Organisational and Management Model pursuant to Italian Legislative Decree no. 231/2001 - the Code of Ethics</b><sup>15</sup> was prepared and approved (on 30/06/2023) for the lead company, Tratos SRL. The approval of the Organisational and Management Models 231 - the Code of Ethics for Tratos Cavi and HV is expected in 2024.</p>

The challenges of sustainable development, the achievement of the greatest 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 alignment of 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.

The **Code of Ethics and Conduct** constitutes an integral and substantive part of the **Organisational Model 231** adopted by TRATOS SRL pursuant to Italian Legislative Decree no. 231/2001 to prevent the commission of administrative offences, and to identify and eliminate situations of risk. The proper observance, application and interpretation of this Code of Ethics and Conduct is carried out by the **Supervisory**



<sup>15</sup> Italian Legislative Decree no. 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 section and a special section where the main offences taken into account in the company's management are defined. By adopting Model 231, reference is made to corruption prevention actions.

**Body**, appointed and endowed with autonomous powers of initiative, control and guidance of the disciplinary action, as established with the adoption of the **Organisational Model 231**.

## THE PRINCIPLES THAT GOVERN TRATOS' ACTIVITIES

Tratos SRL has felt the need to state, in a clear and comprehensive way, the principles it recognises as being positive, primary and absolutely ethically valuable: These principles represent the fundamental values, that parties, who are required to comply with the Code of Ethics and Conduct, are to respect in order to pursue the "Company Mission":

**Legality** - carrying out their activities in compliance with international law and regulations, their own articles of association, and the company's regulations and procedures.

**Correctness** - recipients of the Code of Ethics and Conduct will be shown respect in the execution of their functions as well as for the rights each party - being in involved in professional and work activities - has. They have the obligation to act correctly in order to avoid any situation of a conflict of interest.

**Impartiality** - no discrimination of any sort whatsoever based on gender, religion or nationality, personal or political opinion, age or health will be tolerated.

**Honesty** - recipients shall not pursue personal or company gains in breach of the law or regulations, and shall respect that laid out in the Code of Ethics and Conduct.

**Integrity** - every recipient is required to adopt behaviour which reflects good faith, honesty, moral integrity, transparency, correctness and impartiality.

**Transparency** - this is based on the truthfulness, accuracy and completeness of information, both inside and outside the company. Every action must have suitable traceability.

**Economic efficiency** - in every work activity, there must be a commitment to safeguard and protect the company's resources, property and assets.

**Competition** - the value of competition is acknowledged when it is based on the respect for the principles of correctness, fair competition and transparency. Without harming competitors.

**Protecting privacy** - there is a commitment to protect the privacy of all parties, in accordance with regulations and the company's operating instructions.

**The value of human resources** - human resources are considered an essential factor in the development of the company and they are asked to act with professionalism, dedication, loyalty, honesty and a spirit of collaboration. The company protects professional development in order to enhance and increase the skills and abilities of its employees and collaborators.

**CUSTOMER ORIENTATION** - TRATOS SRL strives to ensure its customers are suitably satisfied, with the commitment to establish loyal, collaborative relationships with them and with the goal of presenting itself as a reliable, competent and trustworthy partner.



## 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 the principles of fair and free competition and transparency, maintaining proper relationships with all public and administrative bodies, citizens and third-party companies. Each member of the company is required to act, in every 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.

## LEGALITY AND THE FIGHT AGAINST 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 misusing money, legal tender and revenue stamps;
- Accepting and processing 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 an electronic signature certification;
- Wiretapping, obstruction and interruption of computer communications;
- Spreading ideas of tolerance and omertà (a code of silence) 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 failure to comply with internal regulations.

## ANTI-MONEY LAUNDERING AND RECEIVING STOLEN GOODS

Staff members must adopt all the appropriate tools and precautions to ensure the transparency and the correctness of commercial transactions.

Specifically, it is mandatory that:

- the tasks assigned to any service provider and/or natural person who is involved in the company's economic/ financial interests (suppliers, consultants, customers, collaborators) are prepared in writing, with an indication of the contents, the agreed economic terms and conditions, and the clause for cancelling the contract in the event of a breach of the principles laid out in the Code of Ethics and/ or in the Organisational Model 231;
- the heads of the competent functions ensure that payments to counterparties are controlled regularly;
- the minimum requirements set and requested for the purposes of selecting parties offering goods and/or services which the company intends to purchase are scrupulously observed;
- the assessment criteria for offers are set as part of the company procedures adopted for such activities;
- with reference to the commercial and professional reliability of the suppliers and consultants or collaborators, all the information needed for their pre-assessment and their potential inclusion in the appropriate register (if established) is requested and obtained, in compliance with the company procedures adopted;
- in the event that an agreement is concluded aimed at making investments, the utmost transparency is guaranteed.



# ECONOMIC PERFORMANCE

TM2 ECONOMIC PERFORMANCE		
POSITIVE IMPACT	NEGATIVE IMPACT	STRATEGIES
<p>Economic performance is a highly relevant subject for Tratos since every activity that covers the three ESG areas depends on it and is rendered possible through it. Closing the balance sheets of recent years with positive numbers has opened the doors to greater innovation for Tratos, allowing for greater investments to be made in machinery, plants and R&amp;D.</p>	<p>A negative economic performance can have direct consequences on the ability to pay external suppliers and internal personnel, leading to serious consequences to the local area. Other consequences might impact Tratos' ability to make investments and might hinder its normal, internal management expenses (e.g., maintenance operations). Finally, a negative economic performance can affect the relationships of trust that Tratos has with banks.</p>	<p>Current requests from our customers lead us to rationalise warehouses, to make the deliveries of our products more reliable, more frequent, faster and more traceable at the value chain level.</p> <p>In order to respond to these requests positively, Tratos plans to invest at the European level, not by financing low-cost labour. Tratos, therefore, has certain hard objectives when it comes to investing in companies in Europe, which are designed to:</p> <ul style="list-style-type: none"> <li>- increase its production capacity, which is needed in order to respond positively to the enormous market demands</li> <li>- develop telecommunications technologies, based in Europe, rather than introducing products onto the market which come from outside Europe.</li> </ul> <p>The growth of the company's know-how in telecommunications will be essential for the digital transition and the development of AI.</p>



## ECONOMIC AND FINANCIAL RESULTS

2023	Revenue from sales and services (euro)	Total value of production (euro)	Total cost of production (euro)	Profit (euro) Economic value retained before taxes
TRATOS SRL	5,978,696	6,023,943	5,687,034	336,909
TRATOS CAVI	213,493,914	217,283,886	193,759,666	23,524,220
TRATOS HV	32,454,401	33,964,673	31,209,932	2,754,741

Details of the costs incurred by Tratos in 2023 are given below:

<b>TRATOS CAVI</b>		
<b>COST OF PRODUCTION</b>		<b>EURO</b>
	For raw materials, consumable and goods	139,917,471
	For services	39,097,335
	For use of third-party assets	736,733
	For staff	10,818,815
	Depreciation and amortisation	2,362,421
	Changes in inventories of raw, ancillary and consumable materials and goods	(2,115,520)
	Sundry operating expenses	1,442,411
	Other provisions	1,500,000
<b>TOT</b>		<b>193,759,666</b>

<b>TRATOS HV</b>		
<b>COST OF PRODUCTION</b>		<b>Euro</b>
	For raw materials, consumable and goods	19,005,557
	For services	5,002,514
	For use of third-party assets	532,936
	For staff	4,251,019
	Depreciation and amortisation	2,058,057
	Changes in inventories of raw, ancillary and consumable materials and goods	229,389
	Sundry operating expenses	130,460
<b>TOT</b>		<b>31,209,932</b>

<b>TRATOS SRL</b>		
<b>COST OF PRODUCTION</b>		<b>EURO</b>
	For raw materials, consumable and goods	5,072,055
	For services	107,678
	For use of third-party assets	16,092
	For staff	515,618
	Depreciation and amortisation	4,273
	Changes in inventories of raw, ancillary and consumable materials and goods	(45,330)
	Sundry operating expenses	16,648
	Other provisions	-
<b>TOT</b>		<b>5,687,034</b>

Economic cost distributed (euro)	PAYMENTS TO CAPITAL PROVIDERS	PAYMENTS TO THE PUBLIC ADMINISTRATION	INVESTMENTS IN THE COMMUNITY
TRATOS SRL	170,226	130,557	-
TRATOS CAVI	(4,613,951)	5,598,330	12,316
TRATOS HV	(484,977)	366,910	-

## 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		TRATOS CAVI [EURO]	TRATOS HV [EURO]
TAX CREDIT 160/19 AND 178/20 FOR 2023	33,373.14 <sup>16</sup>	Covers a portion of the expenditure relating to Cavi's R&D activities in 2023 <sup>17</sup>	n/a
FIBER CABLE 4.0 <sup>18</sup> (II INSTALMENT PAID IN 2023)	198,056.36	Non-repayable fund in the R&D category and covering the Fiber Cable 4.0 project activities, closed on 31/12/2022.	n/a

<sup>16</sup> In order to benefit from this recovery through a tax credit, Bakertilly will have to perform further validation. This amount will be recovered over 3 years (approximately 11,000 euro/year).

<sup>17</sup> Details can be found in the "Research and Development" chapter.

<sup>18</sup> Details can be found in the "Fiber Cable 4.0 Project" chapter

# 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 tax authorities, ensuring that they, 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 for the Tratos Group and ensures its implementation within the Group, thereby assuming the role and the 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

There were no reports of non-compliance or other sanctions, either from a social or environmental point of view, in 2023.



# A SUSTAINABLE VALUE CHAIN

**RESPONSIBILITY FOR THE SYSTEM AND PRODUCT**  
Customer care



**INVESTING IN INNOVATION**  
Current projects, R&D,  
CPR - accredited lab



**RISK MANAGEMENT AND DATA SECURITY**



**RESPONSIBLE PROCUREMENT**



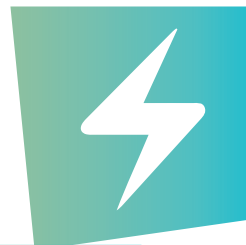
**PRODUCTION PROCESS**  
Power cables and  
fibre optic cables



**ENVIRONMENTAL RESPONSIBILITY**



**RAW MATERIALS**



**ENERGY AND EMISSIONS**  
Energy consumption  
and production and  
carbon footprint



**WATER AND WASTE**  
Circular economy

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 **digitisation** of society.



# RESPONSIBLE SOURCING

## 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 the **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, 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 CO<sub>2</sub> emissions (see "ENERGY AND EMISSIONS").

Tratos uses **two main categories of raw materials**:

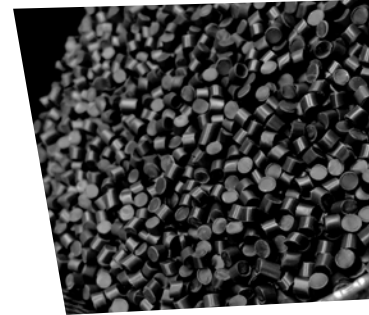
- 1) **plastic materials**
- 2) **metal materials.**

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). Whilst recycled materials are defined as **Circular attributed** (recycled materials of fossil origin).

For the management of these more renewable plastics, the **ISCC+**<sup>19</sup> (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



## PLANT ORIGIN



## RECYCLED



<sup>19</sup> Tratos Cavi and Tratos HV are ISCC+ certified (see "System certifications" on page 44)

Furthermore, the classifications of recycled materials are constantly evolving, distinguishing between the categories of recycled plastic material, post-industrial and post-consumer urban material<sup>20</sup>.

The other macro category of materials that Tratos uses in the development of the 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 CO<sub>2</sub> 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 the **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 has already adopted certain criteria to **assess its suppliers** and promote 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 from which it sources tin 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.



ertified

Conflict Minerals Reporting Template (CMRT)

<sup>20</sup> Certification. ISCC System Updates. ISCC International Sustainability & Carbon Certification, 07/03/2023, [www.iscc-system.org/updates/07-march-2023](http://www.iscc-system.org/updates/07-march-2023)

## SUPPLIER ASSESSMENT

In the near future, Tratos will implement a method for assessing its suppliers in terms of ESG, using questionnaires that have been developed for the purchasing office to collect information in order to be able to better manage the materials procurement process, considering not only the economic criterion but also integrating the supplier's social and environmental characteristics.

## RATINGS BY CREDIT INSTITUTIONS

Thanks to the assessments of the ESG ratings by various credit institutions (which have been required since 2021, as per the European Banking Association (EBA) for an overall assessment of the ESG criteria for granting credit), Tratos has increased its rating as a result of obtaining various certifications such as, for example, ISO 14064, ISO 14067, ISO 14001 and the score obtained with ECOVADIS. For Tratos, achieving suitable ratings is essential in order to be able to have the full trust of banks and other financial institutions, and to be able to bridge the payment gap between customers and suppliers. The payment gap exists, above all, for certain types of raw materials, such as, for example, metal materials, which require payment in advance, in contrast to payments made by customers which occur some time after the Tratos products have been delivered.

Our high rating allows us to obtain guarantees and assurances from banks, which are essential in order to be able to work with public entities and through tender processes.

Banks take on a fundamental role in guiding the sustainable transition, started with their ability to direct the flow of business capital and to provide funding following the ESG rating. Tratos activities fit well within the sustainable transition: thanks to the production of cables aimed at energy efficiency and the technological development of communications, we can reach even higher ratings and approval for financing from trusted credit institutions.

## OUR CUSTOMERS AND THE CUSTOMER CARE APPROACH

The company puts the customer first during all stages, from the design to the creation of Tratos products.

Among its material topics, Tratos has **TM3 – Quality of the products and Customer satisfaction**, which places the customer at the heart of everything. Tratos collects customer requests directly, thereby increasingly guaranteeing a more sustainable approach in accordance with ESG topics.

To satisfy customers, 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 encourage it to redesign its products afresh.

Tratos is engaged continuously in projects with its customers to create innovation and competitive products by seeking to add sustainable value.



*Collaboration is underway with our customer, Saipem, in the Hydrone-D - Fiber Optic Cable for Underwater Vehicles project [started in 2023, the tender award is expected in January 2024].*

*The project's goal is to create cables to guide and control ROV (Remotely Operated Vehicle) systems.*

*To date, there has been a significant investment in the technological development of batteries aimed at increasing their duration performance. Development is leading to smaller batteries with higher performance, so their transport through ROV (Remotely Operated Vehicle) systems has to go in the same direction. It also involves the components in the fibre optic cable connected to the underwater vehicles associated with the ROV systems.*

*Minimising the cable connected to the batteries for the ROV, both in terms of weight and size, will allow costs and energy expenditure to be minimised as well as reducing the emissions related to transportation. Smaller vessels will be used to reduce the number of people required and consumption due to general transport and handling. The Hydrone-D project's goal is to create small sized cables to control underwater ROVs.*

*Thanks to the technology used in the project, this will mean:*

- 1) minimising the quantity of material needed to produce the cables;*
- 2) reducing consumption due to transport.*

## OPG WORKSHOP IN TRATOS

### OPEN POWER GRIDS ASSOCIATION-ENEL

Tratos hosted the first OPG (Open Power Grids) showroom and workshop in Pieve S. Stefano on 8 June 2023, presenting sustainability solutions for cables and aerial cables.

The event was held in the **Faraday cage**, the largest in Europe, inaugurated in Pieve S. Stefano in 2013.

The OPG workshop launched a Customer Engagement process to encourage two-way communication with some of our main customers. The OPG workshop highlighted the importance that Tratos places on interfacing directly with customers, with respect to the issues of sustainable development, the creation of innovative products and safeguarding the environment. Customers are considered an active participant and not simply a recipient in order to be able to share common strategies and objectives.

During the OPG workshop Tratos studies and solutions were presented that dealt with sustainability and resilience.

Tratos' sustainability strategy has been developed by starting with measuring the company's impact on climate change by assessing the carbon footprint of every Tratos company process and the specific footprint of cables according to their life cycle (respectively, through Carbon Footprint 14064 and 14067 certifications. For more information see the "TRATOS' CARBON FOOTPRINT" chapter). Tratos' strategy involves implementing solutions to reduce the carbon footprint of its cables, by looking at the choice of alternative raw materials, which also allow the use of natural resources and pollution to be reduced.

To do this, collaborations with various compound companies are fundamental in order to obtain products in line with the required standards.

Tratos is constantly committed to implementing application projects that contribute to constructing innovative, resilient infrastructure, as per point 9 of the 2023 AGENDA. For example, Tratos promote solutions to the problem of snow and ice overloads on overhead line conductors. These innovative solutions help mitigate one of the main causes of blackouts during winter months, i.e., broken conductors or the failure of support structures (for more information, see the "Icephobic Cables" chapter).

Tratos also presented some innovative solutions to reduce network losses on low, medium and high voltage networks. In the case of high voltage, this becomes achievable with the use of conductors with carbon carrier (ACCC) which will replace the more classic aluminium/steel conductors (ACRS). These actions, in addition to reducing losses, allow for high current transport (for more details, see the "AERIAL CABLES" chapter).



# RESPONSIBILITY FOR THE SYSTEM AND PRODUCT

TM3 QUALITY OF THE PRODUCTS AND CUSTOMER SATISFACTION		
POSITIVE IMPACT	NEGATIVE IMPACT	STRATEGIES
<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&amp;D of innovative and increasingly sustainable products, is necessary in order to gain wider markets. Achieving customer satisfaction by creating tailor-made products designed to suit their needs is a key element of Tratos' strategy. Tratos certifies its processes and products according to national and international standards.</p>	<p>Customer dissatisfaction towards Tratos products can be the result of various types of threat such as, for example, delays in the delivery of items to the customers, sales in incorrect quantities or non-compliant products. The negative impacts can also damage the company's image and reputation and result in the loss of customers. Hence, the customer satisfaction indices must be monitored constantly.</p>	<p>With its policy firmly focused on customer satisfaction, Tratos is determined to offer specific solutions in the shortest possible time. In order to respond to increasingly strong competition, Tratos has to assert itself on the market by putting emphasis on its most innovative and technologically advanced products which meet the customer's direct needs. 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, which is designed to eliminate possible causes of customer dissatisfaction.</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 the 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.

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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 (2023):

*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 (**Construction Products Regulation (CPR)**) installed in the railway and mass transit sector. Tratos is a manufacturer of flame retardant, halogen-free and low smoke 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 it 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 no. 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 constantly performs studies and tests to achieve product innovation, carrying out rigorous tests to verify their quality. Fire tests performed in 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. The cables are tested directly in 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 the 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), a 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  
IN 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



Methods to measure our customers' **satisfaction** include indirect ones, such as asking for feedback, sales expectations and the application of penalties, as well as direct methods, such as assessment 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.

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 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, use)
- Commercial aspects (price, response time, offer of alternative solutions, relationship with the sales representative)
- Delivery/logistics (punctuality, documentation compliance, logistics services, packaging)
- Services/support (technical support, complaint handling, 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.

The indices measuring customer satisfaction and the Group's results for 2023 are:

T20 - customer satisfaction - response times<sup>21</sup> and T21 customer satisfaction - handling of complaints<sup>22</sup>

In order to be able to improve the T20 index, staff in the sales department need to coordinate as much as possible with the planning, quality control and shipping services, paying great attention to communications.

To see positive changes in the T21 index, the quality service has to be in charge of handling complaints, beginning with the initial response, and providing as much information as possible regarding the resolution of the issue reported.

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

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

<sup>21</sup> Minimum objective 76.0

<sup>22</sup> Minimum objective 72.0

2023	T20	T21
SCORE OUT OF 100	80.0	74.67

**CUSTOMERS ARE AMONG THE MOST IMPORTANT STAKEHOLDERS FOR TRATOS.**  
**THIS IS UNDERLINED BY THE NUMBER OF ESG QUESTIONNAIRES SENT BY TRATOS TO CREATE THE 2023 MATERIALITY MATRIX.**  
**INDEED, 41 DIFFERENT TRATOS CUSTOMERS WERE ASKED FOR THEIR OPINION ON ESG TOPICS.**

**POSITIVE IMPACT**

One of Tratos' corporate missions is to innovate in and develop energy and telecommunications cables and fibre optic cables, including fire-retardant and fire-resistant types. In recent years, energy transition, digitalisation and sustainability have been a strategic priority for the R&D department at Tratos. The goal is to achieve global innovation through projects differentiated by the development of new products.

**NEGATIVE IMPACTS**

The possible risks related to research and innovation activities such as impractical industrial scale-up, the lack of growth in know-how, and the waste of time and energy can discourage people working on these innovative and cutting-edge activities.

**STRATEGIES**

In order to achieve the goals, the R&D department at Tratos focuses on developing cable infrastructure for transporting energy and information, always aiming to expand its know-how which could be used in future applications. Tratos develops fibre optic cables capable of containing greater numbers of fibres, with higher data transmission potential, but that can be put into the limited available spaces found in Italian infrastructure. Tratos collaborates in the energy transition by developing prototype superconducting cables linked to projects working on the production of energy from nuclear fusion.



For Tratos, innovation<sup>23</sup> is about the design and development of innovative products, and it does this by often taking on major challenges.

<sup>23</sup> Technological innovation represents the works, other than those of research and development indicated in the previous point, aimed at creating or introducing new or significantly improved products or processes, compared to those already created or applied by the company. The activities include, exclusively, the works carried out in the pre-competitive phases related to the design, creation and introduction of technological innovations up to the works concerning the testing phases and the assessment of prototypes and pilot installations.

## 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.

### ENEA -TRATOS BRAST CABLE <sup>24</sup>

The project is related to the study of new technologies in the field of superconductivity aimed at the creation of a BRAST (BRAided Stack of Tape), a new assembly geometry that will allow a large number of high temperature superconductor (HTS) tapes to be managed in a more effective way. The project first called for feasibility studies in order to find the most appropriate process parameters. Tratos Cavi, in partnership with ENEA, tested and verified the most suitable techniques for stacking tapes in units known as "stacks", to be used as sub-elements in the construction of superconductor cables.

### NUCLEAR FUSION - SUPERCONDUCTORS - DTT (DIVERTOR TOKAMAK TEST)

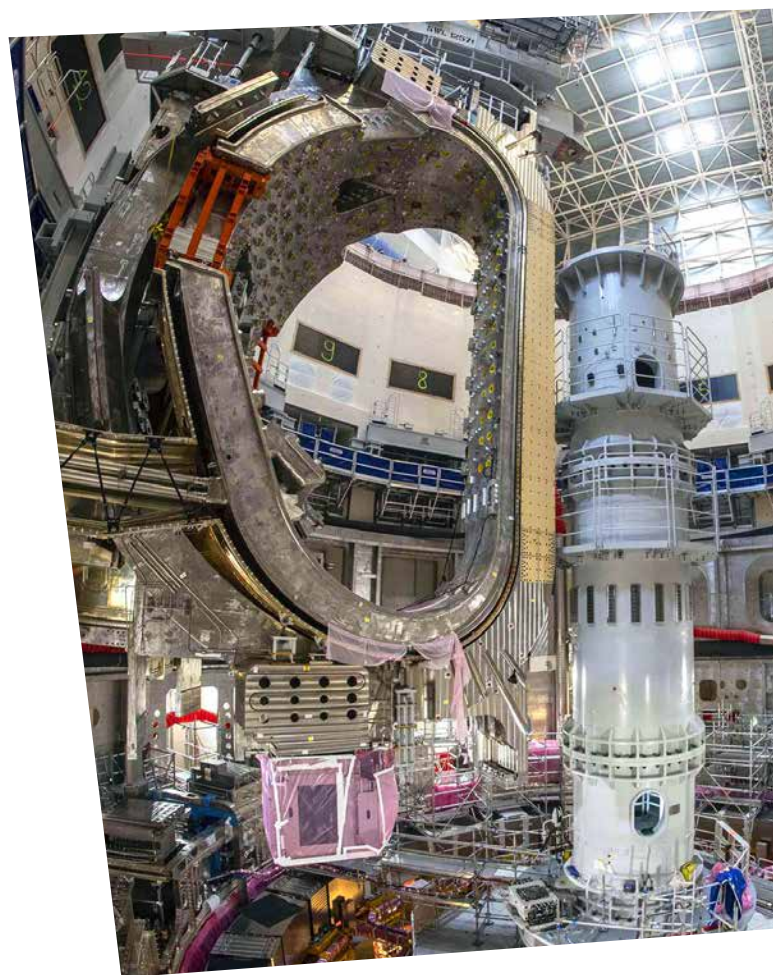
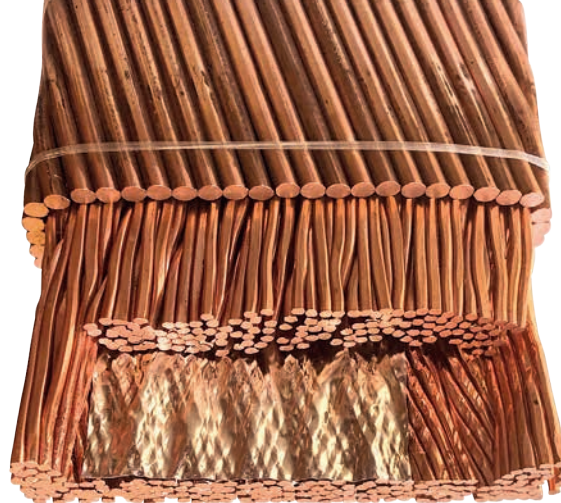
Nuclear fusion is seen as one of the best ways to ensure a large-scale, safe, environmentally friendly and inexhaustible source of energy. Demand for energy will rise sharply in the coming decades, but, at the same time, we will have to move away and ultimately completely abandon the use of fossil fuels in order to achieve Net Zero.

**Nuclear fusion** is the mechanism we see occurring in the stars, the opposite of fission: rather than splitting heavy atoms, the goal is to fuse light atoms (such as hydrogen isotopes) – releasing energy.

In order for atoms to be able to join together, to give rise to nuclear reactions, by necessity they need to be brought to extremely high temperatures. In a type of magnetic toroidal machine known as a **tokamak**, the fuel is heated until the atoms separate into positive and negative ions, reaching a state of **plasma**. This collection of charged particles is "trapped" or, rather, "confined", by an intense magnetic field. In this way, it does not touch the internal walls of the machine.

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

Eurofusion coordinates fusion research in Europe. The European programme on controlled thermonuclear fusion is strongly oriented to the construction and the exploitation of the **ITER** experiment and the **DEMO** project.



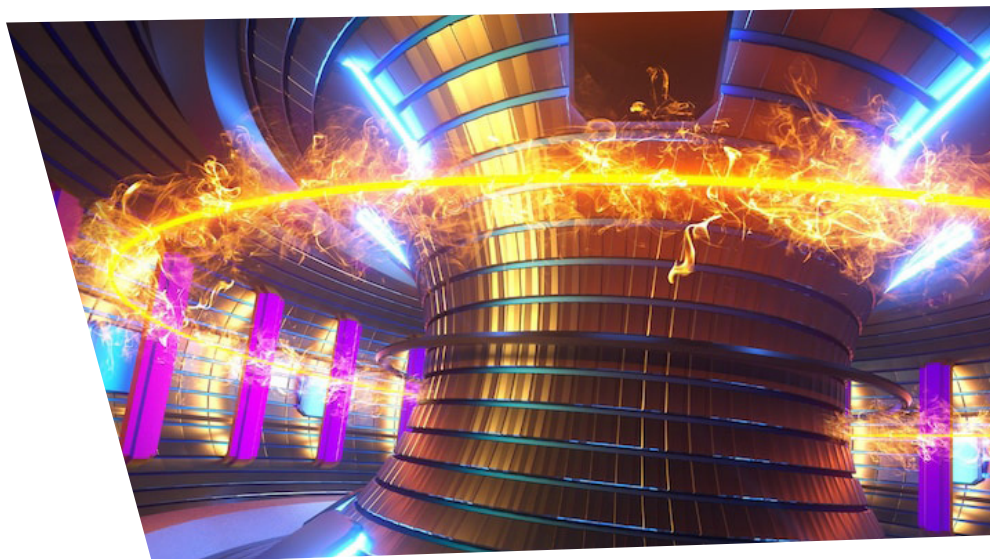
<sup>24</sup> Tax benefits for Tratos Cavi with tax credit 160/19

**ITER** (the International Thermonuclear Experimental Reactor) is to build a reactor capable of producing 500 MW of power from nuclear fusion, the same process that powers the sun and stars. This is an experimental project whose goal is not to produce electricity from nuclear fusion in commercial terms, but rather to demonstrate, scientifically and technologically, that it is possible to generate electricity in a beneficial way.

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 facility reactor), a piece of 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** (Demonstration Fusion Power Reactor) which would be nothing other than the demonstration phase of the first real prototype of a nuclear fusion reactor.

DTT is a plant whose aim is to explore and test the physics and technology needed to cool the plasma in future fusion reactors called tokamaks.

Obviously, what needs to be demonstrated is that the performance, in terms of heat dissipation capacity, will be achieved without adversely affecting, in any way whatsoever, 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 the 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.



## DEVELOPMENT OF NEW FORMULATIONS WITH INNOVATIVE MATERIALS FOR THE COMPOUND OF FIBRE OPTIC CABLES – CONTINUATION OF FIBER CABLE 4.0

The project running in 2023 is the continuation of the Fiber Cable 4.0 project, which involved studying innovative nanocomposite compounds for fibre optic cables with smaller diameter, higher number of fibres and optimised performance. In compliance with the physical and mechanical characteristics requested, the project led to the almost total elimination of the filler used to increase fire performance and allowed, whilst reducing the diameter of the cable, a better CPR classification of the cables themselves. In addition, the use of new materials led to a reduction in the specific weight of the compound used.

### A LOOK AT THE 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 and higher connection technologies 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.

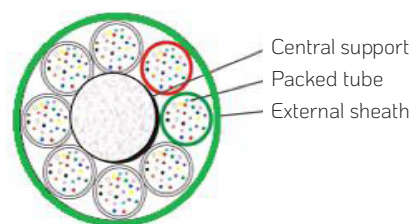
The Fiber Cable 4.0 project involved the pooling of expertise from various companies and universities of excellence in Tuscany in the period between 02/11/2020 - 31/12/2022.

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 and higher connection technologies given the existing infrastructural constraints”, Acronym “Fiber Cable 4.0”. Project implementation period: 2020-2022<sup>25</sup>.

### PROJECT WITH OUR CUSTOMER, FASTWEB

Cables with a smaller diameter that use less raw material in their production and that have higher transmission potential, in order to increase the potential of the network without having to take action to update the infrastructure.

Specifically, there will be less of an impact in construction sites and on the processes to install these cables, which will simply replace those with lower potential.



Combustion chamber - prototype project by OPUS Automazione – partner in the Fiber Cable 4.0 project. It makes it possible to test single components, without the need to industrially produce the internal cable, thus saving material.



Other partners: LASI, NEST – Scuola Normale Superiore (PISA) – Laboratorio Chimico Biologico srl

<sup>25</sup> Total budget for the project: € 2,989,557.36  
Tratos Cavi S.p.A. budget: € 1,329,137.00  
Financial support received with the second instalment in 2023: € 198,056.36

## ICEPHOBIC CABLES

Tratos is working to develop new technologies for reliable, sustainable and resilient infrastructure, 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.

The first installations began in 2022, followed by an installation in 2023.

While the high performance required to reach and maintain this type of infrastructure 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- and polyfluoroalkyl substances<sup>26</sup> submitted to the ECHA (European Chemicals Agency) is subject to continuous monitoring by Tratos. Nevertheless, 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 Polymers of Low Concern: 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-bio-accumulative (as very large molecules) and non-toxic.



<sup>26</sup> The proposal was prepared by the authorities of Denmark, Germany, the Netherlands, Norway and Sweden and submitted to the 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>).

## AERIAL CABLES

Tratos is working on innovative solutions to reduce network losses on low, medium and high voltage networks. In the case of high voltage, this becomes achievable with the use of conductors with carbon carrier (ACCC) which will replace the more classic aluminium/steel conductors (ACSR).

The national electricity system produces 330,000,000 GW annually. Starting with wind and photovoltaic installation and power plants burning fossil fuels, the electricity produced is transported to users through a network made up of approximately 70,000 km of high voltage lines and, subsequently, through low and medium voltage lines.

The network losses defined by Arera are equal to 10.4% of low voltage users and 3.8% of medium voltage users. On the high voltage networks, the losses are around 2%.

The classic **ACSR** conductor (aluminium-steel) was defined in 1962, when Enel was founded. This conductor was defined with a technical and economic analysis as the conductor which, in terms of costs, transport capacity, losses and structural characteristics, would be able to satisfy the development of the future high voltage network at 380 kV and 220 kV. Tratos is working on innovative solutions to reduce network losses and, in the case of high voltage, this becomes achievable with the use of conductors with **carbon carrier (ACCC)**, which will replace the more classic ACSR conductors.

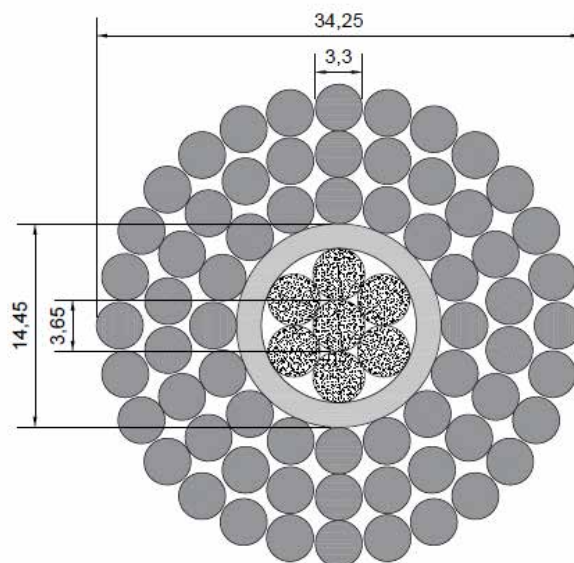
The work to substitute the ACSR conductors must take account of the legal provisions for designing overhead electricity lines, electrical clearances from the ground and the regulations relating to the exposure limits to electrical and magnetic fields. The new conductor will have to meet the design parameters, such as, for example, diameter, weight, breaking load similar to the ACSR line of conductors at 380 kV, and must also guarantee lower losses. To implement this solution, two steps are needed:

- 1) The replacement of just the conductors with ACCC conductors having mechanical characteristics and weight similar to the ACSR conductors in order to have the same mechanical loads on the supports
- 2) The quantification of the losses for the same amount of energy transported

To design a conductor which is mechanically identical to the loads induced on the metal structures, the weight per metre (kg/m) must be considered and the carbon fibre core has to be approved through type tests. For the same weight, the conductor with carbon fibre core allows for a large cross section of aluminium and a lower electrical resistance. Moreover, the larger diameter of the carbon conductor also leads to a reduction of losses through the corona effect.

The ACCC conductor allows more current to be transported at the same operating temperature. In addition, by being able to operate at higher operating temperatures, the ACCC conductor, respecting the legal electrical distances, allows for higher current values to be transported in, for example, an emergency.

For the same electrical current transported, so electricity, **the losses seen in the ACCC conductor are lower than those seen in the ACSR conductor.** The replacement of the ACSR conductors with ACCC conductors with carbon carrier could result in a **reduction in losses of 18%.**



# DIGITAL GOVERNANCE

TM5

CAREFUL MANAGEMENT OF 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.

Cyber security can facilitate business continuity, innovation and competitive advantage, and can have a positive impact on the company's financial health.

A cyber security strategy can increase consumer trust, improve the reputation of the company and foster positive brand perception.

## 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, for short/long

periods, of essential digital services. A cyber attack can have serious economic and reputational consequences, creating issues with business continuity.

## STRATEGIES

The strategies designed to increase security processes are:

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



The Tratos Group comprises 7 separate sites in Italy, Spain and the UK. The system adopted by all the sites is unique and the server component (database and application servers) resides in the main office (Tratos Cavi - Pieve Santo Stefano).

The **Tratos Cyber Security** project 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 manage the system does not have any 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 the Var Group - Yarix, for which a 24h SOC (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 full weekly 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

Periodic safety training has been implemented, including online courses with questionnaires, to assess comprehension of the subject, which are checked and evaluated by the tutor. Training is envisaged for every person with email 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 Essentials. Tratos Cavi has been positively assessed according to the Self-Assessment of the Cyber Essentials scheme in the period of validity 2021-2022, issued by IASME<sup>27</sup>.

Cyber Essentials is 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.

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<sup>27</sup> IASME, since 2020, has become the only Cyber Essentials 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.

# ENVIRONMENTAL RESPONSIBILITY

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 by customers for such solutions, also given the current global situation, poses challenges that involve the entire value chain.

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

Tratos is already trying to strengthen its value chain through collaborations with its suppliers and the search for new ones in order to increasingly expand information on raw materials. 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) regarding respect for the environment and sustainable development. The Group annually sets itself a series of objectives and actions for improvement to be achieved in order to increasingly optimise its environmental performance and spread awareness of health and safety in the workplace.

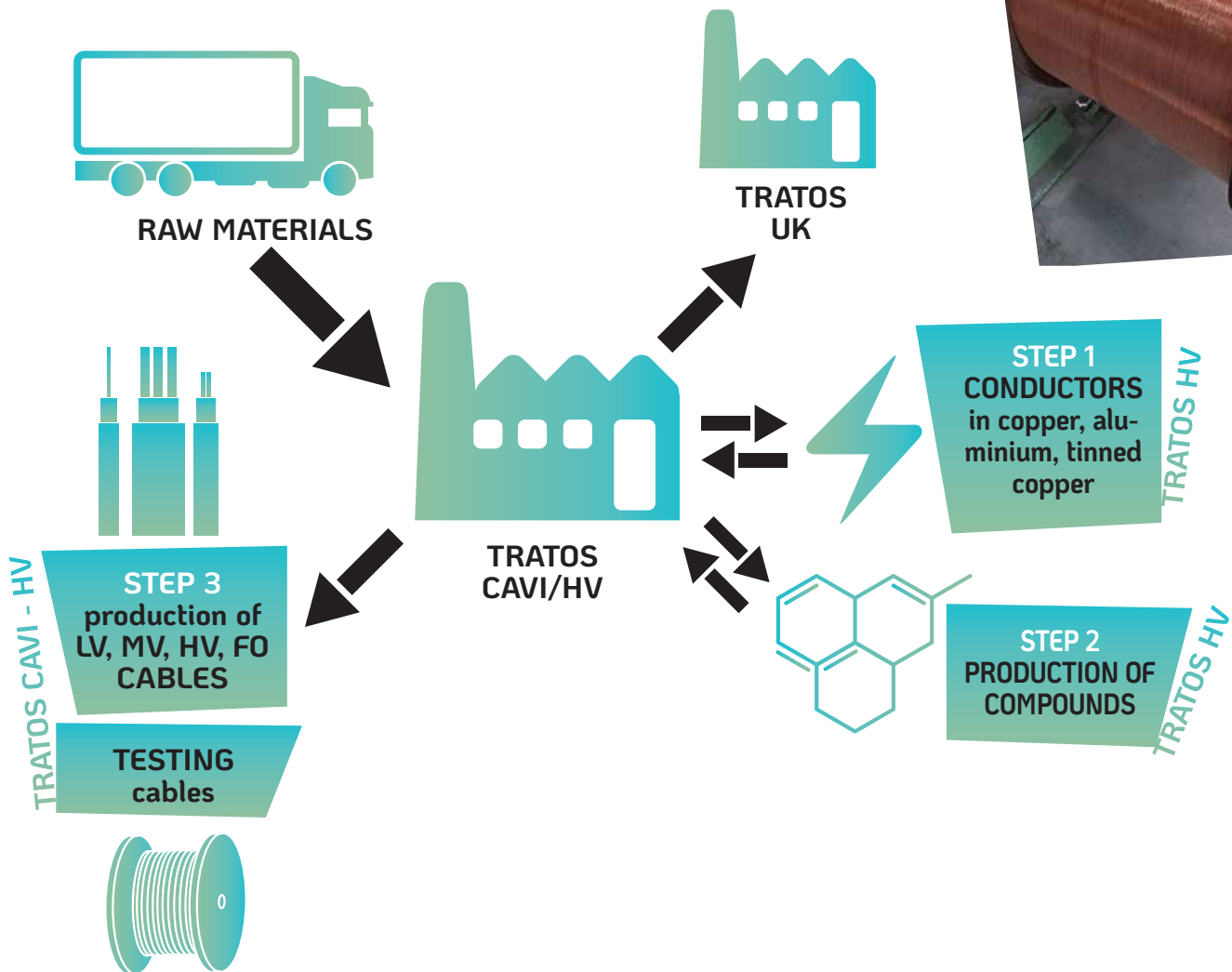
TM6 ENERGY EFFICIENCY, MONITORING AND FIGHTING CLIMATE CHANGE		
POSITIVE IMPACT	NEGATIVE IMPACTS	STRATEGIES
<p>The energy efficiency that we want to achieve by using high-performance sources, such as cogeneration, and sources of renewable energy produced by photovoltaic systems, will make us more independent from fluctuations in the gas market and will reduce greenhouse gas (GHG) emissions, thus contributing to the fight against climate change.</p> <p>Monitoring is also a material topic for Tratos, specifically monitoring the quality of the emissions into the atmosphere, which are monitored through periodic controls carried out by third parties.</p>	<p>Possible risks are associated with the continuity, not always maintained, for the supply of energy. Other risks can also be associated with the waiting times with which new technologies to produce clean energy (nuclear fusion, renewable energy sources with higher efficiency and lower costs) are made available on the market.</p> <p>Possible risks relating to monitoring, the detection of values outside the legal limits, which could lead to remediation actions.</p>	<p>Tratos is pursuing various other strategies to increase energy efficiency:</p> <ul style="list-style-type: none"> <li>• Replacing old machinery with more energy efficient machinery. The opportunity will be provided by the funds allocated to Industry 5.0, which will allow us to achieve energy transition faster and with fewer obstacles.</li> <li>• Installing and commissioning a photovoltaic panel installation at the facilities in Pieve Santo Stefano (Cavi and HV) and at the facility in Catania.</li> </ul>



# THE PRODUCTION PROCESS

Tratos Cavi and Tratos HV handle all the purchased raw materials. The various components are then sent to specific departments in the company for processing. The raw materials also are sent to Tratos UK Ltd<sup>28</sup>.

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



<sup>28</sup> Tratos UK Ltd has not been included in the scope of the 2023 reporting but has been included in the chart to fully indicate how the raw materials are distributed following purchase.

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



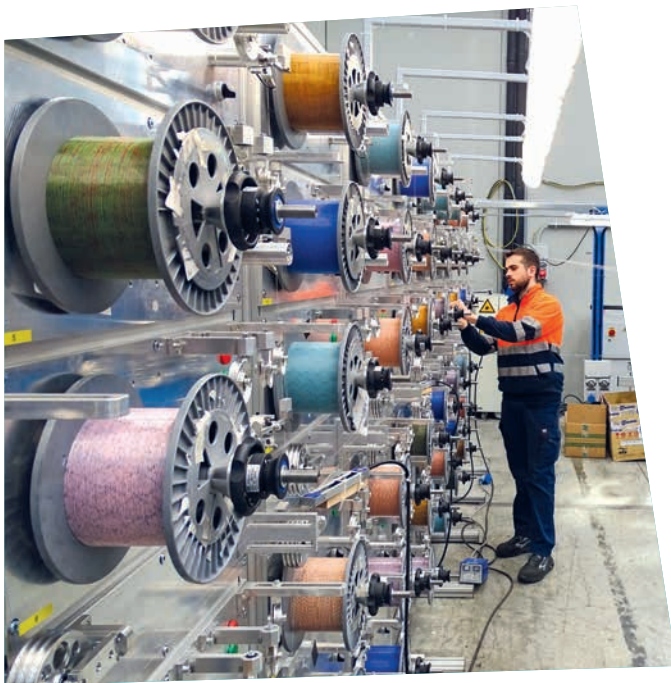
3) Production of energy cables



4) Testing (Faraday cage)



5) Production of fibre optic cable

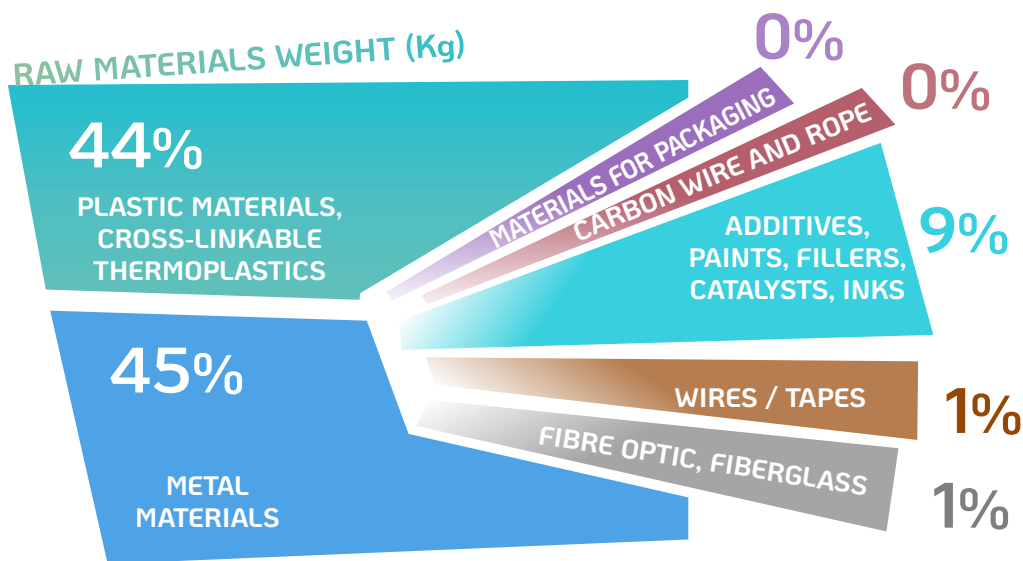


# THE RAW MATERIALS

Tratos considers the environment when purchasing raw materials. Tratos has recently been researching alternatives to non-renewable materials<sup>29</sup>, and therefore purchasing recycled materials, materials of biological origin or materials produced with the use of renewable energy sources.



Types of main materials used by Tratos



<sup>29</sup> Non-renewable material is a resource that does not regenerate in short periods of time.

MATERIALS USED IN 2023 TO PRODUCE CABLES (KG)<sup>30</sup>

26,207,879

The materials purchased are mainly non-renewable, such as metals, minerals, fibres and plastics of fossil origin. The renewable materials<sup>31</sup> purchased, instead, are wood used in packaging and plastics obtained from plant sources.

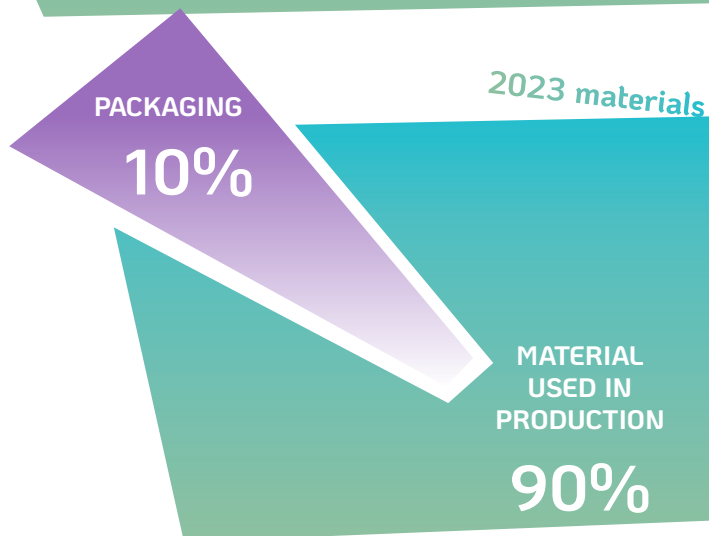
The most commonly used packaging for transporting cables is reels. Tratos uses two types of reel: wooden and steel (steel reels are used during internal processes on the company's premises, while wooden reels are used to deliver the finished product).

## FOCUS ON RECYCLING AND CLIMATE CHANGE

The supply of wooden reels comes directly from a company based in Pieve Santo Stefano, allowing the Pieve plants to receive the "zero km" product.

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

**25%** percentage of recovered packaging in relation to total packaging in 2023



NO. OF WOODEN REELS USED IN 2023	WEIGHT OF WOODEN REELS (KG)
26,862	3,051,277

NO. OF REELS RECOVERED AND REUSED	WEIGHT OF RECOVERED AND REUSED REELS (KG)
6,443	857,894



<sup>30</sup> Analytical data of the weight of materials used for production at Tratos, extrapolated from the Data Processing Centre. Raw materials are purchased externally.

<sup>31</sup> 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).

Still at the packaging level, Tratos has also implemented a policy to reduce the use of wood as much as possible in delivering 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 in rolls, such as our cables.



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.

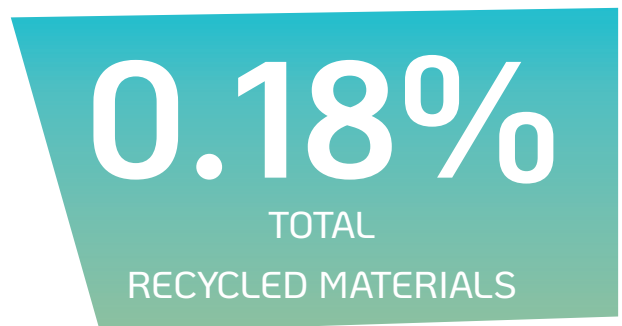
Plastic products are not an officially recognised source of greenhouse gas emissions (GHGs), so they are not directly associated with climate change. But all the processes related to the life cycle of plastics, such as extraction, refining and production, and even incineration and disposal, are carbon-intensive and release toxic pollutants <sup>32</sup>.

**0.18%** recycled materials out of the total raw material used in Tratos

**0.51%** recycled plastics compared to the plastic materials 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 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, in line with the requests made by our customers.



<sup>32</sup> Plastic & Climate: The Hidden Costs of a Plastic Planet, 2019

# ENERGY AND EMISSIONS

## MEASUREMENT OF ENERGY<sup>33</sup>

ENERGY CONSUMPTION WITHIN TRATOS	INTERNAL ENERGY CONSUMED (GJ) 2023		
	Tratos Cavi (PSS)	Tratos Cavi (CT)	Tratos HV
ELECTRICITY EE CONSUMED	5271	11996	14136
METHANE CONSUMED	59346	9861	71338
LIQUID FUEL	143	-	107
COMPANY CARS	647	-	-
INTERNAL MOVEMENTS	279	-	-
ENERGY CONSUMPTION OUTSIDE TRATOS	2023 – EXTERNAL ENERGY CONSUMED (GJ)		
	ROAD	SHIP	
RAW MATERIAL TRANSPORTED IN TRATOS	27974	13631230	
MOVEMENTS BETWEEN SITES	4428	17416	
DELIVERY TO THE CUSTOMER	26791	3218349	
WASTE DELIVERED	2460	2490	

Energy intensity represents the ratio of total energy consumption within the organisation per kilometre of cable produced during the year 2023.

ENERGY INTENSITY (INTERNAL)	
Internal energy consumption	173124 GJ
Cables produced 2023	63,579 Km
Energy intensity	2.72 GJ/Km

<sup>33</sup> Energy conversions: National Standard Parameter Table, Coefficients used for the inventory of CO<sub>2</sub> emissions in the UNFCCC National Inventory (average of values for the years 2020-2022). This data can be used to calculate emissions from 1 January 2023 to 31 December 2023.

### Conversion of energy consumption

Methane	35.457 GJ/1000 Stdm3
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	10,000 L/h

## ENERGY PRODUCED BY COGENERATION

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 chilled air/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 cogeneration unit can save up to 30% on energy costs, as well as cutting carbon dioxide (CO<sub>2</sub>)<sup>34</sup> emissions.

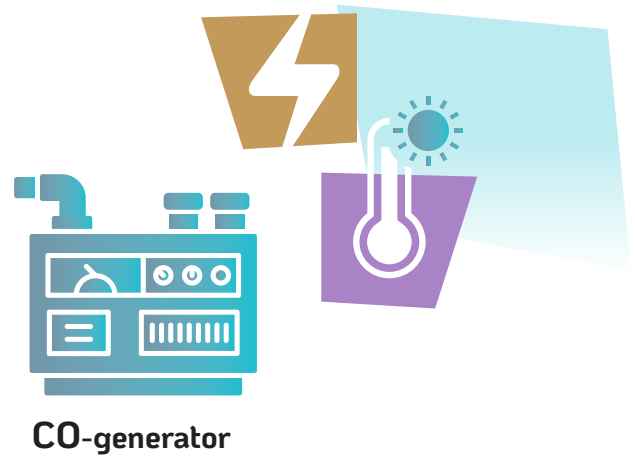
### Evolution of High Yield Cogeneration (CAR):

- Directive 2004/8/EC transposed by Italy and in effect since 2011
- Directive 2012/27/EU transposed in Italy by Italian Legislative Decree no. 102/14
- National Energy Plans, Decree Law no. 112/2008 and Decree of 8 March 2013 - National Energy Strategy (SEN 20-20-20: GHG reductions, renewable development, energy efficiency)

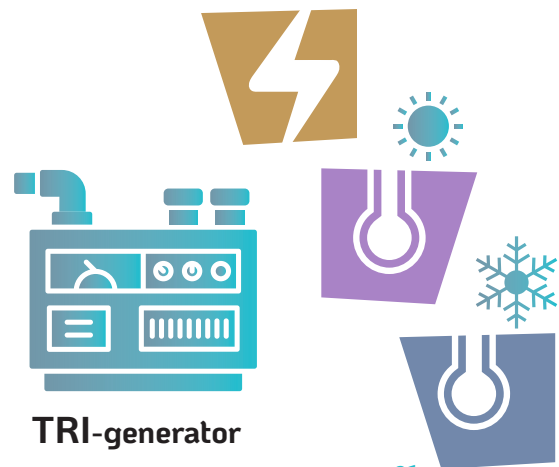
Increasing energy efficiency can help achieve the greenhouse gas reduction target. According to Italian Law no. 308/82 (1982) and later with Italian Laws no. 9/91 (1991) and no. 10/91, the following are also regarded as energy sources assimilated with renewable energy sources: cogeneration, understood 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 HV<sup>35</sup>. The fuel used for running the cogenerator and trigenerator is methane<sup>36</sup>.

RENEWAL ELECTRICITY PRODUCTION <sup>37</sup> (GJ)	COGENERATOR AT TRATOS CAVI (PSS)	TRIGENERATOR AT TRATOS HV
	16996	27106

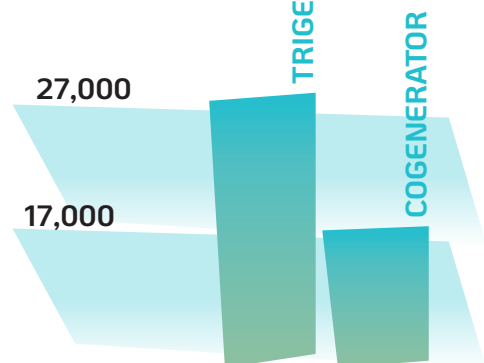


CO-generator



TRI-generator

production  
2023  
(GJ)



<sup>34</sup> <https://www.enelx.com/it/faq/cosa-e-impianto-cogenerazione-quali-sono-principali-benefici>

<sup>35</sup> Details of the breakdown of the fuel used in the production of electricity, heating energy and cooling energy are currently not available.

<sup>36</sup> 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- and tri-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).

<sup>37</sup> Italian Law no. 1 of 9 January 1991

## RATIO OF RENEWABLE ENERGY TO TOTAL ENERGY CONSUMED (RER%) FOR 2023

TOTAL ELECTRICITY CONSUMED [KWH]	21,022,628
TOTAL ENERGY CONSUMED AND PRODUCED BY RENEWABLES (CO-GENERATION) [KWH]	12,250,579
RER%	58%

## MEASUREMENT OF EMISSIONS<sup>38</sup>

CO<sub>2</sub> 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.

The emissions produced by Tratos in 2023, accredited in accordance with UNI EN ISO-14064 "Greenhouse gases", are shown in the tables below.

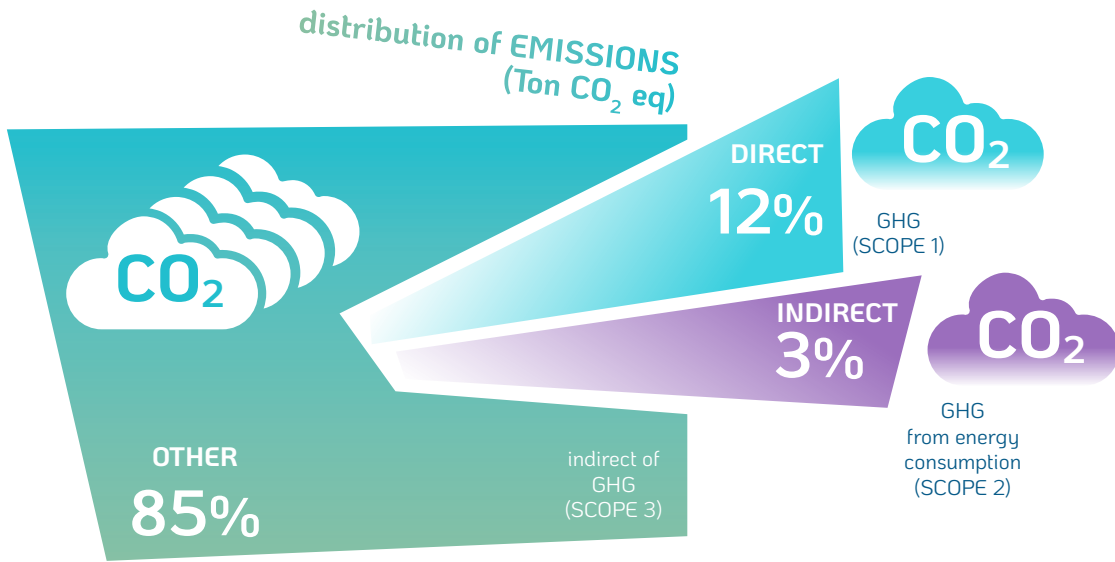
DIRECT (SCOPE 1) GHG EMISSIONS	TOT (TonCO <sub>2</sub> eq)
Purchased energy Methane (Smc)	
Internal transport (Km)	7994.21
Forklifts (Km)	
INDIRECT (SCOPE 2) GHG EMISSIONS	TOT (TonCO <sub>2</sub> eq)
Energy purchased EE (KW/h)	2155.29
INDIRECT (SCOPE 3) GHG EMISSIONS	TOT (TonCO <sub>2</sub> eq)
Raw materials (RM) purchased (Kg)	
Transport of RM (Km)	
Water (dmc)	
Employee travel (Km)	
Production of waste (Kg)	
Transport of waste (Km)	
Delivery to the customer (Km)	
Packaging (Kg)	
EE grid losses	
Methane consumption losses for heating	
	57750.96

<sup>38</sup> For energy conversions: National Standard Parameter Table, Coefficients used for the inventory of CO<sub>2</sub> emissions in the UNFCCC National Inventory (average of values for the years 2019-2021). This data can be used to calculate emissions from 1 January 2022 to 31 December 2022.

GHG EMISSIONS (SCOPE 1, 2, 3)

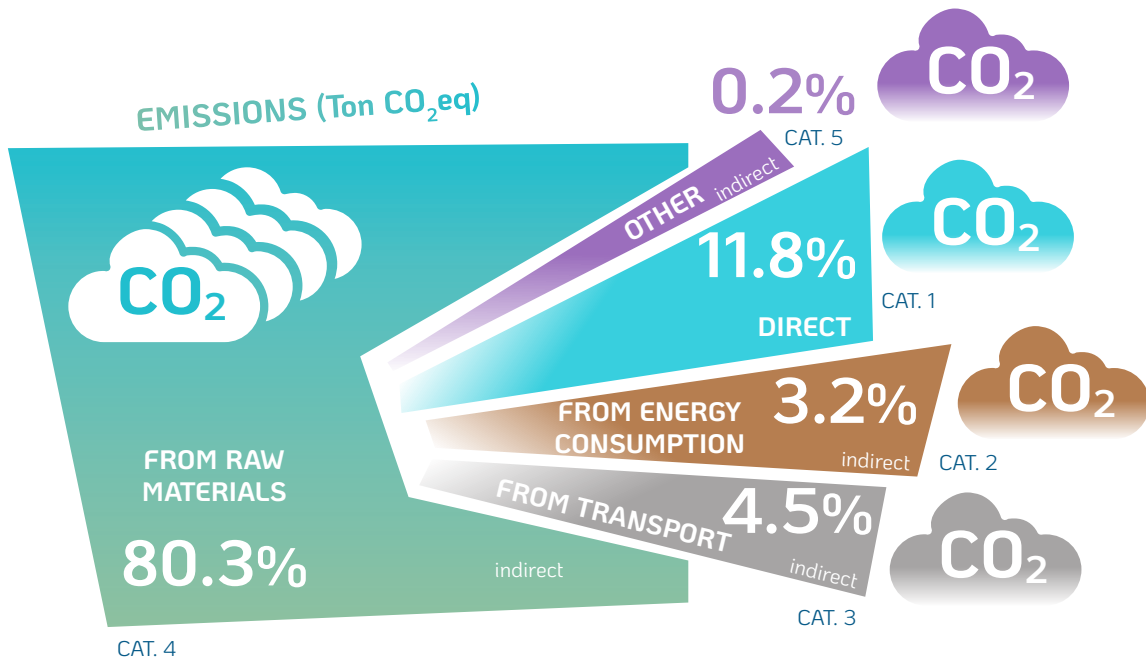
TOT (TonCO<sub>2</sub>eq)

67900.47



**Distribution of emissions according to ISO 14064:2018**

GHG EMISSIONS - CAT CRITERIA [2023]	TONCO <sub>2</sub> EQ
CAT.1: Direct emissions	7994.21
CAT.2: Indirect emissions from energy consumption	2155.29
Cat.3: Indirect emissions from transport	3061.62
Cat.4: Indirect emissions from raw materials	54538.70
Cat.6: Other indirect emissions	150.64
<b>TOT</b>	<b>67900.47</b>



The intensity of GHG emissions represents the ratio between direct (Scope 1) GHG emissions, indirect (Scope 2) GHG emissions from energy consumption, and indirect (Scope 3) GHG emissions from within the organisation per kilometre of cable produced in during the year 2023.

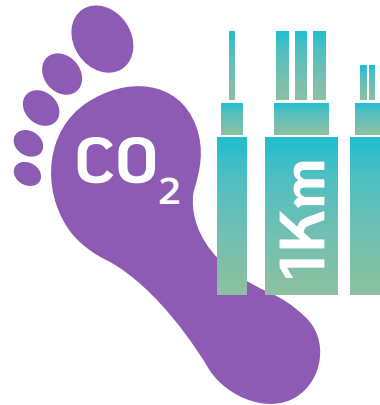
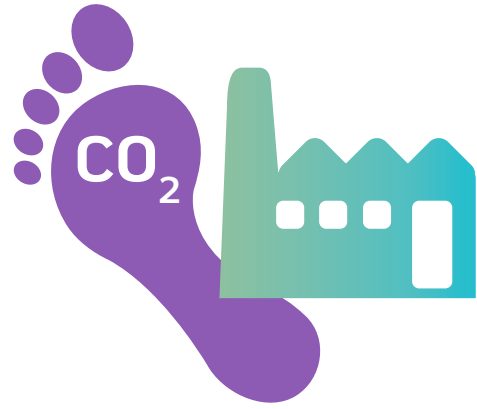
INTENSITY OF THE ORGANISATION'S GHG EMISSIONS 2023		
Total GHG emissions 2023 (tonCO <sub>2</sub> )	67900	
Cables produced 2023 (Km)	63579	
Intensity of the organisation's GHG emissions 2023 (tonCO <sub>2</sub> /Km)	Scope 1	0.13
	Scope 2	0.03
	Scope 3	0.91


# 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 (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>) and perfluorochemicals (PFCs). The unit of measurement for calculating the carbon footprint is CO<sub>2</sub>eq, 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.


Tratos obtained accreditation in 2019 of

- UNI EN ISO -14067 "Greenhouse gases – Carbon footprint of products"
- UNI EN ISO 14064-1:2019 - Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals
- 
- 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).





## Carbon Footprint Certificate



**HCO-2022/0032**

AENOR certifies that the organization:

**TRATOS CAVI S.P.A.**

In conformity with the standard ISO 14064-1:2018 Standard

For the activities: Total Emissions of CO<sub>2</sub>eq 2018: 4.452,6 tCO<sub>2</sub>eq and indirect emissions: 31.239,26 tCO<sub>2</sub>eq


The scope of emissions is calculated for electrical cable production activities.

DATE: 11/11/2019 HCO-0032


DATA (RMS TO: Verification Report) for the 2018 period and the Accreditation or Verification, next to the activities, in the Registry.

which state covered in: TRATOS CAVI S.P.A. VIA STABO, 2 - 52036 - PIEVE S. STEFANO (AREZZO - Italia)  
TRATOS CAVI S.P.A. STRADA 4 - 52036 - PIEVE S. STEFANO (AREZZO - Italia)  
TRATOS CAVI S.P.A. VIA P. AN. DI GUIDO 45 - 52036 - PIEVE S. STEFANO (AREZZO - Italia)

first issued on: 2019-06-26




Rafael GARCIA MEIRO  
Chief Executive Officer




AENOR INTERNACIONAL S.A.U.  
Gómez, 6. 28004 Madrid, España  
Tel. 91 421 80 00 - www.aenor.es

AENOR Italia (con Topas), 16, 10139 Torino - www.aenoritalia.com



## Certificate carbon emissions product Calculated



**HCP-2019/0005**

AENOR certifies that the organization:

**TRATOS CAVI S.P.A.**

In accordance with the requirements ISO 14067:2018, an issue of 305,535 t CO<sub>2</sub>eq

What are done in: TRATOS CAVI S.P.A.  
VIA STABO, 2 - 52036 - PIEVE S. STEFANO (AREZZO - Italia)  
TRATOS CAVI S.P.A.  
STR. VINCENZO LANCIA, 95121 - XIII STRADA - FRAZ. PIANO D'ARCO (CATANIA - Italia)  
TRATOS CAVI S.P.A.  
VIA PIAN DI GUIDO 45, 52036 - PIEVE SANTO STEFANO (AREZZO - Italia)

with field of activity: The field was defined as "Life Cycle" including the following stages of production:


1. Extraction and production of raw materials
2. Transport of raw materials to the organization's factories.
3. Product manufacturing (electrical cable for ENEL)
4. Transport of the product to the ENEL customer.
5. Product use phase
6. End of product life cycle

Product: 1 km of electric cable manufactured for ENEL


Calculated period: 2018

Conforming to: Greenhouse gas calculation report TRATOS CAVI, SPA with date 28 November 2019

Date of issuing: 2019-11-28



Rafael GARCIA MEIRO  
Director General



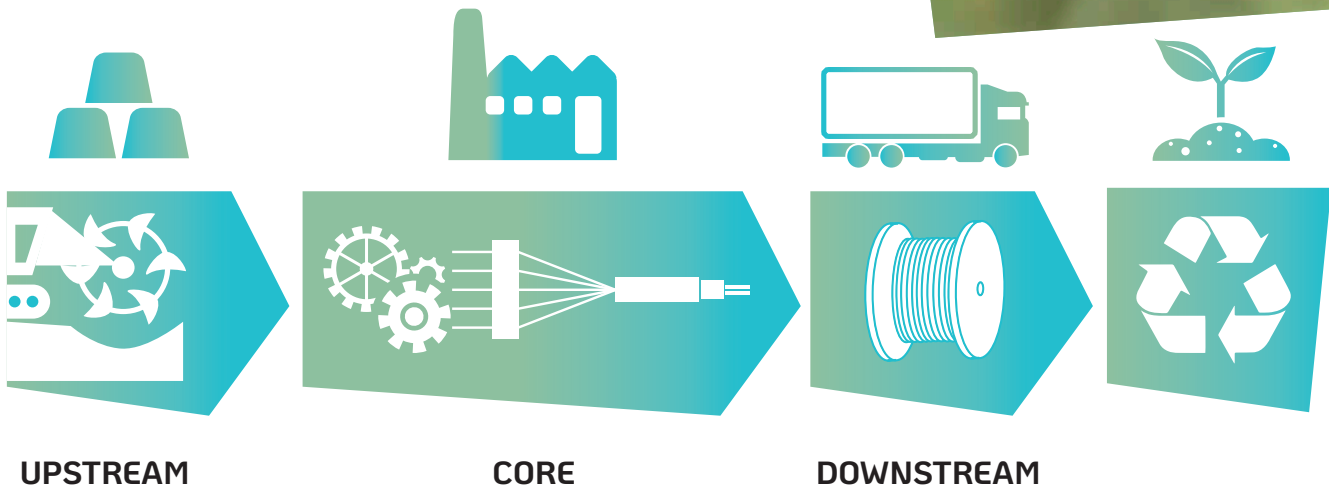
AENOR INTERNACIONAL S.A.U.  
Gómez, 6. 28004 Madrid, España  
Tel. 91 421 80 00 - www.aenor.es

## 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 an individual cable are expressed in **tonCO<sub>2</sub>eq/Km**.

The total CO<sub>2</sub>eq emissions relating to the production of cables at Tratos are the sum of the three macro-modules: Upstream, Core and Downstream.

- **Upstream**, processes upstream from the manufacture of the product under analysis
- **Core**, company processes, i.e. the actual production of the product, which takes place on company premises.
- **Downstream**, downstream processes i.e. the use of the product from the moment it leaves the company's premises
- .
- .
- .
- .



UPSTREAM	CORE	DOWNSTREAM
Raw materials (RM) used	Electricity consumption (EE)	Delivery of the product to the customer
Transport of RM to the company	Consumption of methane	Distribution
Packaging of RM	Water consumption	Use
	Production of waste	Disposal
	Transport within the company	Waste disposal

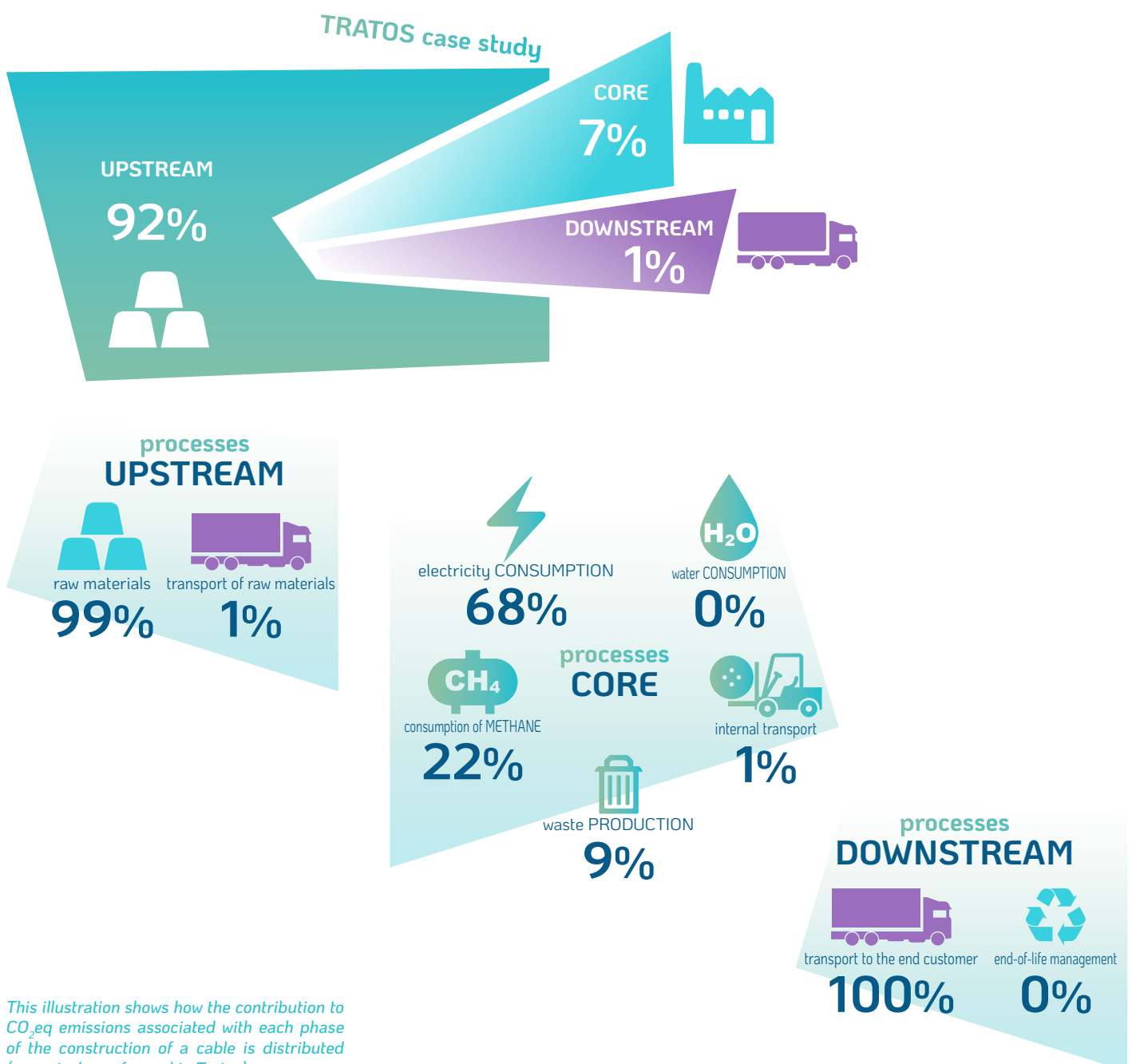
**The calculation of the Carbon Footprint (CFP)** is a tool that Tratos uses to estimate the CO<sub>2</sub>eq emissions associated with the cable manufacturing processes.

By calculating the CFP it is possible to calculate the emissions of CO<sub>2</sub>eq as a result of the various phases including in the Upstream, Core and Downstream processes.

In cables, the Upstream processes are those that contribute more to the emissions of CO<sub>2</sub>eq, approximately more than 90%.

Specifically, among the Upstream processes, the greatest contribution to emissions is given by the raw materials, that is, all the phases which are necessary to extract and produce the raw materials (such as, for example, aluminium and copper rods, polymers, additives, inorganic fillers, etc.) at the heart of the cable. Among the Core processes, instead, the largest contributor is electricity (EE) consumption, used in the cable production processes (for more information, see "THE PRODUCTION PROCESS" chapter).

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 the raw materials up to their transportation, and the better, more detailed knowledge of the processes and the related GHG emissions.



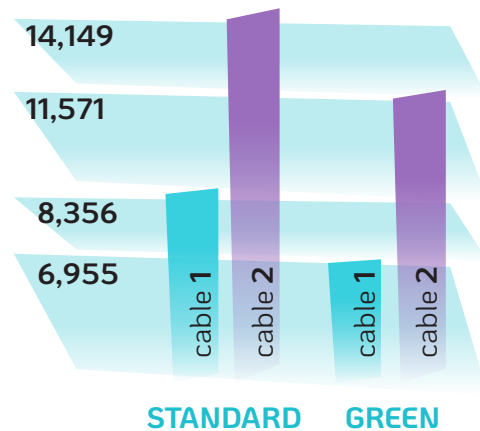
*This illustration shows how the contribution to CO<sub>2</sub>eq emissions associated with each phase of the construction of a cable is distributed (case study performed in Tratos).*

## REDUCTION AND OFFSETTING EMISSIONS

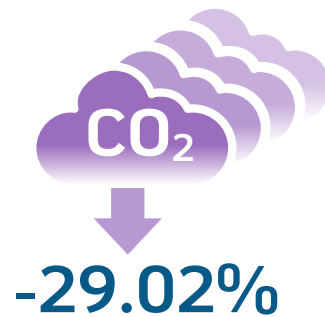
Tratos has been making great strides in achieving sustainability by developing innovative products and lowering the amount of emissions with the implementation of various measures such as: using innovative materials, sourcing materials at shorter distances, using materials of plant and/or recycled origin,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

- We have shown that most of the CO<sub>2</sub>eq emissions related to the cables produced by Tratos are associated with **Upstream** processes. Reducing emissions relating to the production of 2 different cable products by Tratos (representative of the energy cables category) is possible by using **green sheaths**, i.e., sheaths produced with sustainable materials (such as materials of plant origin and recycled materials). The chart shows a reduction in the emissions related to the Upstream process in the **green cable** types compared to the same **standard cable** types.
- Here is an example of a group consisting of various 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 tonCO<sub>2</sub>eq, whereas in the case of Recycled cables, this value is reduced by approximately 30% to 59.37 tonCO<sub>2</sub>eq. For both cases, Upstream processes account for more than 95% of the contribution to emissions.

### Reduction of CO<sub>2</sub> in the production of cables with GREEN sheaths



Simulation of CFP calculation to compare the values of Kg CO<sub>2</sub>eq/Km emitted for traditional (STD) and green (GREEN) sheathed cables.



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

- Among the actions that Tratos will undertake by 2024 in order to reduce electricity consumption and lower the related GHG emissions is the installation and commissioning of a photovoltaic plant at the Tratos Cavi plants in Pieve Santo Stefano and Catania and at the Tratos HV plant.
- 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).

## ENVIRONMENTAL CONTROLS

### ATMOSPHERIC EMISSIONS CONTROLS

Monitoring emissions is increasingly important in today's management of industrial plants. In addition to making companies more sustainable, monitoring helps reduce atmospheric pollution and, as a result, limits the negative effects such pollution has on the environment and human health.

Monitoring emissions into the atmosphere is considered a material topic for Tratos (TM6). Indeed, periodic checks are carried out on the quality of the emissions into the atmosphere by a regulated third party.

Checks on Tratos' atmospheric emissions are regulated by the Single Environmental Authorisation [*AUA – Autorizzazione Unica Ambientale*]<sup>39</sup>. The AUA carries out an overall assessment of the environmental compatibility of the production activities which potentially have an impact on the environment, with the guarantee of a standard approach. The types of checks, the number chimneys for sampling emissions are, then, defined for the various Tratos Cavi and Tratos HV facilities.

### WATER CONTROLS

Following the 2023 update, the topic of *Water consumption (E3-1)*, not being considered a priority, was not included in the list of Tratos' material topics. In fact, in the cable production process, there is no need for a significant amount of water which is used, instead, in a closed circuit and only topped up as a result of evaporation.

Also with respect to water controls, which are regulated by the Single Environmental Authorisation [*Autorizzazione Unica Ambientale - AUA*], the quality of sewage, surface water<sup>40</sup> and potable water<sup>41</sup> is monitored through chemical, physical and bacterial analyses (for example, Legionella<sup>42</sup>) done by external laboratories.

2023	CAVI (ML)	CATANIA (ML)	HV (ML)
Water withdrawals	1.689	1.509	0.698

<sup>39</sup> Italian Legislative Decree no. 152/2006

<sup>40</sup> Tab. 3 and Tab. 4 Annex Italian Legislative Decree no. 152/2006

<sup>41</sup> pursuant to Italian Legislative Decree no. 18/23

<sup>42</sup> UNI EN ISO 11731:2017

## 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.

Tratos has been working on the implementation within its supply chain of recycled materials, from the point of view of both metal materials and materials of plastic origin. The most common difficulties encountered are the high costs associated with these materials and their limited availability on 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 one 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.

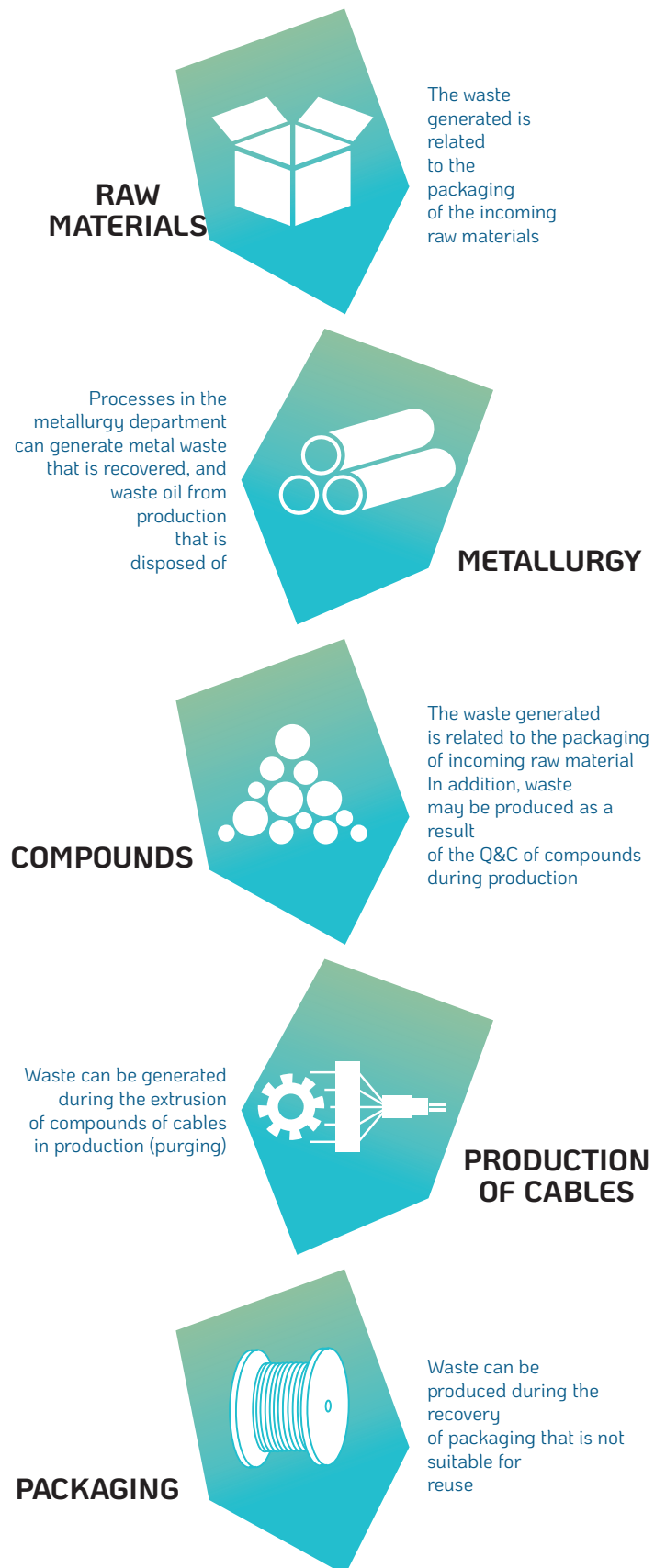
*Cables may, in some cases, become special waste and must be analysed by external laboratories in order to associate the relevant EWC code with them.*

### 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 Italian Legislative Decree no. 152/06.

## WASTE CYCLE

### waste production



**DISPOSAL CLASS**

EWG CODE	QUANTITY (KG)	DESCRIPTION	MACROTYPOLGY
060404*	2	Wastes containing mercury	Industrial waste
070213	183281	Plastic waste	Plastic waste
120114*	1800	Machining sludges containing hazardous substances	Industrial waste
130208*	11170	Other engine, gear and lubricating oils	Industrial waste
150101	171670	Paper and cardboard packaging	Paper/Cardboard waste
150102	50680	Plastic packaging	Plastic waste
150103	197559	Wooden packaging	Wood waste
150106	408580	Mixed packaging	Mixed waste
150111*	180	Metallic packaging containing a hazardous solid porous matrix (for example asbestos), including empty pressure containers	Metallic waste
160122	460	Components not otherwise specified	Industrial waste
160213*	680	Discarded equipment containing hazardous components (1) other than those mentioned in 160209 and 160212	Industrial waste
160214	11200	Discarded equipment other than those mentioned in 160209 to 160213	Industrial waste
160216	60	Components removed from discarded equipment other than those mentioned in 160215	Industrial waste
160601*	1090	Lead batteries	Industrial waste
170203	420	Plastic	Plastic waste
170401	199340	Copper, bronze, brass	Metallic waste
170402	90828	Aluminium	Metallic waste
170405	132310	Iron and steel	Metallic waste
170411	1196965	Cables other than those mentioned in 170410	Industrial waste
200102	750	Glass	Mixed waste



**R**<sub>43</sub>

43 R = recovery class

**DISPOSAL CLASS**



DISPOSAL CLASS	EWC CODE	QUANTITY (KG)	DESCRIPTION	MACROTYPOLOGY
	080112	25	Waste paint and varnish other than those mentioned in 080111	Industrial waste
	080317*	49	Waste printing toner containing hazardous substances	Industrial waste
	120104	9000	Non-ferrous metal dust and particles	Industrial waste
	120109*	63000	Machining emulsions and solutions free of halogens	Industrial waste
	120112*	2800	Spent waxes and fats	Industrial waste
	130802*	360	Other emulsions	Industrial waste
	140603*	800	Other solvents and solvent mixtures	Industrial waste
	150110*	18200	Packaging containing residues of or contaminated by hazardous substances	Industrial waste
	150202*	1340	Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	Industrial waste
	150203	150	Absorbents, filter materials, wiping cloths and protective clothing other than those mentioned in 150202	Industrial waste
	160114*	65	Antifreeze fluids containing hazardous substances	Industrial waste
	160506*	86	Laboratory chemicals, consisting of or containing hazardous substances, including mixtures of laboratory chemicals	Industrial waste
	160708*	6000	Wastes containing oil	Industrial waste
	161002	78000	Aqueous liquid wastes other than those mentioned in 161001	Industrial waste
	170302	150	Bituminous mixtures other than those mentioned in 170301	Industrial waste
	200301	9540	Mixed municipal waste	Municipal waste



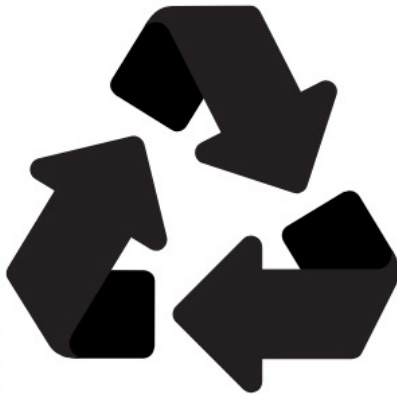
44 D = disposal class

	WASTE PRODUCED (KG)	WASTE NOT DESTINED FOR DISPOSAL (KG)	WASTE FOR DISPOSAL (KG)
TOTAL WASTE	2,849,115.00	2,659,470	189,645
HAZARDOUS WASTE	-	14,767	92,520
NON-HAZARDOUS WASTE	-	2,644,703	97,125

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.

**93%**  
WASTE DELIVERED FOR RECOVERED COMPARED TO TOTAL WASTE



**from scraps  
to rods**



# SOCIAL RESPONSIBILITY

## OUR PEOPLE

TM7 HEALTH AND SAFETY		
POSITIVE IMPACTS	NEGATIVE IMPACTS	STRATEGIES
<p>The health and safety of people are core values for Tratos. Tratos holds ISO 45001 certification - Occupational Health and Safety Management Systems - which guarantees controlled, procedural and structured management of the processes. 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. Another risk is linked to the difficulty in finding new personnel, which is also linked to where the companies are geographically located. The risk of peak production, of an increased pace of work, must always be kept under control and managed so as to avoid undesirable consequences.</p>	<p>Tratos constantly monitors the flow of orders and market trends so as to react promptly to any needs. New employees can be readily recruited, when the need arises, thanks to close contact with the local area. Precise information, also of a regulatory nature (both national and international), allows us to react promptly 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.

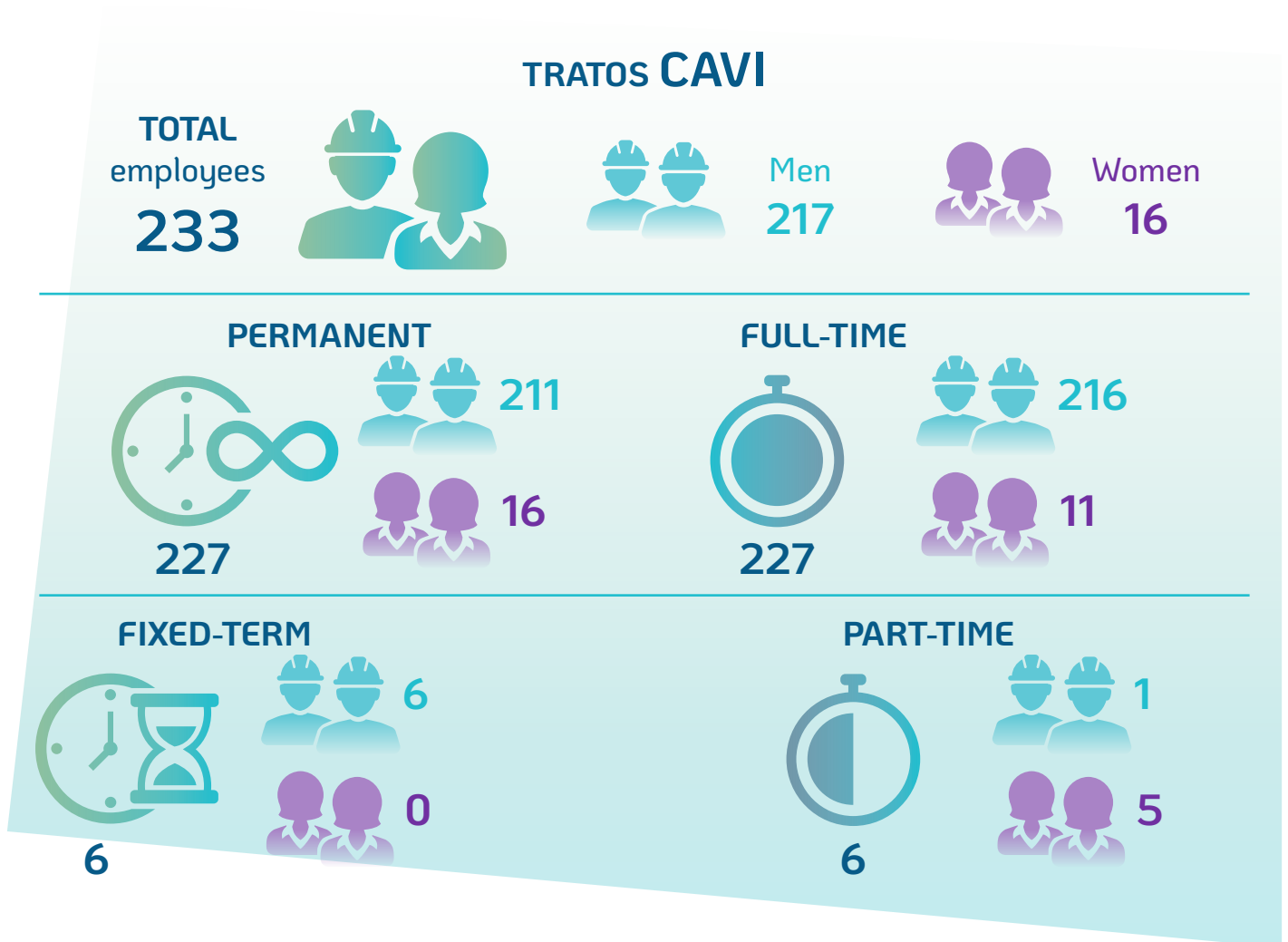


The company attaches the utmost importance to those who work within its organisation and contribute to its growth: because it is only through its human resources that the company is able to provide, develop, improve and guarantee optimal management of its services. Without prejudice to legal and contractual 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 2023



## TRATOS HV

TOTAL employees

93



Men  
92



Women  
1

### PERMANENT



89



88



1

### FULL-TIME



93



92



1

### FIXED-TERM



4



4



0

## TRATOS SRL

TOTAL employees

10



Men  
7



Women  
3

### PERMANENT



10



7



3

### FULL-TIME



10



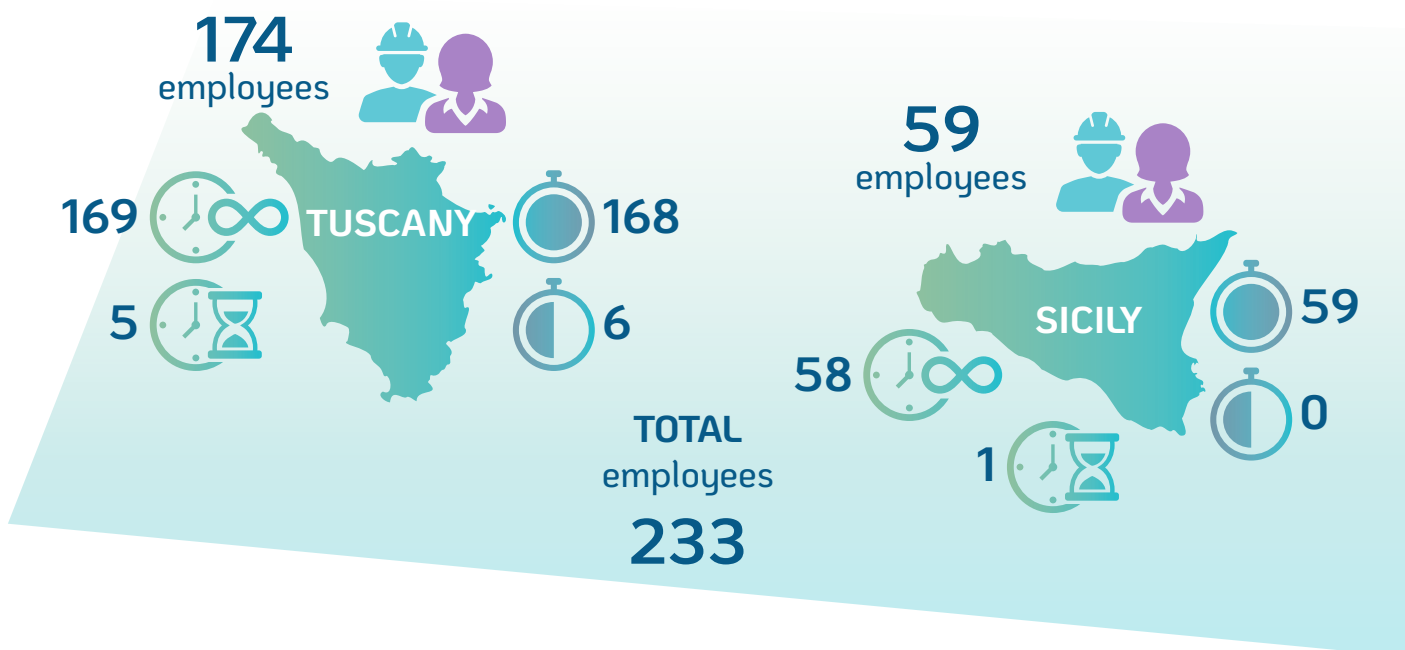
7



3

# Presentation of data on employees Year 2023

## BY REGION - TRATOS CAVI



### TREND IN NO. OF EMPLOYEES AT TRATOS 2023

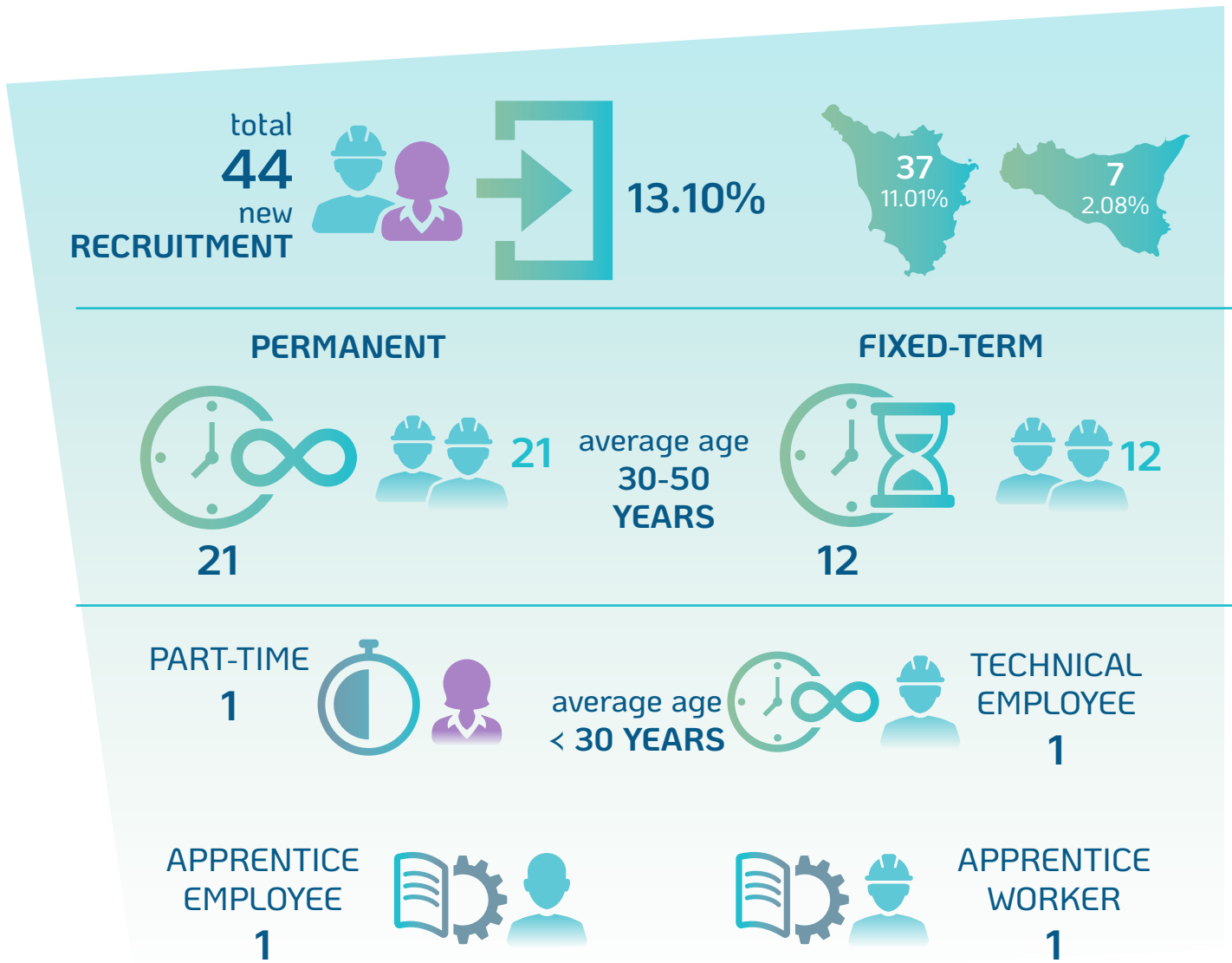
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Tratos CAVI PIEVE	171	173	172	170	168	168	169	170	171	171	172	174	+ 3
Tratos CAVI CATANIA	53	53	53	53	56	56	56	56	56	56	57	58	+5
Tratos HV	92	88	85	86	88	89	90	90	91	92	92	93	+1



### Presentation of data on employees BY AGE GROUP Year 2023

	< 30 years	Between 30 and 50 years	> 50 years	Total
Tratos CAVI PSS	22	91	61	174
Tratos CAVI CT	7	24	28	59
Tratos HV	10	52	31	93
Tratos SRL	1	4	5	10
				336

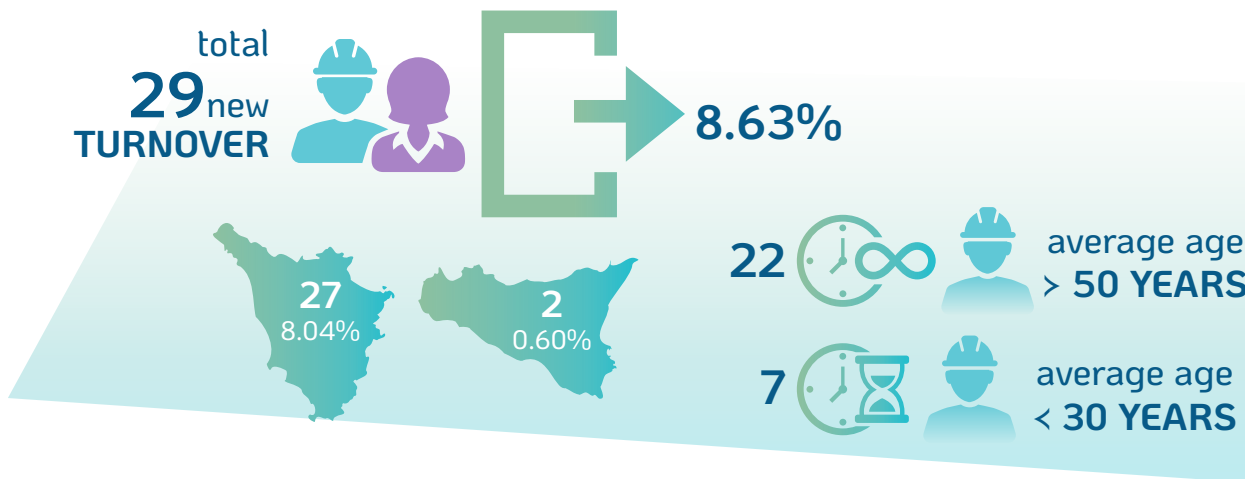
# NEW RECRUITMENT AND TURNOVER Year 2023



## NEW RECRUITMENT Year 2023

	Total new recruitment	New recruitment rate
Tratos CAVI PSS	25	14.37%
Tratos CAVI CT	7	11.86%
Tratos HV	11	11.83%
Tratos SRL	1	10.00%

## TURNOVER Year 2023



### TURNOVER Year 2023

	Total new turnover	New turnover rate
Tratos CAVI PSS	19	10.92%
Tratos CAVI CT	2	3.39%
Tratos HV	8	8.60%
Tratos SRL	-	-

## 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 2023 were fuel coupons.

Other employee benefits are those envisaged by the Italian national collective bargaining agreement (CCNL), which are itemised in an employee's wages under "Production bonus".



# 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 Tratos, 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.



**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.



PARENTAL LEAVE	
No. of employees who could take parental leave	3 Workers (MALE)
No. of employees who took parental leave	3 Workers (MALE)
Total number of employees who returned to work during the reporting period after taking parental leave	3 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	3 Workers (MALE)
Return to work and company retention rate of employees who have taken parental leave	Return-to-work rate = 100% Retention rate = 100%

# HEALTH AND SAFETY

Every Tratos plant complies 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 to behave in a responsible manner.

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 Italian 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) and their reduction;
- The planning of preventive measures that integrates the influence of environmental factors and the organisation of work activities;
- 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 substitution of any hazardous chemical, physical or biological agents with less hazardous or hazard-free alternatives;
- The priority of collective measures over individual protective measures;
- The health monitoring of workers (OCCUPATIONAL HEALTH SERVICES);



- The removal of the worker from exposure to risk for health reasons relating to them and their transfer where possible to another task;
- Appropriate information and training for workers, managers, supervisors, the WSR and all staff;
- 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 Italian national collective bargaining agreement (CCNL) for staff.

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

## SAFETY INDICATORS

INDEX		COMPANY									
CODE	DESCRIPTION	GROUP AVERAGE		TRATOS SRL		TRATOS CAVI PSS		TRATOS HV		TRATOS CAVI CT	
	GOAL	MIN	MAX	MIN	MAX	MIN	MAX	MIN	Max	Min	Max
TS5	accident frequency index	43									
	2023	27.9		n/a		26.6		43.3		13.8	
TS6	accident severity index	1.3									
	2023	0.91		n/a		0.48		1.72		0.53	

## 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 procedure 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 according to Italian Legislative Decree no. 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 in the company, with the aim of identifying dangers and assessing and mitigating the associated risks. Formally elected and recognised WSRs are actively consulted during the implementation and evaluation of the company's occupational health and safety management system.

PROVISION OF SAFETY COURSES IN  
2023

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, manual handling of loads, electrical risk, biological risk, noise and vibrations, optical radiation, electromagnetic radiation, safety signs (exits, stairs,...), 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 THE NEGATIVE IMPACTS REGARDING OCCUPATIONAL HEALTH AND SAFETY IN COMMERCIAL 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 Italian Legislative Decree no. 81/2008, which calls for 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 health services to protect the health of workers while they fulfil their duties at the company. The occupational health 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 2023



66 men  
1 women



1236 Hours  
20 Hours

COMPETENT BODIES AND PROFESSIONALS		SITES
SAPRA SANITÀ SRL – OCCUPATIONAL HEALTH	Dr Catia Baldassarri <i>Specialist in occupational health</i>	Tratos Cavi PSS Tratos HV Tratos srl
ACI SANT'ANTONIO CT	Dr Roberto Grasso <i>Specialist in occupational health</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 their privacy.*

*Access to health and medical services outside the company is guaranteed by the Italian Constitution<sup>45</sup>.* 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.

<sup>45</sup> Art. 32 of the Italian Constitution. The basic principles on which Italy's national health service has been based since its establishment, by Italian Law no. 833 of 1978, are universality, parity and equality.

## ACCIDENTS

NO. OF ACCIDENTS	TRATOS CAVI (PSS)	TRATOS CAVI (CT)	TRATOS HV	TOT
2021	9	2	3	14
2022	4	2	6	12
2023	8	8	7	23

TRATOS CAVI (PSS)	No. of accidents	Hours worked	Days of injury	Frequency index (C)	Severity index (D)
2021	9	263,382	592	34.17	2.25
2022	4	275,409	273	14.52	0.99
2023	8	300,579	145	26.62	0.48

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
	2023	10	41	36	25	33	-	-	145
TYPE OF INJURY - TRATOS CAVI (CT)	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	Total
	2021	2	0	1	2	3	1	0	9
	2022	1	0	1	1	0	1	0	4
	2023	2	1	2	1	2	-	-	8

TRATOS CAVI (CT)	No. of accidents	Hours worked	Days of injury	Frequency index (C)	Severity index (D)
2021	2	85,854	48	23.30	0.56
2022	2	91,363	29	21.89	0.32
2023	8	95,380	253	13.79	0.53

TYPE OF INJURY - 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
	2023	-	-	49	135	56	10	-	250
	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	Total
	2021	0	0	0	1	1	0	0	2
	2022	1	0	0	0	1	0	0	2
	2023	0	0	1	2	4	1	0	8

TRATOS HV	No. of accidents	Hours worked	Days of injury	Frequency index (C)	Severity index (D)
2021	3	148,391	50	20.22	0.34
2022	6	155,850	123	38.50	0.79
2023	7	161,658	278	43.30	1.72

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	Harm to the head/face	Total
	2021	18	0	0	11	21	0	0	-	50
	2022	0	0	74	40	0	0	9	-	123
	2023	-	-	237	15	-	10	-	16	278
	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	Harm to the head/face	Total
	2021	1	0	0	1	1	0	0	-	3
	2022	0	0	4	1	0	0	1	-	6
	2023	-	-	4	1	-	1	-	1	7

There was an upward trend with respect to the accidents that occurred in the reporting year.

# MANAGEMENT OF TRAINING

TM8 ENHANCING SKILLS		
POSITIVE IMPACTS	NEGATIVE IMPACTS	STRATEGIES
<p>To aspire to its ambitious innovation goals, Tratos must continually increase its know-how by investing in the training of its specialist, technical personnel. This is not just the idea of “classroom” type training, but involves field activities that are designed to increase the skills and abilities of employee who specialise in the various sectors in which Tratos operators, and as a consequence, even more efficiently.</p>	<p>The possible risks relating to the expenditure of resources to contribute to training Tratos employees are the lack of growth in corporate know-how and the waste of time and energy. Furthermore, enhancing individual skills and abilities could lead to discontent in work teams.</p>	<p>There are various training options at Tratos, from “classroom” type training (courses, webinars) to attending trade shows and conferences, to participation in meetings with trade and industry associations. Tratos, given its strong relationship with its customers, always tries to meet their requests by specialising in the research and study of innovative products. This is made possible thanks to the field activities carried out by Tratos specialists at customer facilities to view and analyse requests and to put the cables produced into operation. All this translates into growth and the enhancement of the skills and abilities of Tratos employees.</p>



Tratos must continually increase its know-how by investing in resources, both financial and temporal, in the training of its specialist, technical personnel. This is not simply the idea of classic in-company training, but involves field activities that are designed to increase and enhance the skills and abilities of employees who specialise in the various sectors in which Tratos operates. Training in Tratos is represented by the possibility of attending training courses/webinars/lectures for all employees from the various departments (laboratory technicians, R&D, HR, SGA, SGQ, ESG, sales, etc.).

Attending a trade show or conference is another method that Tratos uses in order to be able to learn about the latest innovations on the market and in the field of research, such as more sustainable materials, innovative instruments, or high-performance industrial machinery.

Tratos employees are members of trade associations (see “AN INTERNATIONAL NETWORK”) and attendance at meetings leads to continuous growth of knowledge and allows for continuous updates.

The close relationship that Tratos wishes to cultivate with its customers also involves understanding their specific requests and issues associated with each innovative application. Tratos technical specialists continuously carry out field activities (transfers) to study and resolve specific cases in each cable produced for the customer.

Classic in-company training is carried out in the following operational ways:

- direct training at the workplace, by the manager or supervisor;
- external training by qualified personnel;
- 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 own tutor/supervisor (coaching).

One example of internal training is in the field of cybersecurity (see "DIGITAL GOVERNANCE"). One example of external training is low and high risk training (see "Health and Safety").

## REMUNERATION POLICIES

The remuneration policy for employees is set by the management team every three years. Managers have a separate contract. The Italian national collective bargaining agreement (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 is 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 level contract provide their availability 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 team 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 64% 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	2.39
TRATOS CAVI	4.15
TRATOS HV	1.40

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 <sup>46</sup>			
CATEGORY	No. women	No. men	Ratio of Average Remuneration for Women/Men
COLLABORATORS	2	12	0.69
APPRENTICES	1	10	1.59
EMPLOYEES	14	13	0.66
WORKERS	1	128	1.45
MIDDLE MANAGERS	1	14	1.19

TRATOS HV			
CATEGORY	No. women	No. men	Ratio of Average Remuneration for Women/Men
COLLABORATORS	0	4	
APPRENTICES	0	3	
PERSONNEL TREATED AS EMPLOYEES (EQUIPARATI)	0	3	
EMPLOYEES	0	4	
WORKERS	0	89	
MIDDLE MANAGERS	1	1	0.71

TRATOS SRL			
CATEGORY	No. women	No. men	Ratio of Average Remuneration for Women/Men
COLLABORATORS	0	2	
MANAGERS	0	1	
EMPLOYEES	3	2	1.8
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 Tratos 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.

<sup>46</sup> Tratos Cavi CT is not shown in the table because there are no female workers in any category.

# COMMITMENT TO THE COMMUNITY



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

## TM9

## POSITIVE IMPACT ON THE LOCAL AREA

### 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 the 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.

*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



Comune di Pieve Santo Stefano  
Assessorato alla Pubblica Istruzione

## Premio "Egidio Capaccini"

Premio Annuale istituito per gli Studenti più meritevoli



Domenica 13 Novembre 2022 - ore 12:00  
Teatro Comunale "G. Papini"  
Pieve Santo Stefano

Sarà effettuata diretta streaming visibile tramite la pagina facebook del Comune di Pieve Santo Stefano



# “EGIDIO CAPACCINI” AWARD

The Egidio Capaccini award, a thirty-year tradition generously supported by the Bragagni Capaccini family, continues to promote young students living in Pieve Santo Stefano, in Italy.

For 2023, the Egidio Capaccini award ceremony was held on 12 November 2023 at the Papini Municipal Theatre. The award ceremony was attended by the Chairman of the Tratos Group, Albano Bragagni, the oldest members of the Bragagni family, the mayor, Claudio Marcelli, and local authorities. The ceremony was held to recognise and celebrate young, talented students who distinguished themselves by obtaining the highest grades in the third-year examinations at the lower secondary school and in the final secondary school examinations (*esami di maturità*).

The award has great significance since it receives great support from the Bragagni Capaccini family and the Municipal Administration. It is a symbol that rewards the commitment of the young people who strive to achieve success in the studies as well as in their life. This award also recognises the efforts of those who work diligently to achieve their goals and aspirations.

The award is named in honour of the late Egidio Capaccini, who was a prominent figure in Pieve Santo Stefano. After contributing actively to the post-war reconstruction of the town, which was mined and destroyed by the retreating German army, Capaccini emigrated at the end of the 1940s to Argentina. He returned to Italy in the 1960s and founded TRATOS CAVI, which has become one of the best and most innovative companies in Italy and the United Kingdom. The company, which provides employment for many people in some of the most depressed areas in Italy and the United Kingdom, is a beacon and a success story thanks to the vision of the Chairman, Albano Bragagni, and the dedication of the members of the Bragagni family.



# 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<sup>47</sup> 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.

There are several non-profit associations to which Tratos contributes to help them in their management and maintenance. They include:



<sup>47</sup> In 2023, approximately 40,000 was allocated to sponsorship and advertising

Other sponsorship arrangements focus on supporting the events that these associations run during the year.

**NATIONAL DIARY ARCHIVE FOUNDATION, WHICH PRESENTS THE PIEVE SAVERIO TUTINO AWARD EVENT**



FONDAZIONE  
**ARCHIVIO  
DIARISTICO  
NAZIONALE**



**PRO LOCO PIEVE SANTO STEFANO, WHICH PRESENTS THE SAGRA DEL PRUGNOLO EVENT**



**PRO SPINO, WHICH PRESENTS THE UPHILL TIME TRIAL EVENT, "LO SPINO"**



**THE M'ABSBIOTTO ASSOCIATION, WHICH PRESENTS THE ARBARCOLLO MA NON MOLLO BEER FESTIVAL**



Tratos also supports sports associations based in Pieve Santo Stefano:

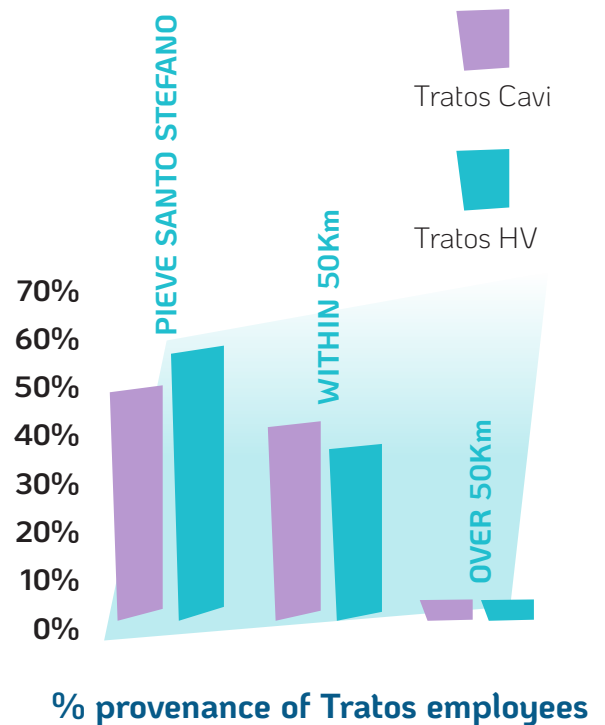


Tratos is looking to invest more in disadvantaged areas and regions. In 2019, it set up the **Esharelife Foundation**, a charitable organisation that gives out grants. The charity is officially registered with the Charity Commission of England and Wales (Charity no. 1183101) and actively supports other 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 2023).

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 under the “*in accordance with*” option, in compliance with the “*GRI Sustainability Reporting Standard*” published in 2016 by the “*GRI – Global Reporting Initiative*”, and updated thereafter (in 2018 and 2021). The document was drafted considering the material topics, 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, the “*Table of correlation between material topics and GRI Standards*” shows the relationship between the material topics and the GRI indicators reported according to the 2023 materiality analysis.

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 Sustainability Committee is responsible for collecting data and preparing this report. The publication of this Sustainability Report is a pilot project for Tratos, which will tend to align with Directive no. 2022/2464 on the Corporate Sustainability Reporting Directive – CSRD.

Elisabetta Bragagni Capaccini is in charge of reviewing this sustainability document. The Board of Directors of Tratos approved this document on 11/11/2024.

This document was verified by an impartial third-party certification body, AENOR ([www.aenoritalia.com](http://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 the:

Sustainability Committee: [sustainability@tratos.it](mailto:sustainability@tratos.it)

# AENOR



## VERIFICATION OF SUSTAINABILITY REPORT



VMS-2025/0006

AENOR has verified the Sustainability Report by the organization

### TRATOS CAVI S.P.A.

concluded that the Sustainability Report comply with GRI reporting standards and provide a comprehensive picture of its most significant impacts on the economy, environment, and people, including impacts on their human rights and how the organization manages these impacts.

Title: BILANCIO DI SOSTENIBILITÀ TRATOS

For the period: January,1 to December 31 ,2023

Address: VIA STADIO, 2. 52036 - PIEVE S. STEFANO (AREZZO - Italia)

Issue date:2025-03-10

Rafael GARCÍA MEIRO  
CEO

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# AENOR

The organization for which this certificate is being issued has commissioned AENOR to carry out a verification under a limited level of assurance of its Sustainability Report in accordance with Sustainability Reporting Standards (SRS) GRI in relation to the information referenced in the published GRI content index and for the reporting period.

In order to issue this certificate AENOR has evaluated report comply with all nine requirements GRI 1 to report in accordance with the SRS GRI, except for requirement 9 - Notification to GRI, which should be made by the organization after the issuance of this certificate.

As a result of the verification carried out, AENOR issues this Certificate, of which the verified Sustainability Report forms part. The Certificate is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

**Responsibility of the organization.** The organization had the will for reporting its Sustainability Report in accordance with GRI SRS. The approval of the Sustainability Report, as well as its content, is the responsibility of its Governing Body. This responsibility also includes designing, implementing and maintaining such internal control as is deemed necessary to ensure that the Sustainability Report is free from material misstatement due to fraud or error, as well as the management systems from which the information required for the preparation of the Sustainability Report is obtained. The organization has informed AENOR that no events have occurred, from the date of the close of the reporting period in Sustainability Report until the date of verification, that might require corrections to be made to the report.

**Verification program in accordance with ISO/IEC 17029:2019** AENOR, has carried out this verification as an independent provider of verification services. The verification has been developed under the principles of "evidence-based approach, fair presentation, impartiality, technical competence, confidentiality, and accountability" required by the international standard ISO/IEC 17029:2019 "Conformity assessment - General principles and requirements for validation and verification bodies".

The personnel involved in the verification process, the review of findings and the decision to issue this Statement have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this statement.

During the verification process carried out, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the report and reviewed evidence relating to:

- Activities, products and services provided by the organization.
- Consistency, accuracy and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the Sustainability Report in order to ensure the completeness, accuracy and veracity of its content.

The conclusions are therefore based on the results of this sample process, and do not absolve the Organization of its responsibility for compliance with applicable legislation.

AENOR CONFIA S.A.U. C/ GÉNOVA 6, 28004 MADRID  
Página 2 de 2

# TABLE OF CORRELATION BETWEEN MATERIAL TOPICS AND GRI STANDARDS

Correlation between material topics and GRI Standards

## MATERIAL TOPICS FOR TRATOS



### TM1 - TRANSPARENCY, ETHICS AND INTEGRITY

STANDARD GRI	CHAPTER
2-1	Our company, History, Tratos in the world, The composition of the Tratos Group, Methodological note
2-2	
2-3	
2-4	
2-5	
2-7	Categories of Stakeholders, Our people
2-9	Governance and organisation, Company policy, Value, mission, strategy, Methodological note
2-10	
2-11	
2-12	
2-13	
2-14	Business ethics and integrity
2-15	
2-22	CEO letter
2-23	Business ethics and integrity, Materiality analysis for Tratos, Tratos materiality matrix
3-1	Materiality analysis for Tratos, Tratos materiality matrix
3-2	
3-3	
413-1	Value, mission, strategy, Investment in the community of Pieve Santo Stefano, Charity and sponsorship, "Egidio Capaccini" award, Relations with schools
2-28	An international network
3-1	Materiality analysis for Tratos, Tratos materiality matrix
3-2	
3-3	
2-29	TM2 - Economic performance
201-1	
207-1	Tax strategy
2-27	Compliance and non-compliance



**TM2 – ECONOMIC PERFORMANCE**

201-1	CEO letter, TM2 - Economic performance, Economic and financial results
201-2	Potential issues
201-3	Remuneration policies
201-4	Benefits received from the Public Administration
2-22	CEO letter, Highlights 2023, Sustainability for Tratos
207-1	Tax strategy



**TM3 - QUALITY OF THE PRODUCTS AND CUSTOMER SATISFACTION**

2-6	Responsibility for the system and product, A sustainable value chain, The production process
2-22	CEO letter, Sustainability for Tratos
2-28	An international network
2-29	Materiality analysis for Tratos, Our customers and the customer care approach, OPG workshop in Tratos
3-3	System certification
201-2	Potential issues
2-6	The production process
203-1	Tratos invests in innovation
203-2	Tratos invests in innovation, Reduction and offsetting of emissions



**TM4 - INNOVATION OF PRODUCTS AND R&D**

203-1	Tratos invests in innovation, Tratos' carbon footprint, Reduction and of offsetting emissions
203-2	
3-3	TM4 - Innovation of products and R&D
2-6	Research and Development, Development of new formulations with innovative materials for the compound of fibre optic cables – continuation of Fiber Cable 4.0, A look at the Fiber Cable 4.0 project, Icephobic Cables, Aerial Cables
2-22	CEO letter, Tratos invests in innovation



**TM5 – CAREFUL MANAGEMENT OF DATA**

3-3	TM5 – Careful management of data
	Digital Governance



**TM6 – ENERGY EFFICIENCY, MONITORING AND FIGHTING CLIMATE CHANGE**

203-1	Tratos invests in innovation
2-25	Environmental responsibility, Environmental controls
2-6	The raw materials
201-2	Waste management and recycling, Sustainability for Tratos
301-1	
301-2	The raw materials
301-3	
302-1	
302-2	Energy and emissions, Energy produced by Cogeneration
302-3	



**TM6 – ENERGY EFFICIENCY,  
MONITORING AND FIGHTING  
CLIMATE CHANGE**

302-4	Energy and emissions, Tratos invests in innovation
305-1	
305-2	
305-3	Energy and emissions, Tratos invests in innovation
305-4	
305-5	Tratos' carbon footprint, Reduction and offsetting of emissions
306-1	
306-2	
306-3	Waste management and recycling
306-4	
306-5	



**TM7 – HEALTH AND SAFETY**

2-19	
2-20	
2-21	Remuneration policies
2-30	
2-7	Our people
3-1	Diversity and equal opportunities
401-1	New recruitment and Turnover
401-2	Benefits provided for employees
401-3	Diversity and equal opportunities
403-1	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 directly linked by business relationships
403-8	Health and safety, Safety indicators
403-9	Accidents
405-1	The structure of corporate governance as of 31/12/2023, Our people
2-19	
2-20	
2-21	Remuneration policies
405-2	
406-1	Non-discrimination, TM7 – Health and Safety



**TM8 – ENHANCING SKILLS**

404-2	Management of training
	TM8 - Enhancing skills
	OPG Workshop in Tratos
2-7	Our people
404-1	
404-3	Safety training
403-5	



**TM9 – POSITIVE IMPACT ON THE LOCAL AREA**

2-1	
2-19	
2-20	History, Remuneration policies
2-21	
2-30	
2-7	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, Commitment to the community
413-2	Tratos' carbon footprint, Reduction and offsetting of emissions, Environmental controls, Presence on the market
2-6	Presence on the market
501	Investment in the community of Pieve Santo Stefano

# APPENDIX 1. GRI CONTENT INDEX IN ACCORDANCE WITH

Table Content Index

IN ACCORDANCE WITH GRI STANDARDS FOR THE PERIOD 01/01/2023 TO 31/12/2023.							
GRI 1 – Foundation – version 2021							
N.A (GRI standards for our sector have not yet been published)							
STANDARD GRI	Disclosure	Description	Location	Page	Omission		
					Requirements omitted	Reason	
<b>USING GRI 1</b>							
<b>RELEVANT GRI SECTOR STANDARDS</b>							
<b>GRI 2: GENERAL INFORMATION 2021</b>							
<b>1. THE ORGANISATION AND ITS REPORTING PRACTICES</b>	2 - 1	Organisational details	History Our company Tratos in the world The composition of the Tratos Group Nota Metodolog	6 5 7 8 101			
	2 - 2	Entities included in the organisation's sustainability reporting	Tratos in the world  Nota Metodologi	5 7 101			
	2 - 3	Reporting period, frequency and point of contact	Nota Metodologica	101			
	2 - 4	Review of information	Nota Metodologica	101			
	2 - 5	External assurance	Nota Metodologica	101			
	2 - 6	Activities, value chain and other business relations	Methodological note Presence on the market Sustainable value chain The production process The raw materials Responsibility for the system and product Research and Development Development of new formulations with innovative materials for the compound of fibre optic cables – continuation of Fiber Cable 4.0 A look at the Fiber Cable 4.0 project Icephobic cables Aerial cables	101 8 36 58 61 42 49 51 51 52 53			
	<b>2. ACTIVITIES AND WORKERS</b>						

2. ACTIVITIES AND WORKERS	2 - 7	Employees	Categories of stakeholders	20
			Our people	78
	2 - 8	Non-employees		There are no non-employees working exclusively for Tratos
3. GOVERNANCE	2 - 9	Governance structure and composition	Governance and organisation	21
			Methodological note	101
	2 - 10	Appointment and selection of the highest governing body	Governance and organisation	21
	2 - 11	Chairperson of the highest governing body	Governance and organisation	21
			Company policy	26
	2 - 12	Role of the highest governing body in impact management control	Governance and organisation	21
			Company policy	26
			Value	27
			Mission	
			Strategy	
	2 - 13	Delegation of responsibility for impact management	Governance and organisation	21
			Company policy	26
	2 - 14	Role of the highest governing body in sustainability reporting	Methodological note	101
			Company policy	26
	2 - 15	Conflicts of interest	Business ethics and integrity	28
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	93	
2 - 20	Procedure for determining remuneration	Remuneration policies	93	
2 - 21	Annual total remuneration ratio	Remuneration policies	93	
2 - 21	Annual total remuneration ratio	Remuneration policies	93	

**4. STRATEGY,  
POLICIES AND  
PRACTICES**

2 - 22	Sustainable Development Strategy Statement	Highlights 2023 Sustainability for Tratos Tratos invests in innovation	4 12 10
2 - 23	Policy commitments	Materiality analysis for Tratos Tratos materiality matrix	16 18
2 - 24	Integration of policy commitments	Business ethics and integrity The principles that govern Tratos' activities Integrity of conduct and compliance with laws and regulations Legality and the fight against terrorism and crime Anti-money laundering and Receiving stolen goods	28 29 30 30 31
2 - 25	Processes to remedy negative impacts	Environmental responsibility Environmental controls	56 73
2 - 26	Mechanisms for requesting clarifications and raising concerns		Information not available/incomplete
2 - 27	Compliance with laws and regulations	Compliance and non-compliance	35
2 - 28	Membership of associations	An international network	11
2 - 29	Approach to the involvement of stakeholders	Materiality analysis for Tratos Our customers and the customer care approach OPG workshop in Tratos	16 40 41
2 - 30	Collective agreements	Remuneration policies	93

**5. INVOLVEMENT OF  
STAKEHOLDERS**

**INFORMATION ON MATERIAL TOPICS**

3 - 1	Process of determining material topics	Materiality analysis for Tratos	16
		Tratos materiality matrix	18
		TM1 - transparency, ethics and integrity	28
		TM2 - economic performance	32
		TM3 - quality of the products and customer satisfaction	42
		TM4 - innovation of products and R&D	48
		TM5 - careful management of data	54
		TM6 - energy efficiency	57
		Monitoring and fighting climate change	
		TM7 - health and safety	78
TM8 - enhancing skills	78		
TM9 - positive impact on the local area	92		
			95
3 - 2	List of material topics	Materiality analysis for Tratos	16
3 - 3	Management of material topics	Materiality analysis for Tratos	16
		TM1 – transparency, ethics and integrity	28
		TM2 - economic performance	32
		TM3 - quality of the products and customer satisfaction	42
		TM4 - innovation of products and R&D	48
		TM5 - careful management of data	54
		TM6 - energy efficiency	57
		Monitoring and fighting climate change	
		TM7 - health and safety	78
		TM8 - enhancing skills	78
TM9 - positive impact on the local area	92		
			95

**GRI 200:  
ECONOMIC  
PERFORMANCE**

GRI 201: Economic performance	201-1	Direct economic value generated and distributed	CEO letter TM2 - economic performance Economic and financial results	1 32 32
	201-2	Financial implications and other risks and opportunities due to climate change	Potential issues Waste management and recycling Sustainability for Tratos	10 74 12
	201-3	Defined benefit plan obligations and other retirement plans	Remuneration policies	93
	201-4	Financial assistance received from government	Benefits received from the Public Administration	34
GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	Tratos invests in innovation	10
	203-2	Significant indirect economic impacts	Tratos' carbon footprint	69
			Reduction and offsetting of emissions	72
		Tratos invests in innovation	10	
GRI 204: Procurement practices	204-1	Proportion of spending on local suppliers	Proximity principle	9
			Tratos invests in innovation	10
GRI 207: Tax	207-1	Approach to tax	Tax strategy	35
	207-2	Tax governance, control and risk management		Information not available/ incomplete
	207-3	Stakeholder engagement and management of concerns related to tax		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	61
	301-2	Recycled input materials used	The raw materials	61
	301-3	Reclaimed products and their packaging materials	The raw materials	61
GRI 302: Energy	302-1	Energy consumption within the organisation	Energy and emissions	64
			Energy produced by cogeneration	65
	302-2	Energy consumption outside of the organisation	Energy and emissions	64
	302-3	Energy intensity	Energy and emissions	64
	302-4	Reduction of energy consumption	Energy and emissions Tratos invests in innovation	64 10
	302-5	Reductions in energy requirements of products and services		Information not available/ incomplete
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Energy and emissions	64
			Tratos invests in innovation	10
	305-2	Energy indirect (Scope 2) GHG emissions	Energy and emissions	64
	305-3	Other indirect (Scope 3) GHG emissions	Energy and emissions	64
	305-4	GHG emissions intensity	Energy and emissions	64
	305-5	Reduction of GHG emissions	Energy and emissions, Reduction and offsetting of emissions	64 72
			Tratos' carbon footprint	69
	305-6	Emissions of ozone depleting substances (ODS)		Information not available/ incomplete
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions		Information not available/ incomplete
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	Waste management and recycling	74
	306-2	Management of significant waste-related impacts	Waste management and recycling	74
	306-3	Waste generated	Waste management and recycling	74
	306-4	Waste diverted from disposal	Waste management and recycling	74
	306-5	Waste directed to disposal	Waste management and recycling	74

**GRI 400:  
SOCIAL**

GRI 401: Employment	401-1	New employee hires and employee turnover	Nuove assunzioni e Turnover	82	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefit previsti per i dipendenti	83	
	401-3	Parental leave	Diversity and equal opportunities	84	
GRI 403: Occupational health and safety	403-1	Occupational Health and Safety Management System	Health and safety	85	
			Safety indicators	86	
			System certification	44	
	403-2	Hazard identification, risk assessment, and incident investigation	Risk assessment	87	
	403-3	Occupational health services	Occupational health services	88	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Participation and communication in matters of health and safety	88	
	403-5	Worker training on occupational health and safety	Safety training	88	
	403-6	Promotion of worker health	Occupational health services	88	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 directly linked by business relationships	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	88	
	403-8	Workers covered by an occupational health and safety management system	Health and safety	85	
Safety indicators			86		
403-9	Work-related injuries	Accidents	90		
403-10	Work-related ill health			Information not available/incomplete	

**GRI 400:  
SOCIAL**

GRI 404: Training and education	404-1	Average hours of training per year per employee	Safety training	88		
	404-2	Programs for upgrading employee skills and transition assistance programs	Management of training	92		
			TM8 - enhancing skills	92		
			OPG workshop in Tratos	41		
	404-3	Percentage of employees receiving regular performance and career development reviews	Safety training	88		
	GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	The structure of corporate governance as of 31/12/2023	25	
				Our people	78	
		405-2	Ratio of basic salary and remuneration of women to men	Remuneration policies	93	
	GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Health and safety	85	
				Non discriminazione	84	
GRI 413: Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Value, mission, strategy	27		
			Commitment to the community	95		
			Investment in the community of Pieve Santo Stefano	100		
			Charity and sponsorship	98		
			“Egidio Capaccini” award	97		
			Relations with schools	98		
	413-2	Operations with significant actual and potential negative impacts on local communities	Environmental controls	73		
			Atmospheric emissions controls	73		
			Water controls	73		
			Tratos’ carbon footprint	69		
418 - 1: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Reduction and offsetting of emissions	72		
			Presence on the market	8		
					No clarifications requested during 2023 regarding the report published in 2022	

**NEW INDICATOR  
- TOPIC NOT  
COVERED BY THE  
GRI STANDARDS**

501	501-1	Percentage of people from local communities working for Tratos	Investimento sulla comunità di Pieve Santo Stef	100
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