

2022 SUSTAINABILITY REPORT



Let it

Flow

Energy, innovation, commitment.
For a sustainable future

Letter to our stakeholders

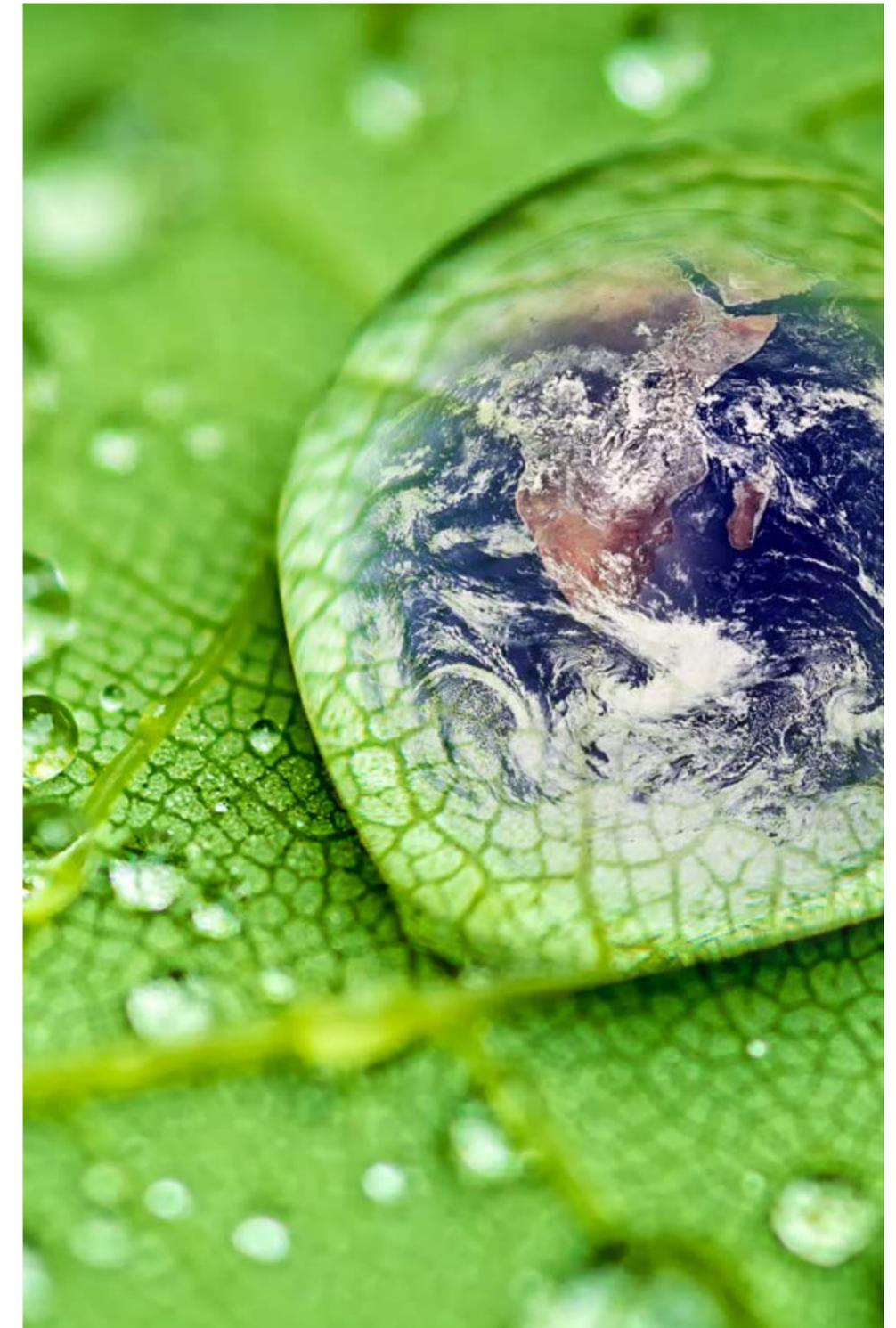
We are approaching the end of a three-year period in which the world has experienced a series of events that have disrupted the global economy: from the Covid-19 epidemic, to the rising cost of raw materials, to the war in Ukraine. In spite of these complexities, the **Pietro Fiorentini Group's turnover continued to grow**, testifying the validity of our strategic plan and the great work done in such difficult times.

We have chosen to continue investing in our future, supporting **employment** as much as possible, engaging in **innovation** projects and continuing our strategy of **expansion by internal and external lines**. Investments that allow us to look forward with optimism to a future that still feels uncertain, but which we face with determination and a spirit of adaptation.

As far as the Group's main businesses are concerned, the **natural gas business** continues to represent our largest source of revenue. Indeed, methane remains one of the world's most important energy sources today and is the most sustainable

alternative among the fossil fuels, since it produces significantly lower CO₂ emissions than oil and coal. In addition, with the right investments, the natural gas infrastructure can easily be used for the **injection of renewable gases such as hydrogen and biomethane** thus playing a decisive role in enabling the energy transition.

A transition that will see us play an increasingly leading role, thanks to recent M&A operations in the hydrogen, biomethane and **renewable gas sectors** in general, whose synergy has already allowed the Group to win significant projects, but which are destined to produce even more significant results in the years to come, thanks also to the possibilities offered by incentive programmes such as the National Recovery and Resilience Plan (**NRRP**) and **REPowerEU** plan.





The **water sector** also represents a very important, synergic and strategic area for the Group, both for investments in the development of new solutions and for the possibility of future acquisitions, just as the world of waste collection and management offers interesting opportunities in the perspective of the so-called **circular economy**.

Finally, the digital component of our business will become increasingly important, also thanks to the support of the sub-holding company Terranova, a leading **Information Technology** company in our sectors. For all these reasons, the mix of our activities will evolve over time, reducing in relative terms the weight of our current core business in favour of the other segments and ensuring our achievement of challenging growth targets.

Our commitment to **all the more extensive aspects of sustainability** is also ongoing. Thus, not only energy efficiency, sustainable resource management and the reduction of negative production externalities, but also employee welfare, community participation and the adoption of principles of good governance and transparency.

In conclusion, we want to return to **our purpose**, the ultimate reason for which the company exists and operates. **Technologies and solutions for a digital and sustainable world** is our current mission statement. We used to operate almost exclusively along the natural gas chain, but today we are also involved in the energy transition, the digitalization of the water cycle and the circular economy. **An ongoing evolution**, which may in the future be reflected in a further revision of our purpose towards one that reflects even better who we want to be, where we want to go and how we want to get there.

Mario, Cristiano and Paolo Nardi



Highlights of 2022

We want to play a leading role in the responsible use of resources, particularly energy resources, by creating a synergy of technology and human capital, and placing the customer at the centre of a highly efficient model capable of creating sustainable value

Pietro Fiorentini at a glance



*According to the calculation practice of the Italian banking system



Our ESG performances

Environmental

 **100%**
of **renewable energy** with guarantee of origin for the plants of Pietro Fiorentini, TIV Valves and Sartori Ambiente

 **-39.8%**
of **CO₂ emissions** (Scope 1 and 2) compared to 2021

 **-71%**
the reduction of indirect **energy consumption** from non-renewable sources

 **72%**
of the **waste** directed to **recycling, re-use or other recovery operations**

Social

 **96%**
of employees with **permanent contracts**

 **20%**
of employees are **under 30 years**

 **+37%**
of new **entries** compared to 2021

 **44**
average hours of training provided to each employee

 **+31%**
of **resources** invested in the **welfare plan** compared to 2021

 **-53%**
of **accidents** occurred to employees of Pietro Fiorentini S.p.A. compared to 2021

 **81%**
the **Net Promoter Score** concerning general customer satisfaction

 **70%**
of the total expenditure is on **local suppliers**

Governance

 **Sustainability committee**
established in 2022

 **770**
employees trained on **anti-corruption** issues

 **100%**
of Pietro Fiorentini Group sites covered by **ISO 9001** quality certification

 **110**
internal and external audits to verify the compliance and effectiveness of management systems

Index

01 **Let it Discover**

06 WE ARE PIETRO FIORENTINI

- 07 The Pietro Fiorentini Group
- 08 The history
- 10 Presence in Italy and around the world
- 12 Business areas
- 14 The corporate compass
- 16 The enabling factors of the strategy

02 **Let it Improve**

17 BUILDING THE FUTURE: OUR RESPONSIBILITIES

- 18 Stakeholder engagement
- 20 Impacts related to material topics
- 28 The path to sustainability

03 **Let it Control**

34 SUSTAINABILITY GOVERNANCE

- 35 Governance structure
- 37 Sustainability Committee
- 38 Business ethics
- 39 Management systems
- 41 Managing risks and opportunities

04 **Let it Innovate**

43 INNOVATION AT THE SERVICE OF ENERGY TRANSITION

- 44 The innovation process
- 48 Energy transition
- 61 Water sector management
- 62 Waste valorisation

05 **Let it Protect**

64 OUR ENVIRONMENTAL RESPONSIBILITIES

- 65 Reducing energy consumption and emissions
- 68 Waste management between production and prevention
- 70 Water resources

06 **Let them Grow**

71 OUR HUMAN CAPITAL

- 72 Human resource management and development
- 75 The 'safety first' culture
- 77 Investing in knowledge
- 80 Well-being objective
- 83 Diversity and inclusion

07 **Let it Connect**

84 THE VALUE CHAIN

- 85 Creation of economic value
- 86 Customer centricity and satisfaction
- 88 Collaboration with the supply chain
- 91 Social responsibility

08 **APPENDIX**

- 93 Environmental and social performances
- 107 Methodological note
- 108 GRI Content index

01



Let it Discover

WE ARE PIETRO FIORENTINI

- 07** The Pietro Fiorentini Group
- 08** The history
- 10** Presence in Italy and around the world
- 12** Business areas
- 14** The corporate compass
- 16** The enabling factors of the strategy

The Pietro Fiorentini Group



Pietro Fiorentini is among the largest industrial companies in north-eastern Italy and is recognised as a historical brand of national interest. With more than 80 years of experience throughout the natural gas chain, today the Group is committed to the development of **technologies and solutions for a digital and sustainable world** with a focus on renewable energy projects.

Pietro Fiorentini, **a leader in the production of technologically advanced solutions for the energy, water cycle and environmental management chain** wants to play a leading role in addressing some of the major challenges at global level, first and foremost those of energy transition, digitalization and sustainability.

Natural gas is the company's core business. This fuel remains one of the world's main energy sources and the **most sustainable alternative among the fossil fuels**. In addition, the natural gas infrastructure can easily be converted for the **injection of renewable gases such as hydrogen and biomethane** thus playing a decisive role in enabling the energy transition.

Pietro Fiorentini stands out, in fact, for the projects implemented in the area of **Smart Metering** and more generally of **Smart Grid** and for the increasing investments in initiatives for the promotion of environmentally sustainable energy sources, such as biomethane, hydrogen and power-to-gas. Recently, the Group has also extended its horizons towards the **water sector** and the **waste valorisation chain**.

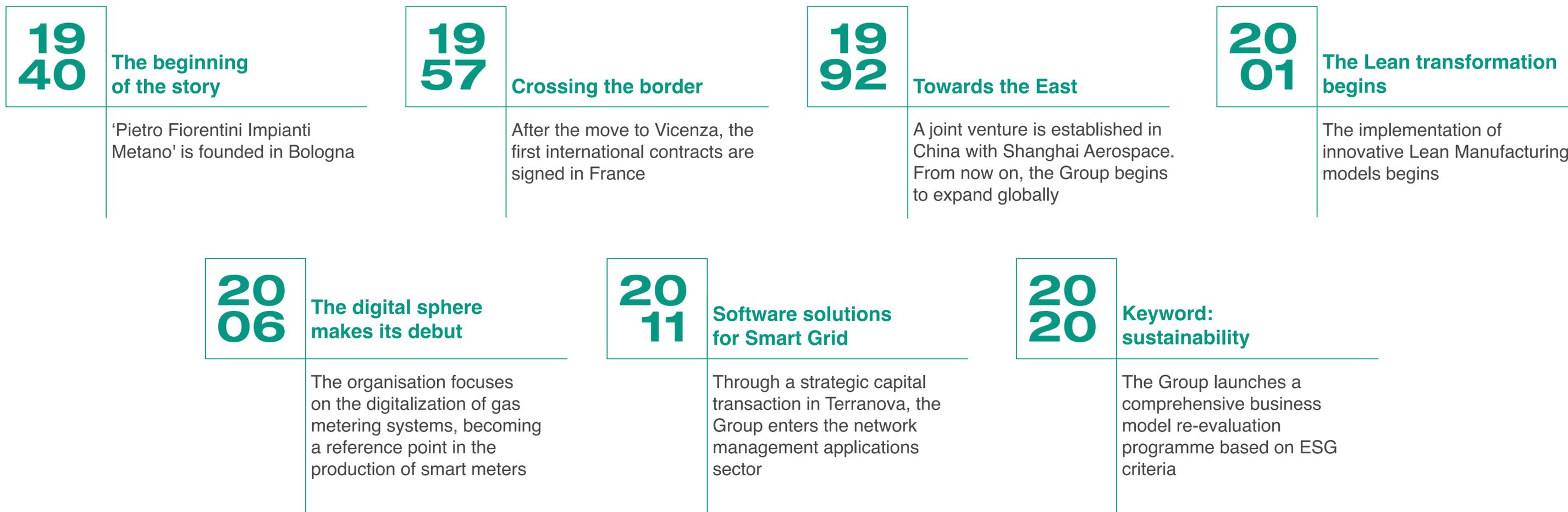
The Group's commitment to its customers takes the form of offering **high quality** integrated and technologically advanced solutions, and assistance at each stage of the relationship: from technical support to maintenance services, from logistics to communication. **The customer** has always been **at the centre** of the company's approach: listening to their needs is the indispensable condition for generating **continuous improvements**, creating relationships based on **trust** and ambition in the **pursuit of shared excellence**.



The history

A long journey that started long ago

With over 80 years of history, today Pietro Fiorentini is a Group with branches all over the world



Read the full story and the latest news on the site





ADD synergy

CEM WATER METERS

X-nano invisible matters

In 2022, the Group continued its growth path through **strategic acquisitions** in sectors adjacent to those traditionally covered. The following are particularly noteworthy:

- **Sartori Ambiente**, a company that produces advanced waste separation systems and IoT (Internet of Things) technologies to improve waste separation performances. With this operation, the company strengthened its presence in the **waste recovery** chain, a sector in which it already has the software solutions of its subsidiaries Terranova and Arcoda.
- Cryo Inox, a Spanish company that manufactures stainless steel structures, components and installations. Through the **Add Synergy** brand, the company also specialised in the production of Liquefied Natural Gas (LNG) plants. This acquisition will enable the Group to expand its **natural gas and biomethane liquefaction** offering, opening up new possibilities for expansion in the areas of sustainable mobility and LNG transport through the so-called virtual pipelines.

- Yavuz Metal, a Turkish company specialising in the production of mechanical water meters. Through the **CEM Water Meters** brand, the Group enriched its offering with further solutions to complete a range that covers the entire **water supply chain** and includes the Pietro Fiorentini ultrasonic smart meters, the Fast network control devices and the data management software of Terranova.
- Finally, Pietro Fiorentini became a shareholder of **X-nano**, a start-up established as a spin-off of the Italian Institute of Technology, which develops **nanomaterials for the energy transition**.

Pietro Fiorentini Iberia was also established in 2022, the Group's new subsidiary in Spain created in collaboration with Contagas, a historic distributor of gas regulation, control and measurement devices.



Acknowledgements

Also during 2022, the Group received many important awards that rewarded its results and management model:

- **Historical mark of national interest** recognised by the Ministry of Economic Development
- Inclusion in the list of **Sustainability Leaders 2022**, according to a survey conducted by Il Sole 24 Ore and analyst firm Statista
- **Impresa Champion** for the fourth consecutive year, according to the results of research carried out by the ItalyPost Research Centre
- **Best Managed Companies Award** for entrepreneurial excellence promoted by Deloitte, ALTIS, ELITE and Confindustria Piccola Industria
- **Best performer in the Randstad Employer Brand Research 2022** in terms of commitment to returning value to society
- **Most Active Award** for the strong and fruitful collaboration with **UniSMART**, a foundation of the University of Padua

Presence in Italy and around the world

Production sites in Italy

- Arcugnano | Vicenza
- Rosate | Milan
- Rescaldina | Milan
- Mantello | Sondrio
- Desenzano del Garda | Brescia
- San Vito al Tagliamento | Pordenone
- Scandiano | Reggio Emilia
- Villaverla | Vicenza
- Arco | Trento

In 2022, the Group continued its **expansion and internationalisation process.**

Pietro Fiorentini now has more than 40 locations (including the headquarters in Arcugnano, Vicenza) and employs 2,844¹ employees worldwide, with a distribution network reaching more than 100 countries on all continents.

+100
Countries served by the commercial network

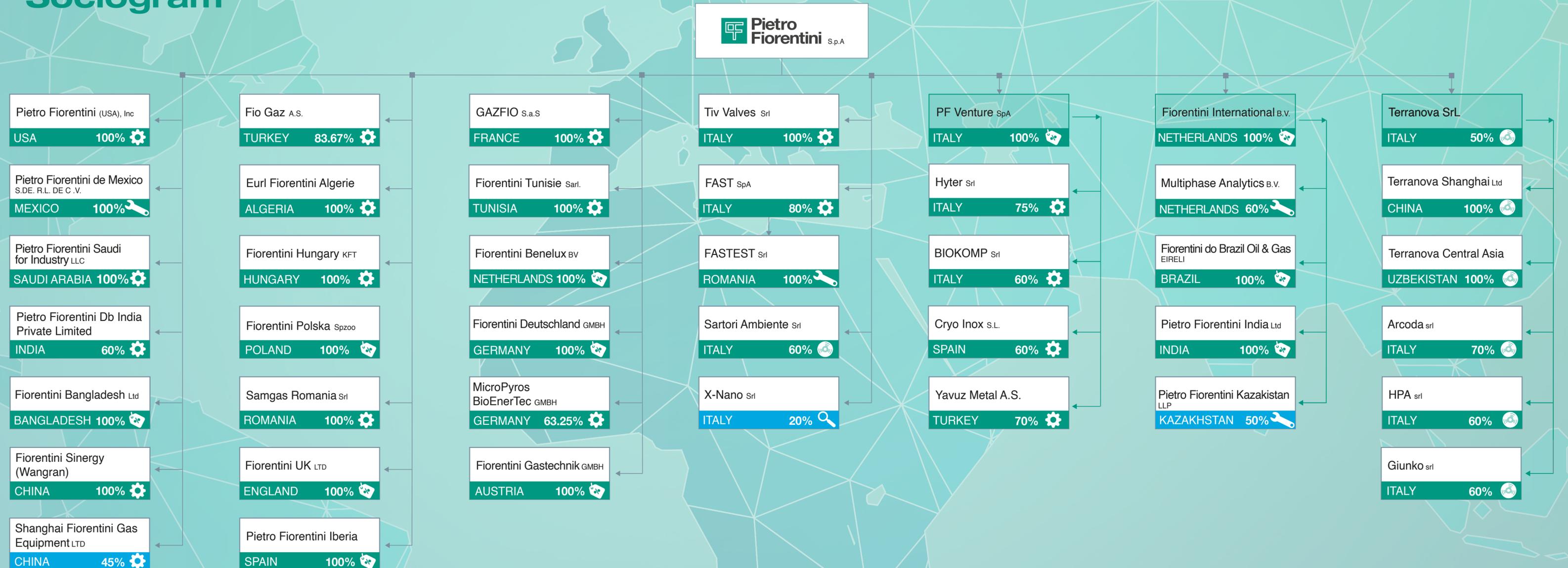
~€490 mln
Group turnover in 2022

+40
Branches around the world

+2,800¹
Collaborators in the world

¹This figure includes employees of Group companies within the scope of the Consolidated Financial Statements and external collaborators of the companies reported herein. The workforce (approximately 500 employees) of the associated company Shanghai Fiorentini Gas Equipment Ltd. were not considered.

Sociogram



Full consolidation method for subsidiaries

Net equity consolidation method for associated companies

Trading Company

Trading and Manufacturing Company

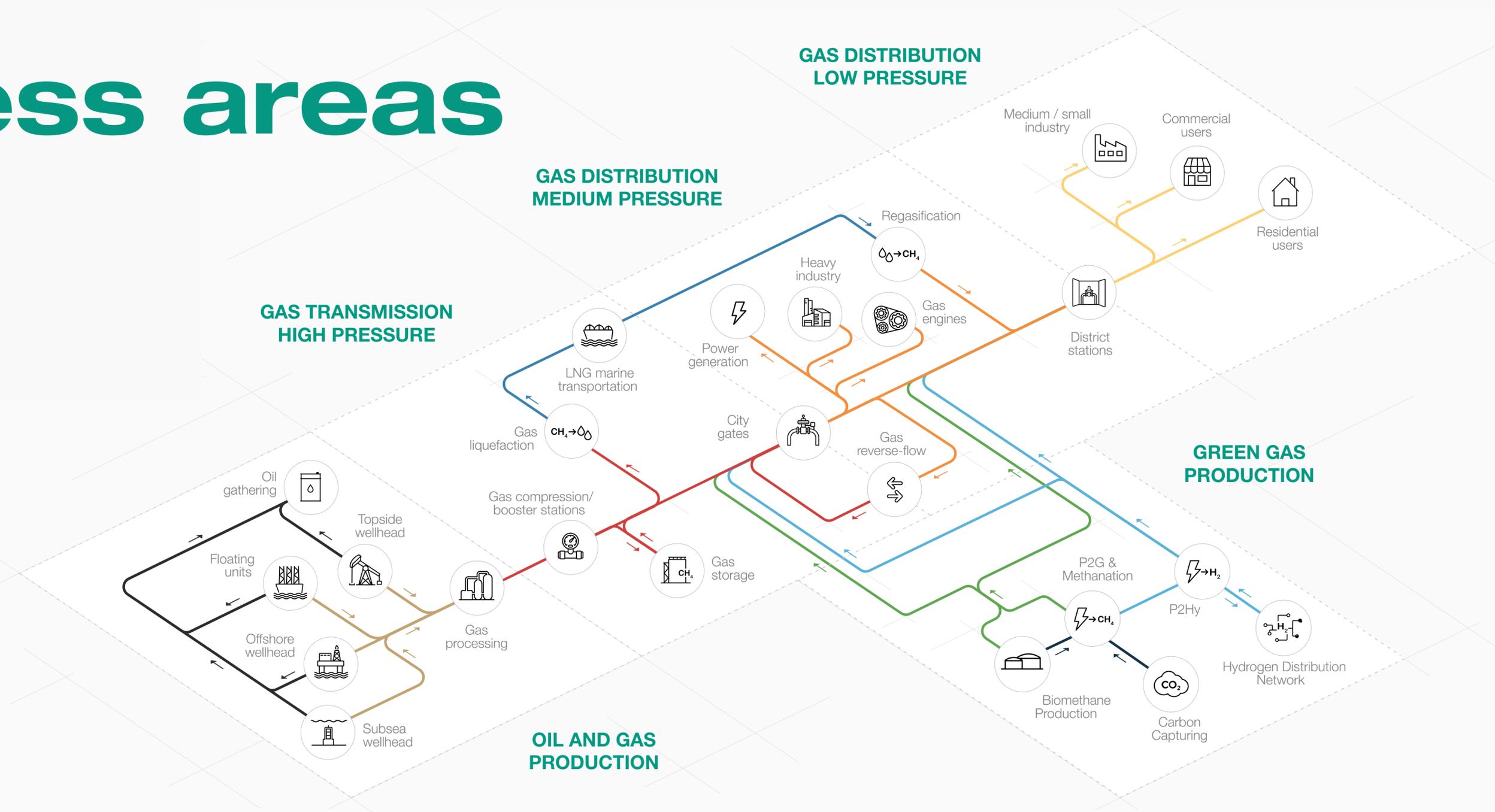
Software House

Service Company

R&D Technologies

Business areas

Today, Pietro Fiorentini is one of the main points of reference in the **ongoing transition in the energy sector**, thanks to a presence throughout the natural gas chain and in the world of the renewables. The company provides solutions to meet the needs of a wide range of customers: distribution and transportation companies, oil & gas companies, EPCs, industrial end-users and utilities, who recognise its distinction in terms of product and process innovation.



LEGEND

 NATURAL GAS	 HYDROGEN	 HIGH PRESSURE GAS	 LOW PRESSURE GAS	 LIQUID GAS
 OIL	 BIOMETHANE	 MEDIUM PRESSURE GAS	 CARBON DIOXIDE	



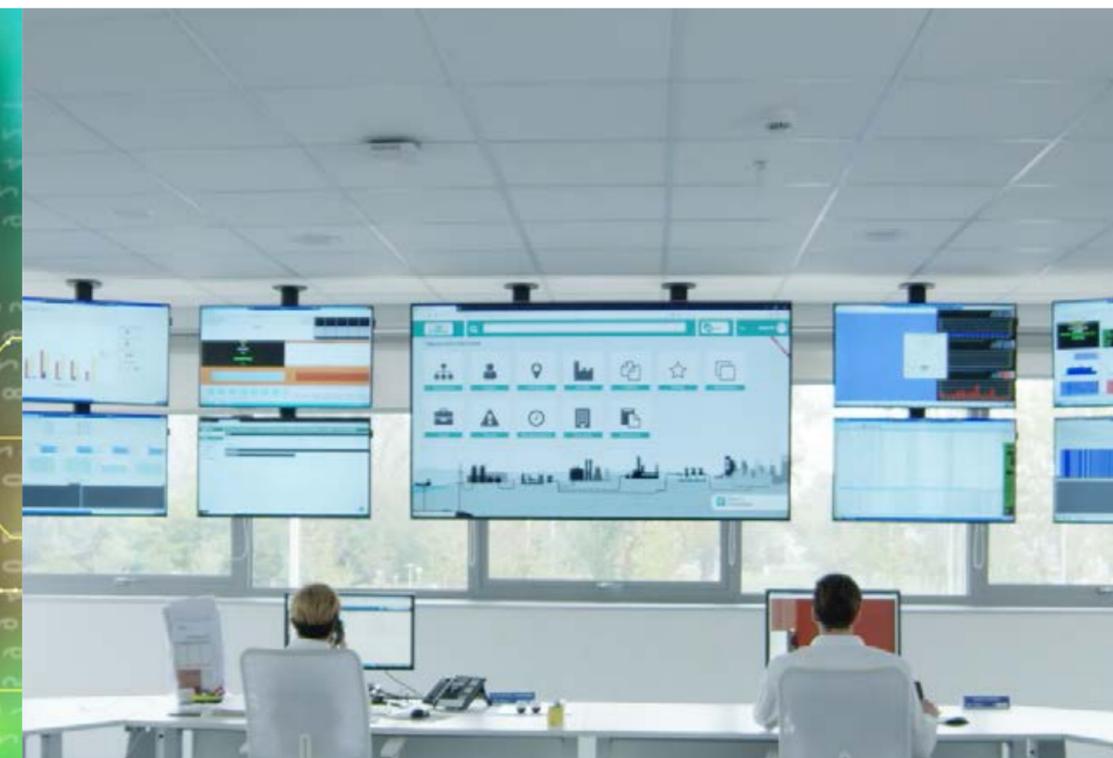
Hardware and software solutions for the water sector

Water is a primary commodity: ensuring its efficient use is a must. This is why Pietro Fiorentini, together with its subsidiaries Fast, Terranova and Arcoda, has integrated products and services to improve performance and efficiency in the different contexts of water network management service through metering, remote control, reporting, billing, and assistance.



From waste to resources

Through its subsidiary Sartori Ambiente and the companies of the Terranova Group, Pietro Fiorentini creates advanced systems for waste separation and separate waste collection, thanks to hardware and software solutions that automate the inflow and analysis of data and contribute to the development of the circular economy through the waste valorisation process.



Data management services

Thanks to the solutions offered by the Group's companies and the innovative Information Centre at the Rosate site, it offers a complete range of software, flexible and adaptable to every need, for companies involved in the distribution and sale of public utilities: gas, electricity, water, waste.

The corporate compass

Pietro Fiorentini aim is to help build a better future for the new generations by developing **technologies and solutions for a digital and more sustainable world.**

The aim is to lead the changes that will characterise the scenarios in which the company lives and operates in the coming years, such as the **digitalization of networks and the energy transition** towards cleaner sources.

This **declaration of intent** has accompanied the company as it evolved from a historical entity operating almost exclusively along the natural gas supply chain to a leading player in the energy transition, the digitalization of the water cycle and the circular economy.

The **corporate compass** is structured around the Group's purpose, summarising the identifying elements of the organisation: strategic objectives, operational priorities, customer centricity and core values. A tool that **guides the Group's daily work**, constantly adapting to the changing scenario.

 <h2>Purpose</h2>	 <h2>Vision</h2>	 <h2>Mission</h2>
<p>Technologies and solutions for a digital and sustainable world</p>	<p>We want to play a leading role in sustainable development and the responsible use of resources by creating a synergy of technology and human capital</p>	<p>We operate internationally with high-tech solutions for the energy and utilities sectors, putting the customer at the centre of a highly efficient operating model that creates sustainable value</p>

CONTINUOUS IMPROVEMENT

Vision

We want to play a leading role in sustainable development and the responsible use of resources by creating a synergy of technology and human capital

SENSE OF BELONGING

Our promise to the customer

Customer Centricity
Better performance than the main competitors

ENTREPRENEURIAL SPIRIT

Our Values

Reliability
Excellence
Respect
Communication
Innovation
Group work
Sincerity
Commitment

Operational and Strategic Priorities

SQDC (Safety, Quality, Delivery, Cost)
Accountability to people
Local for Local

SUSTAINABILITY

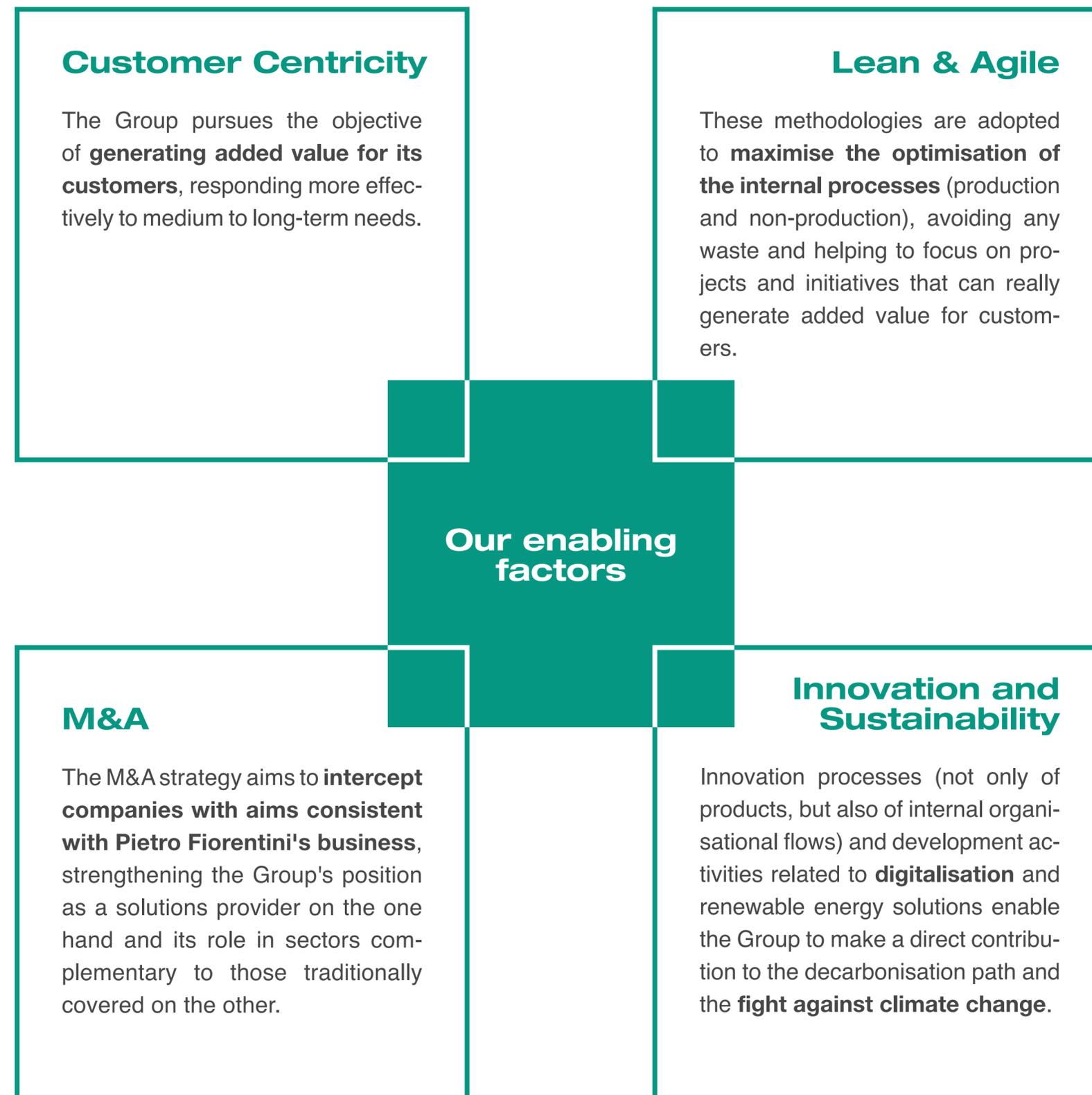


The enabling factors of the strategy



In addition to the Corporate Compass, the Group has identified the main **medium to long-term strategic lines** aimed at consolidating its role as a point of reference on the international scene. The aim is to **promote a more sustainable use of resources**, as well as to foster **new projects and partnerships** with strategic players such as banks, associations and universities.

The pursuit of these strategic objectives, in which the ESG criteria are also increasingly integrated, is based on the four key **enabling factors** for the Group's future.



02



Let it Improve

BUILDING THE FUTURE: OUR RESPONSIBILITIES

- 18** Stakeholder engagement
- 20** Impacts related to material topics
- 28** The path to sustainability

Stakeholder engagement



Maintaining a dialogue with and involving its key stakeholders allows Pietro Fiorentini to be always aligned with **their expectations and needs** and to capitalise on their requests with a view to creating shared value.

The Group conducted a materiality analysis for the first time in late 2020, identifying its material issues and assessing their impacts in depth. In 2022 the **materiality matrix** was updated mainly by involving external stakeholders through questionnaires in Italian, English and French.

The results of the survey basically confirmed the same topics already identified in previous years as the most relevant ones. The topic "**Workers' Health and Safety**" is the only one that has become even more significant.



67% response rate of the approximately 100 stakeholders involved

Stakeholders involved



However, it should be considered that in 2021 the **Global Reporting Initiative** (GRI), the institution Pietro Fiorentini refers to for its non-financial reporting, released an update of the reporting standards. An important aspect of this revision was precisely the identification of the material topics. Through the new process, called **Impact Materiality**, the standard intends to emphasise impact metrics as a characterising factor to objectively and, as far as possible, quantitatively determine the true extent of the material issues identified.

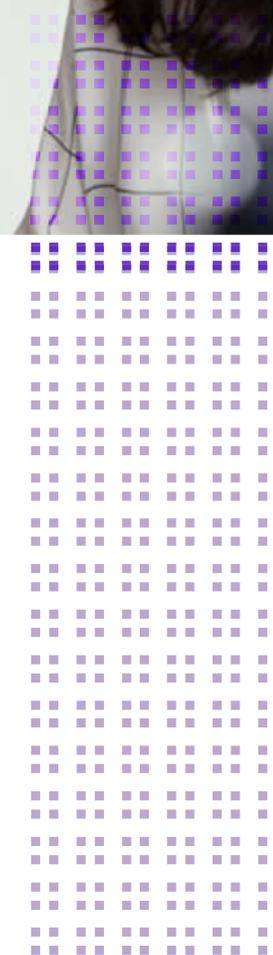
In order to comply with the update, the Group followed the following guidelines to re-evaluate its material topics:

- 1. Analysis of the organisation's context and updating of the materiality matrix:** in this first phase, the positioning of the reference sector in terms of non-financial reporting was analysed. The benchmark analysis showed that the material topics are in line with those reported by similar companies.
- 2. Identification of impacts:** the GRI standards have identified four types of impacts: **actual positive**, **potential positive**, **actual negative** and **potential negative**. Through the involvement of the Sustainability Committee, management and the contact persons of the main functions, the impacts related to each material topic were identified for the four types mentioned above.



- 3. Evaluation of the significance of the impacts:** through targeted interviews with the contact persons of the different functions, a numerical rating was assigned to each variable proposed by the GRI, based on a reference scale valid for all the identified impacts.
- 4. Prioritisation of impacts and definition of material topics:** the impacts were then ordered according to their level of significance, thus determining the final list of material topics and their relative positive, negative, actual and potential impacts.

A list of the topics and their impacts is provided in the next section, while an in-depth description of each topic can be found within the various chapters of this Report.



Impacts related to material topics

The analysis of the **impacts** provides a systemic view of the effect that an organisation has, or could have **on the economy, the environment and on people** including human rights, as a result of its activities and relationships. The impacts may be actual or potential, negative or positive, short-term or long-term, intended or unintended, reversible or irreversible. Defining these impacts provides an understanding of an organisation's contribution to the **achievement of the Sustainable Development Goals** (SDGs) defined by the UN in the 2030 Agenda.

The analysis conducted at Pietro Fiorentini focused on short-term impacts (1-3 years) and identified the areas on which to work to outline the **sustainability targets** which will be presented in the next section.

The tables on the following pages summarise the **impacts** positive, negative¹, actual and potential impacts of Pietro Fiorentini **for each material topic**, divided according to the three dimensions of sustainability. The significance of each impact depends on its type: **actual impacts**, i.e. those that have already taken place, relate the **level of benefit** (if the impact is positive) **or severity** (if negative) with the **magnitude of the impact** in terms of the extent of the repercussions; where the impact is **potential** the dimension of the **probability** is also added. The significance, therefore, is the product of these variables.

Legend:

Very significant	●●●
Significant	●●
Quite significant	●

¹ For the actual and potential negative impacts, the analysis considered whether the impacts had non-remediable characteristics. However, none of the most significant impacts present this characteristic.



Governance impacts

Material topic	Type of impact	Impact description	Significance	Level ²	Activities and stakeholders involved
ESG integration into the business	ACTUAL positive	Establishment of the Sustainability Committee	●	Systemic	Strengthening the commitment to ESG issues , by integrating them into the business model , and the strategy and risk analysis and activating cross-cutting processes throughout the value chain.
	POTENTIAL positive	Achievement of ESG targets integrated with business themes	●●		
Business ethics	ACTUAL positive	Adherence to the principles of the 231 Model and the Code of Conduct	●●●	Systemic	<p>Conducting business activities with loyalty and fairness, in accordance with the law, also going beyond mere compliance.</p> <p>Creating adequate internal control systems and disseminating a corporate culture based on integrity, professional ethics and honesty, to build relationships of trust with stakeholders.</p> <p>Promoting anti-corruption training for employees, in line with the values of transparency and accountability.</p> <p>Ensuring respect for human rights in all situations.</p>
		Maintenance of management systems and renewal of certifications through internal and external audits	●●		
	Protection of intellectual property from possible infringements	●			
	POTENTIAL positive	Updating the mapping of risks in the area of the 231 Model	●●●		
		Training and awareness-raising on the confidentiality of company information	●		

² Localised level means that impacts are related to single episodes, on the contrary, systemic level means that impacts are generalised

Environmental impacts

Material topic	Type of impact	Impact description	Significance	Level	Activities and stakeholders involved
Energy transition	ACTUAL positive	Turnover from “green” business solutions	●	Systemic	Strengthening and integrating into the Group's operations the activities that accompany the decarbonisation processes , such as biomethane , hydrogen and power-to-gas , while focusing on reducing the impact of the natural gas infrastructure . Promoting the efficiency of water and waste management systems . Developing new collaborations with relevant partners.
		Launch of projects for the development of “green” technologies and the adaptation of the product range to renewable gases	●	Localised	
		Investments dedicated to the development of “green” technologies (e.g. hydrogen laboratory)	●		
	POTENTIAL positive	Implementation of projects for the development of “green” technologies (e.g. SynBios project, 1 MW electrolyser, biomethane production plants, etc.)	●	Localised	
		Improvement of reputation and visibility in the market and towards stakeholders	●	Systemic	
Innovation & Digitalization ³	ACTUAL positive	Partnerships for the development of “green” business solutions	●	Systemic	Fostering innovation, increasing the efficiency of the products and services offered , to digitise and further optimise the monitoring and management of infrastructures .
		Protection of intellectual property from possible infringements	●		
	ACTUAL negative	Errors in the interpretation of market trends and difficulties in transferring requests to the R&D function	●●	Localised	Managing IT security .
		Marketing of products that do not integrate recyclable components and do not provide for end-of-life recycling	●	Systemic	Initiating new collaborations to identify the best innovative technologies related to the energy transition and the reduction of CO₂ emissions .
	POTENTIAL negative	Breach of computer data security	●		

³ Compared to the Sustainability Report 2021, the topic 'Innovation & Digitalization' has been moved to the environmental area as it is considered more relevant to initiatives in this area

Environmental impacts

Material topic	Type of impact	Impact description	Significance	Level	Activities and stakeholders involved
Circular economy	ACTUAL positive	Sending most of the waste to recovery (72% in 2022)	●●	Systemic	Promoting the principles of circularity in terms of new product development, use of environmentally friendly packaging , use of more sustainable materials , waste management and waste recovery , also in cooperation with external partners .
	POTENTIAL positive	Collaborations with various partners in order to reduce the use of natural resources and use sustainable packaging	●	Localised	
	ACTUAL negative	Increase in the amount of waste generated (2,976 tonnes in 2022) and destined for disposal (823 tonnes in 2022)	●	Systemic	
		Marketing of products that do not integrate recyclable components and do not provide for end-of-life recycling	●		
Emissions & Resilient infrastructures	ACTUAL positive	Provision of certified electricity from renewable sources at Pietro Fiorentini, TIV Valves and Sartori Ambiente sites	●●	Localised	Promoting the implementation of specific projects dedicated to the monitoring and reduction of greenhouse gases at Group level.
		Obtaining ISO 50001 certification - Energy Management System for the Arcugnano site (and for other sites in the future)	●		
	ACTUAL negative	Amount of CO₂ emitted (3,233 tonnes equivalent in 2022, given by the sum of scopes 1 and 2)	●●	Systemic	Developing energy efficiency initiatives and infrastructure resilience monitoring in terms of building management, energy and water consumption.
		Water withdrawal (40,700 m ³ in 2022)	●		
		Use of fossil fuels for part of the company fleet and service vehicles	●		

Social impacts

Material topic	Type of impact	Impact description	Significance	Level	Activities and stakeholders involved
Workers' health and safety	ACTUAL positive	Ensuring a safe and healthy working environment	●●	Systemic	Promoting the “ safety first ” culture throughout the Group, to monitor and prevent all potential risks , considering both internal and external collaborators (customers, suppliers, etc.).
		Widespread ' safety first ' culture	●●		
		Systematic health and safety training	●		
	POTENTIAL positive	Verification of machinery and equipment conformity	●	Localised	
		Achievement of the " zero accidents " target	●	Systemic	
HR management & enhancing	ACTUAL positive	Continuing education, including through Corporate University	●	Systemic	Improving human resources management and potential development programmes in order to retain and attract new talent , as well as to strengthen competencies that contribute to staff growth.
		Structured mentoring and coaching programme for HiPo (High Potential) resources	●	Localised	
	POTENTIAL positive	Implementation of PF People system to optimise resource management	●●	Systemic	
		Specific training project for Team Leaders	●	Localised	
Diversity & Inclusion	ACTUAL positive	Equality and equal opportunities for professional development and growth without discrimination	●●●	Systemic	Promoting diversity, equal opportunities and inclusion by sharing a non-discriminatory corporate culture that values different abilities, backgrounds, experiences and orientations.

Social impacts

Material topic	Type of impact	Impact description	Significance	Level	Activities and stakeholders involved
People well-being	ACTUAL positive	Provision of employee benefits through corporate welfare	●●●	Systemic	Ensuring a work-life balance through a well-being system that meets the needs of employees. Favouring measures such as parental leave, medical benefits, personal welfare initiatives and flexible working .
		Conducting a periodic climate survey to measure the level of employee satisfaction and well-being	●●		
		Training programme in well-being	●		
	POTENTIAL positive	Implementation of initiatives identified as a result of the 2022 climate analysis	●	Localised	
Stakeholder engagement	ACTUAL positive	Distribution of economic value to stakeholders	●●	Systemic	Developing business activities in accordance with the needs and expectations of stakeholders , through transparent and collaborative communication also on ESG issues. Managing industrial relations and promoting specific projects and activities together with the local communities in which the company operates.
		Ongoing collaborations with suppliers, customers and various universities (e.g. continuation of the C-Learn Energy Academy)	●		
Sustainable supply chain	ACTUAL positive	Promotion of local suppliers (85% in 2022)	●	Systemic	Adopting responsible and ethical purchasing policies , involving the selection of suppliers with consideration for their ESG performance . Establishing long-term collaborations , also aimed at developing innovative approaches to sustainability issues. Fostering the stability and integrity of the entire supply chain .
	POTENTIAL positive	Approval of new suppliers by means of an evaluation questionnaire including ESG criteria	●		
	ACTUAL negative	Indirect environmental and social impacts resulting from unsustainable practices along the supply chain not assessed and/or not selected according to ESG criteria	●●		

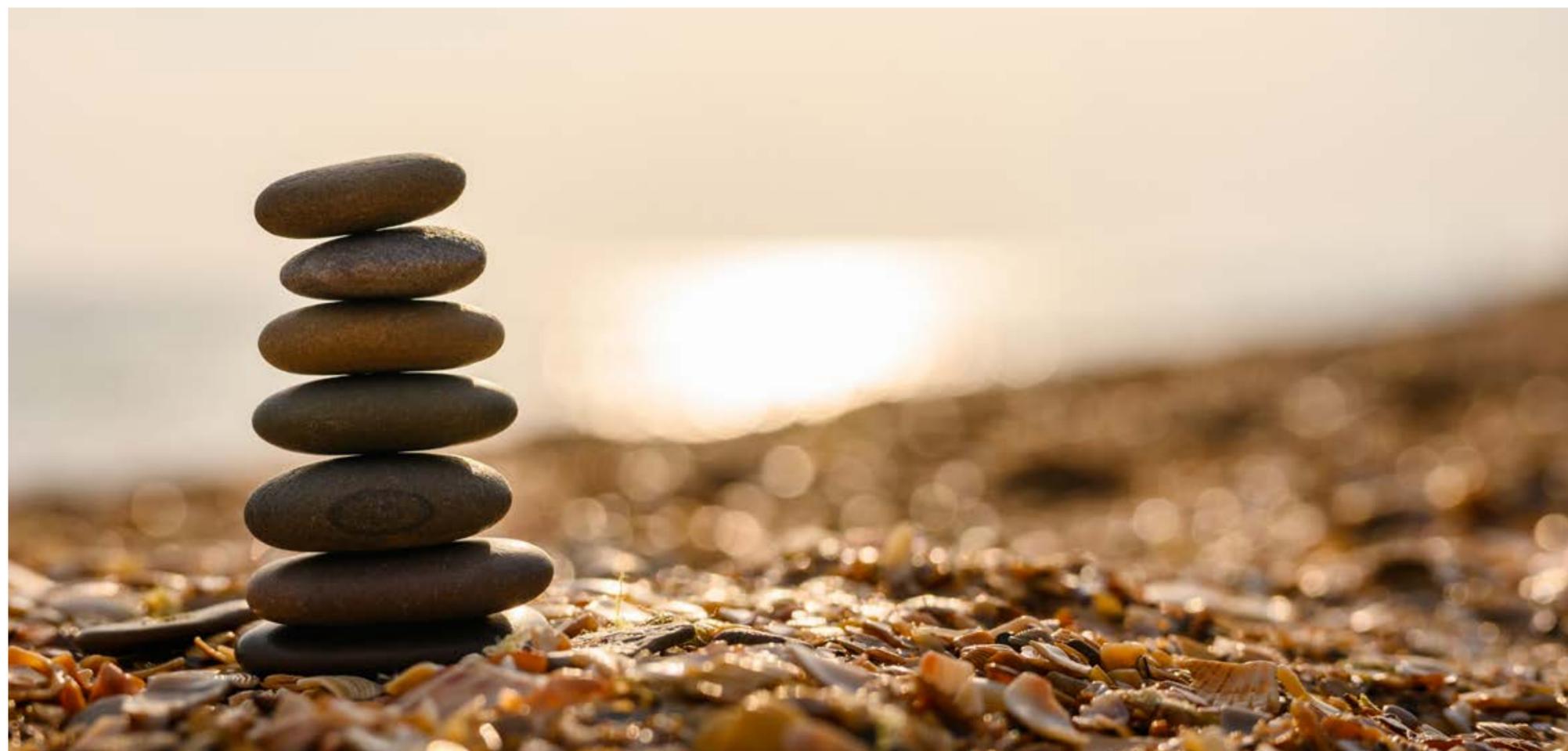
Social impacts

Material topic	Type of impact	Impact description	Significance	Level	Activities and stakeholders involved
Customer centricity	ACTUAL positive	Continuous listening to customer needs and market trends	●●●	Systemic	<p>Ensuring the reliability of products and services in order to prevent and manage potential situations that could compromise customer safety, product/service quality and conformity, and business continuity.</p> <p>Increasing the level of customer satisfaction by providing constant support when needed and innovative and sustainable solutions.</p>
		Active collaborations with some customers	●●●	Localised	
		Principle of Local for Local	●●		
		CRM Platform and issue management function	●●	Systemic	
	POTENTIAL positive	Conducting studies on Life Cycle Assessment (LCA) and eco-design of products	●●	Localised	
		Turnover from “ green ” business solutions	●	Systemic	
	ACTUAL negative	Development of products and services not in line with the market evolution	●●●	Localised	
		Difficulties in handling customer complaints	●●		
	POTENTIAL negative	Customer dissatisfaction resulting in damage to the company’s reputation	●	Systemic	
		Failure to conduct LCAs and eco-design of products	●	Localised	

The extensive analysis of the impacts clearly shows that the Pietro Fiorentini Group is generating **many benefits**, both actual and potential, especially in terms of human, relational and intellectual capital. The careful approach to **employee management and development**, the constant involvement of stakeholders, the equality and **meritocracy** guaranteed in the workplace, the **training courses**, also provided through its Academies, the provision of benefits through **corporate welfare** and safe and healthy working environments are all aspects constantly pursued by the Group.

The issues of **governance** are essential to ensure the proper management of ESG opportunities and risks. Sustainability is increasingly permeating the Group's cultural and decision-making DNA: the establishment of the **Sustainability Committee** is proof of this and will be a key factor in ensuring compliance with sustainability goals in the long term.

From an environmental point of view, the Group's willingness to be a **facilitator of the energy transition** emerges, with it offering and investing in “green” products, services and new technologies. Internally, however, the Group has introduced several climate change mitigation actions, such as procuring **renewable energy**, implementing energy efficiency initiatives and obtaining the **ISO 50001** certification for the Arcugnano site. There is no doubt that Pietro Fiorentini is already generating



numerous environmental benefits despite the fact that the energy transition it is promoting a gradual process that requires time, resources and investment.

The activation of **partnerships** along the value chain is a key element for **generating increasingly widespread positive impacts**. Although the company has already implemented many virtuous practices (see chapters 6 and 7 for more details), there will certainly still be many more opportunities to be seized in the future.

Since the Group's intention is to continue generating profitability and, at the same time, to pay attention to people's well-being and the environment, **elements of criticality** and risks are a given. The offer of products and services is sometimes not strictly in line with the real needs of customers and the market: diverging from these needs can lead to customer dissatisfaction and in the long term also to the loss of significant market shares. The Group is aware of this risk and is introducing control tools to **ensure full customer satisfaction** (see section 7.2 for more details). The other critical issues are related to the emission of climate-altering gases from activities related directly to the Group and indirectly to the supply chain.

The path to sustainability

In 2021, the Group set specific **goals** to be pursued during the **two-year period 2022-23** in accordance with the main strategic lines. Most of the targets the Group had set have already been achieved, while others are still being implemented and continue to be monitored.

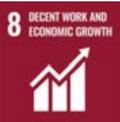
In order to further demonstrate its commitment to ESG issues, the Group has decided to set **new goals** that are even more challenging than the previous ones, **to be reached by 2025**.



Governance goals

Material topic	Goals for 2022	Progress	New Goals 2023-2025	SDGs
ESG integration into the business	Obtaining certification in the area of social responsibility	 Ongoing SA 8000 certification process for Pietro Fiorentini S.p.A.	Obtaining SA 8000 certification for Pietro Fiorentini and evaluation of its extension to other companies Inclusion of KPIs linked to sustainability performance in the MBOs of top management Review of the corporate purpose with a view to creating a purpose-driven organisation Extending the scope of the Sustainability Report to most of the subsidiaries	 
Business ethics	Introduction of a committee - consisting of the Managing Director, Legal and R&D Departments - to protect the group's intellectual property and investigate possible infringements, by and to the Group, in compliance with the principle of fair competition	 Committee established for the verification and management of infringements of intellectual property by and against the Group	Strengthening of training in the area of Model 231, privacy, information security and intellectual property protection	

Environmental goals

Material topic	Goals for 2022	Progress	New Goals 2023-2025	SDGs
Energy transition	Construction of a power-to-gas plant using anion exchange electrolysis and biological methanation technologies	 Pilot BioFarm plant under construction. Power-to-gas plant for customer Hera (SynBios project) to be built in 2023-24	<p>Hydrogen: realisation of the first 1 MW electrolyser with Hyter's AEMWE⁴ technology</p> <p>Biomethane: support in the production of at least half a billion cubic metres by 2025, resulting in an annual reduction of approximately 1.1 million tCO₂-eq⁵</p> <p>Power-to-gas: scale-up of solutions up to 10 MW</p>	   
	80% compatibility (in terms of turnover) of the product range in regulation and measurement with up to 20% hydrogen mixtures	 Hydrogen compatibility of more than 80% of the product range achieved		
Innovation & Digitalization	Development of smart reduction stations, including sensors for gas quality analysis, % hydrogen measurement and flow measurement, data acquisition and management and remote regulation systems, enabling the energy transition by feeding gas from green energy carriers into the grid	 Development of smart reduction stations underway, with different levels of progress for different projects.	<p>Development of smart reduction stations, including sensors for gas quality analysis, % hydrogen measurement and flow measurement, data acquisition and management and remote regulation systems, enabling the energy transition by feeding gas from green energy carriers into the grid</p> <p>Development of solutions for syngas methanation from biomass or solid waste (achievement of TRL6⁶ in 2025)</p> <p>Development of “turquoise” hydrogen production solutions (TRL 5 in 2025)</p>	 

⁴ Electrolysers for hydrogen generation, Hyter's core business, use a water electrolysis process based on anion exchange membranes (Anion Exchange Membrane Water Electrolysis). This technology, compared to the others currently available on the market, has excellent efficiency, allows a significant reduction in investment costs and a lower environmental impact.

⁵ The annual production of biomethane production plants for which Pietro Fiorentini has supplied at least the biogas upgrading, liquefaction plant or grid injection system is included in the scope of the target.

Cumulative production up to and including 2025 is taken into account, including the existing fleet of plants and not those on order or under construction.

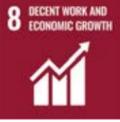
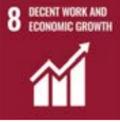
The reduction in CO₂ emissions was estimated on the basis of assumptions regarding the carbon footprint and the possible target sector (transport or other uses) of each country where the plants are to be marketed.

⁶ The term TRL (Technology Readiness Level) denotes a methodology for assessing the degree of maturity of a technology. It is based on a scale of values from 1 to 9, where 1 is the lowest (definition of the basic principles) and 9 the highest (system already used in the operating environment).

Environmental goals

Material topic	Goals for 2022	Progress	New Goals 2023-2025	SDGs
Circular economy	Procurement and design of only wood and paper packaging from sustainable supply chains	 Not pursued due to incompatibility of wooden packaging and additional cost of paper packaging	Definition of systems for mapping, monitoring and classification of materials used and how they are recycled (when possible) at the end of their life cycle Inclusion of recyclable components in new products and assessment of their recyclability at end-of-life, from a Life Cycle Assessment perspective	
Emissions & Resilient infrastructures	Obtaining ISO 50001 certification - energy management systems and evaluating energy saving initiatives for the Arcugnano site	 Audit for certification passed in January 2023. Various energy efficiency projects started at Arcugnano site	Extension of ISO 50001 certification to other Pietro Fiorentini sites, in order to launch plant energy efficiency initiatives Calculation of the organisation's carbon footprint by 2025	   

Social goals

Material topic	Goals for 2022	Progress	New Goals 2023-2025	SDGs
Workers' health and safety	Training and awareness-raising of 60% (150/250) of those in charge within the framework of an initial application of the BBS (Behaviour Based Safety) methodology, in order to improve concern management and decrease the number of accidents	 Pilot training carried out in the Minireg Division to be extended to a larger sample of supervisors	Widespread application of the Behaviour Based Safety methodology Conducting HSE assessments in major subsidiaries in order to reduce potential risks	 
HR management & enhancing	Delivery of at least 40 average hours of training per employee ⁷	 50 average hours of training delivered (considering only Pietro Fiorentini and TIV Valves)	Implementation of a programme to increase the level of emotional intelligence and leadership in management and in high potential figures Lean & Agile "contamination" of employees who have never participated in Kaizen events/weeks and Agile projects Continuation of mentorship and coaching initiatives	 
Diversity & Inclusion	In-depth research into the results of the climate analysis with specific reference to the issue of discrimination in the workplace	 Analysis conducted. Actions launched on the Development, Energy and Equity dimensions	Analysis of possible wage gaps , based on the sector of reference Integration in the recruitment process of diversity logics , with reference to the personality type of the selected figures Activities led by the Disability Manager , reference figure for the integration of protected categories in the company	
People well-being	Conducting climate analysis at Pietro Fiorentini, TIV Valves, Fast, Gazfio and Pietro Fiorentini (USA) on the dimensions of credibility, respect, fairness, pride, cohesion, identity and trust	 Analysis conducted. Actions launched on the Development, Energy and Equity dimensions	Implementation of the initiatives identified as a result of the 2022 climate analysis Availability of additional benefits for employees (special rates, mobility services, etc.) Renewal of climate analysis in 2024 to review progress	

⁷ Average hours are calculated as the ratio of training hours to the number of employees as at 31/12, considering permanent and fixed-term employees of Pietro Fiorentini and TIV Valves.

Social goals

Material topic	Goals for 2022	Progress	New Goals 2023-2025	SDGs
Stakeholder engagement	Involvement of external stakeholders to update the 2022 materiality matrix	 Stakeholders involved in the evaluation of material topics	Updating the mapping and materiality of impacts with stakeholder involvement Evidence of the company's ability to distribute intangible value to stakeholders, including through the promotion of additional social initiatives	
Sustainable supply chain	Approval of all new suppliers through an evaluation questionnaire including ESG criteria	 All the direct and most relevant indirect suppliers are approved by means of an evaluation form which also includes certain aspects relating to ESG issues. The updated pre-approval form is in use as of 2023.	Offsetting emissions from some suppliers (e.g. for transport) Integration of ESG criteria in the evaluation of existing suppliers by sending out sustainability questionnaires Mapping and monitoring of critical suppliers for SA 8000 purposes	 
Customer centricity	Achievement of an average Net Promoter Score (NPS) of at least 80%, obtained by sending satisfaction questionnaires to a significant sample of customers, after the finalisation of an offer and/or after the handling of an issue	 Achieved an overall NPS of 81% and 88% for issue resolution. Expansion of the sample is planned	Maintaining an average Net Promoter Score of at least 80% , expanding the sample of customers Reduction of the average time for issue resolution in the CRM system	 

03

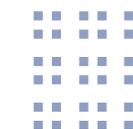


Let it Control

SUSTAINABILITY GOVERNANCE

- 35** Governance structure
- 37** Sustainability Committee
- 38** Business ethics
- 39** Management systems
- 41** Managing risks and opportunities

Governance structure



Pietro Fiorentini's governance system ensures ethical, clear and shared relationships with key stakeholders and adequate monitoring of risks and opportunities along the value chain.

The Group's corporate governance system is traditional. Two bodies are therefore established, the **Board of Directors** and the **Board of Auditors**, both appointed by the Shareholders' Meeting. The former is an ordinary and extraordinary administrative body, while the latter has legal and accounting control responsibilities.

The board members, three men (executive) and one woman, are in office indefinitely, and there are no independent members. Two of the members hold the positions of Chairman of the Board and CEO. The executive members of the Board of Directors are also senior executives of the organisation.

Administrative and control bodies

Board of Directors

Cristiano Nardi	Chairman
Mario Pietro Nardi	Chief Executive Officer
Paolo Nardi	Board member
Silvana Fiorentini	Board member

Board of Auditors

Fabio Maria Venegoni	Chairman of the Board of Auditors
Paola Gualtierio Targa	Auditor
Luisa Claudia Savio	Auditor
Roberto Todisco	Alternate Auditor
Paolo Spagnol	Alternate Auditor

Supervisory Board

Ascensionato Raffaello Carnà	Chairman of Supervisory Board
-------------------------------------	-------------------------------



At the level of internal organisation, until mid-2022 the term Value Stream identified the two macro-divisions of the company responsible for the production of systems, components and services. Considering the complexity and extension of the sectors served by Pietro Fiorentini, this name was no longer deemed appropriate for the current organisation. Therefore, it was decided to reclassify them as **Strategic Business Units (SBUs)**: these are autonomous divisions, with responsibility for a particular range of products or activities, which act as independent enterprises and are responsible for their own profits or losses.

The Systems Value Stream was therefore named **Energy Complete Solutions SBU** while the Components & Services Value Stream became the **Gas & Water Network Solutions SBU**. The **Managing Director**, to which some strategic staff functions (Marketing, Quality, etc.) report, remains at the top of the organisation. The others (Administration, Human Resources, Legal, IT, HSE, etc.) report directly to the Board of Directors.

The individual Group companies in Italy and abroad are organised independently with varying structures according to size. The strategic functions of the parent company always maintain a **coordinating and supporting role**.

Sustainability Committee

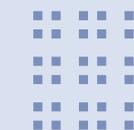
In January 2021, Pietro Fiorentini established an **ESG team** to assess the company's approach to sustainability issues and guide its improvement path. In 2022, the Group took a further step by establishing a new body: the **Sustainability Committee** which is tasked with guiding the decision-making process of top management by focusing on and prioritising ESG issues.

In fact, the Committee has the task of assisting the Board of Directors with **investigative functions**, making proposals and offering advice for the evaluations and decisions relating to ethics and sustainability. It stands as a **link between the Board of Directors**, which collaborates to define strategies, and the functions dedicated to the implementation of the various projects.

The main tasks of the Committee, which meets quarterly, are:

- **encourage the integration of sustainability objectives into the corporate strategy** and culture, encouraging their dissemination at all levels;
- **supervise** sustainability initiatives and related KPIs;
- examine and approve the structure and contents of the **Sustainability Report**;
- establish the ESG performance objectives of the **Sustainability Plan** and monitor their implementation through the strategic development process;
- examine the company's **non-profit** strategies.

The Sustainability Committee respects the **principle of transversality**, being composed of figures from different business areas, ensuring a **systemic view** of the organisation.



Manifesto of 1,000 Green Companies

In June 2022, Pietro Fiorentini signed the Manifesto of 1,000 Green Companies, with which a number of Italian companies declared their willingness to adopt conscious policies, by publicly signing detailed commitments to reduce emissions, save energy and develop social sustainability actions.

The commitments in the manifesto cover four macro-areas: 1) **emission reduction**, offsets and climate impact; 2) **circular economy and sustainable packaging** paths; 3) **logistics** management; 4) **value creation** for stakeholders and the community.

The document was presented at the opening event of the **Green Economy Festival** promoted by ItalyPost and the Symbola Foundation.

Business ethics

Pietro Fiorentini, through the **Organization, Management and Control model** established pursuant to **Legislative Decree 231/2001**, has defined an organic and structured system of guidelines, operating procedures and controls inspired by the values of loyalty, compliance with regulations and the principles of fair competition, correctness, honesty, diligence and independence.

This approach applies to any activity implemented along the value chain and concerns the Group's relations with its entire stakeholder base.

The 231 Model has set up a dedicated mailbox to enable all those who may become aware of information relating to the commission of offences to make reports to the **Supervisory Board**¹. Any complaints from business partners are handled through the relevant portals, ensuring high quality standards for their resolution.

Initiatives to **prevent and combat both public and private bribery offences** are ensured on the basis of the provisions of the Code of Conduct and in line with the provisions of the 231 model, which sets out a procedure dedicated to the conduct that must be adopted to prevent possible bribery offences. In 2022, no activities sensitive to corruption-related risks were reported.

Control and involvement activities on ethics and integrity issues are addressed not only to external stakeholders, but also to Group employees. The aim is to increase the awareness and sensitivity of all employees, so that they can more effectively prevent and recognise corruption within the various business activities. A total of **770 people were trained and made aware of anti-corruption** and compliance issues.



¹This Body, appointed by the Board of Directors pursuant to Legislative Decree No. 231/2001, takes into consideration the reports received and takes the necessary consequent measures, always ensuring the protection of the whistleblower from any type of retaliation, in line with the provisions of the legislation.

Management systems

The Group's **internal control system** is the responsibility of the Board of Directors, which establishes and sets the guidelines and periodically verifies its adequacy and effective functioning, ensuring that the main business risks are identified and properly managed.

The supervision of the Group's internal activities is also ensured by the adoption and updating of a series of **management system certifications**. Group companies that do not have a management system formalised according to precise international standards have nevertheless adopted policies and procedures consistent with those of the parent company.

Management systems

Certified companies

UNI ISO 9001:2015 - Quality management system

- Pietro Fiorentini Group ²

UNI ISO 14001:2015 - Environmental management system

- Pietro Fiorentini S.p.A.
- TIV Valves S.r.l.
- Fast S.p.A.
- Sartori Ambiente S.r.l.
- FioGaz A.S.

UNI ISO 27001:2013 - Information management system

- Pietro Fiorentini S.p.A.
- Terranova S.r.l.

UNI ISO 45001:2018 - Health and safety management system

- Pietro Fiorentini S.p.A.
- TIV Valves S.r.l.
- Fast S.p.A.
- Sartori Ambiente S.r.l.
- Terranova S.r.l.
- FioGaz A.S.

UNI ISO 50001:2018 - Energy management system

- Pietro Fiorentini S.p.A. (Arcugnano site)
- Fiorentini Hungary k.f.t.

²All Group companies included in the current reporting scope are part of the ISO 9001 certification perimeter.

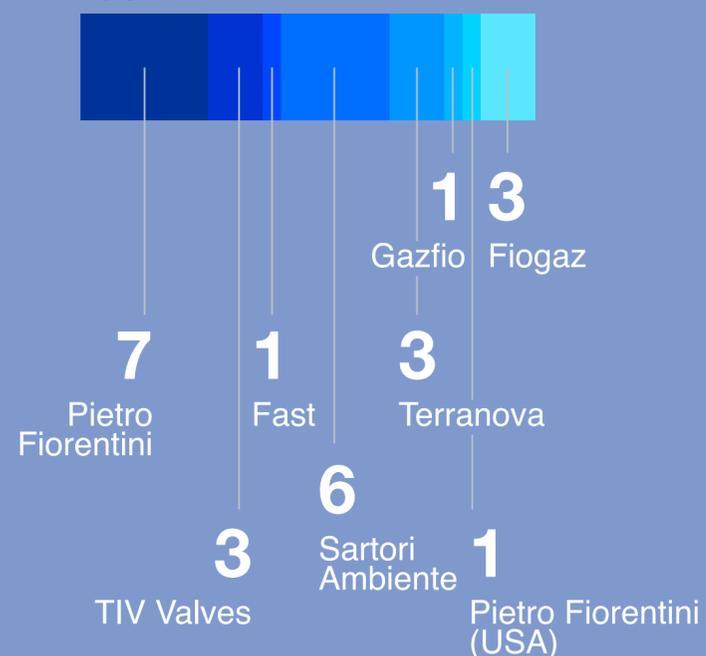
The ongoing effectiveness of the management systems is ensured by the implementation of **audits** both in-house, managed by dedicated teams in the various divisions or subsidiaries, and independent, carried out by accredited third-party bodies.

The graphs do not contain the audits performed internally and undergone by external bodies for the verification and maintenance of the various product certifications.



Audits carried out in 2022³

25 INDEPENDENT



³ It was not possible to retrieve data on the audits carried out by Fiorentini Hungary

Managing risks and opportunities

The integrated system makes it possible to **identify, analyse, assess and monitor actual and potential risks**, and to **seize possible opportunities** in a short-, medium- and long-term perspective. The **internal Risk Management function** operating at Group level and reporting to the Board of Directors, is responsible for integrating risk management into the company's business. Considering the short to medium term, the aim is to evolve the current **ERM model** (Enterprise Risk Management) model through the increasing integration of **ESG risks**.

The **risk mapping and mitigation** which until 2021 applied only to the companies Pietro Fiorentini and TIV Valves, was **extended to the Group**, including the main subsidiaries. To carry out these activities, the Risk Management function works in cooperation with the heads and operational contacts of each division of the parent company (Measurement, Regulation, etc.) and with the **risk coordinators** appointed in each company involved in the analysis.

The **mitigation plans** drawn up for the main subsidiaries and updated annually, associate the most significant risks with mitigation actions and the related indicators and targets to be monitored on a quarterly basis, in cooperation with the individual contact persons.

At the Parent Company level, risk mapping and assessment was updated in 2022 through a series of **interviews** which involved all **Division Leaders** and key operational contacts. Constant monitoring makes it possible to identify, measure and control the organisation's degree of exposure to the various risk factors, as well as to envisage the implementation of control measures and procedures to highlight anomalous situations.



Group Enterprise Risk Management

The Group-wide mapping, which was carried out in 2022 through interviews with the heads of business and staff areas, resulted in the **identification of approximately 100 risks**. One third of these, the so-called **Top Risks**, received a high or medium-high rating in terms of possible impact and probability of occurrence.

The methodology adopted distinguishes **four macro-categories** of risks:

- Strategic:** Top Risks of a strategic nature concern the Group's ability to structure itself, both organisationally and in terms of its business model, to achieve adequate **margins** in the renewable energy business, to **maintain market share** in the 'traditional' business and to respond to rising raw material, transport and energy **costs**. With regard to governance issues, the main risks relate to the supervision and **development of the subsidiaries** and the effectiveness of the **M&A** activities.
- Operational:** about half of the Top Risks were identified in this area, which includes possible **business disruptions, quality, safety and innovation** of products and services, **compliance** issues, **supplier** reliability, machinery and equipment compliance and **environmental impact** of products. The most represented risk category, however, is **'People'**, in terms of competence development and talent retention. Finally, the company pays increasing attention to the **cybersecurity** of products and services in case of external attacks.
- Financial:** the Group is mainly exposed to credit risks, liquidity issues and risks related to exchange rate and interest rate fluctuations. Nevertheless, none of the identified Top Risks belong to this macro-category.
- External:** the Top Risks identified in this area concern the **macroeconomic context** and in particular the consequences of international geopolitical tensions on the demand for products in the natural gas business.

04



Let it

Innovate

INNOVATION AT THE SERVICE
OF ENERGY TRANSITION

44 The innovation process

48 Energy transition

61 Water sector management

62 Waste valorisation

The innovation process



Pietro Fiorentini allocates significant investments to **research and development** which are essential to meet the difficult challenges arising from the current context.

Innovation is part of the Group's DNA: in any field of expertise, in fact, Pietro Fiorentini is constantly committed to promoting and implementing innovative and sustainability-friendly solutions.



Strategic collaborations

The energy sector, with its significant growth prospects and its strategic role in pursuing the goal of decarbonisation, requires **partnerships capable of creating added value** and stimulating innovation in the medium to long term.

The experience gained in more than eighty years of history has enabled the Pietro Fiorentini Group to position itself among the most important international representatives involved in the energy transition.

This is confirmed by its founding member status of the **Biomethane Industrial Partnership**, the collaboration promoted by the European Commission (announced in the REPowerEU¹ plan) with the aim of increasing the **production** and annual use of **biomethane to 35 billion cubic metres by 2030**.

At the official launch ceremony held on 28 September 2022 in Brussels, representatives of the Commission and the CEO of the **European Biogas Association** symbolically opened a valve made by TIV Valves, a company of the Pietro Fiorentini Group, symbolising the beginning of a new era for biomethane at European level.

Other initiatives which should also be considered from this perspective include participation in the main Italian and European hydrogen working groups such as **European Clean Hydrogen Alliance, Hydrogen Europe, H2IT** (Italian Hydrogen Association) and **Hydrogen Joint Research Platform**.



¹The European Commission's REPowerEU plan aims to drastically accelerate the transition to clean energy and to increase Europe's energy independence before 2030.



In 2022, the second edition of **C-Lean Energy Academy** was launched, the training programme designed in collaboration with the **POLIMI Graduate School of Management** on topics related to energy transition, Lean & Agile Management and sustainability. The first edition ended with the students presenting their project works realised in collaboration with tutors from Pietro Fiorentini and the teaching staff of POLIMI GSoM.

Also in collaboration with the Politecnico di Milano, the R&D team started a project for the **evaluation of alternative materials** that are more sustainable than the plastic components currently used in meters.

Remaining in the academic sphere, Pietro Fiorentini was also recognised by the **University of Padua** for its solid and fruitful collaboration with **UniSMART**, the university's foundation created to promote post-graduate education and manage research and innovation consulting projects.

As a partner, Pietro Fiorentini has also initiated numerous projects promoting **technological development** from which the entire community will benefit. These include the **forty meetings with teachers and researchers** on topics of particular technological interest, the **twelve research projects** to which **three doctorates** are related, the participation of Group experts in various webinars and the training courses organised for both Pietro Fiorentini's collaborators and students at the University of Padua.



Open Innovation and M&A

Since the first decade of the 2000s, Pietro Fiorentini has adopted a strategy of open innovation that had led to the **acquisition of several industrial and commercial companies**, enabling the Group to respond more effectively to the challenges of digitalization and, more recently, the energy transition.

The **mergers and acquisitions (M&A)** carried out in this sense aim in particular to intercept companies and **start-ups** with objectives that are consistent with Pietro Fiorentini's business. Through an in-depth analysis of the market, the Group identifies promising niches and areas, by understanding their potential future developments, and evaluating possible virtuous synergies and the possibility of **strengthening know-how**.

The Group does not limit itself to the role of a simple investor, but offers **support and technical expertise throughout the industrialisation process** as well as supporting the acquired entities from an organisational, commercial and marketing point of view. The process of integration, however, does not diminish the role of the founders, who generally maintain a management role aimed at enhancing all internal competences.

The strategy of open innovation is implemented at Pietro Fiorentini with different approaches. The acquisitions of the subsidiaries **Hyter** and **Micropyros BioEnerTec** in 2021 are

examples of stand-alone initiatives, in which the M&A process was entirely developed and managed by the Group without any external support.

In 2022, the Group also launched scouting initiatives such as the **Sustainable Energy Venture** programme, a **call for start-ups** arising from its collaboration with **Intesa Sanpaolo Innovation Center** and aimed at identifying the best national and international technologies in the renewable energy sector.

With the Sustainable Energy Venture programme, Pietro Fiorentini concretely implemented the concept of industrial partnership, seeking businesses that could respond with solutions and technologies to the **reduction of CO₂ emissions** through CCUS (Carbon Capture, Utilization & Storage), to the **development of the hydrogen supply chain** (Hydrogen Value Chain) and related services.

Three of the thirty-four companies that applied for the programme, **were recognised as winners** and have joined with Pietro Fiorentini, embarking on a growth path aimed at gaining an advantage in terms of technological innovations and at developing potential synergies in the commercial, management and financial spheres.



Energy transition

The future of energy will be based on the so-called "three Ds": **decarbonisation**, the gradual abandonment of fossil fuels in favour of renewables; **decentralisation**, shifting from centrally managed generation, transmission and distribution to delocalised systems; and **digitalization** of the technologies serving the grid.

DECARBONISATION

DECENTRALISATION

DIGITALIZATION

Aware of the central role played by the energy system in the path to achieving the **goal of zero emissions**, Pietro Fiorentini has structured its business model consistently, expanding its offering of technological solutions for the energy sector.

More specifically, Pietro Fiorentini's commitment to the energy transition takes the form of improving the efficiency of the **natural gas infrastructure**, developing new solutions for **biomethane**, **hydrogen** and the **power-to-gas** in the growing investments related to the **digitalization of networks** and in the definition of a coherent **M&A strategy**.

In promoting the energy transition, Pietro Fiorentini focuses its efforts along **four strategic axes**.



Natural gas



Natural gas, around which most of the Group's solutions revolve, is the company's core business. This fuel remains one of the world's main energy sources and **the most sustainable alternative of the fossil fuels**, producing 25% less CO₂ emissions than petrol, 16% less than LPG, 30% less than diesel and 70% less than coal². In addition, the natural gas infrastructure can easily be converted for the **injection of renewable gases such as hydrogen and biomethane** thus playing a decisive role in enabling the energy transition.

In addition to the continuous improvement of the product range in terms of quality, safety and efficiency, the Group strives to **enhance and increase the efficiency of the existing gas networks**, especially in order to manage injection from multiple points and reduce methane losses to the atmosphere.

The latest report³ published by the IEA (International Energy Agency) specifies that methane emissions into the atmosphere could be reduced by 75% using currently available technologies. In this context, Pietro Fiorentini focuses its efforts on **reducing climate-changing gas losses** in the gas transportation, distribution, regulation and measurement phases.

In order to make the infrastructure more efficient, the company also works to develop **new systems for digitalization**. From this perspective, the **Smart Grids** are an ambitious project for distributing energy through networks capable of managing and instantly regulating a plurality of both discontinuous and bi-directional flows.

Creating intelligent and sustainable gas distribution networks means devising solutions to **manage flows** that derive from sources with different characteristics, **such as hydrogen and biomethane**, and coming from multiple and decentralised production locations. The scenario that is foreseen for the near future is in fact very complex and requires systems capable of absorbing local production and maintaining the balance and structure of the entire network.

² <https://www.startmag.it/energia/gas-naturale-la-soluzione-ponte-verso-un-mondo-rinnovabile>

³ <https://www.iea.org/news/methane-emissions-remained-stubbornly-high-in-2022-even-as-soaring-energy-prices-made-actions-to-reduce-them-cheaper-than-ever>

What has been done for the natural gas strategic axis?

ADD Synergy: the engineering of tomorrow

In March 2022, **Cryo Inox** became part of the Pietro Fiorentini Group, a Barcelona-based company that manufactures stainless steel structures, components and plants and, through the ADD Synergy brand, **systems for the liquefaction and regasification of natural gas, biomethane and CO₂**.

In the current geopolitical context in which **energy security** has become a top priority, the applications of this technology in the field of sustainable mobility and the **transport of LNG** (Liquefied Natural Gas) through **virtual pipelines** are particularly significant. Virtual pipelines are an alternative mode to the pipeline network by which gas can be stored and brought to its destination by land or sea. Liquefaction, in fact, is a technique for transporting gases over long distances by converting them from a gaseous state to a liquid one.

The company also supplies **equipment for loading LNG onto the vehicles** (trucks and tankers) that transport it from the liquefaction plant to its final destinations: industrial sites not connected to pipelines, regasification plants or filling stations. In this regard, ADD Synergy realises both **refuelling stations for heavy vehicles** (trucks, buses and special vehicles), and **regasification plants** through which LNG and Bio-LNG are converted from a liquid to a gaseous state in order to be fed into the transport infrastructure and reach the end consumer.

Pilot projects for measuring and managing flows within the network

The **real time flow measurement** within the network is fundamental for optimising its management, as it allows distributors to manage the balancing of the pressures and flows fed into the various distribution groups in an intelligent way, i.e. **linked to the actual demands of the users** in the different zones and time slots.

During 2022, the R&D team worked on the development of **innovative measuring systems** for installation in the gas distribution units and the development of **intelligent pressure regulation systems**. The design of these products will minimise the impact on existing control units, which in most cases will be able to reuse components already installed. Both projects will be completed during 2023.

The electronic metering and control systems will be integrated into a comprehensive platform that will allow the optimisation of the flows and pressures in the network.

Biomethane



Pietro Fiorentini offers complete solutions for the **treatment and processing of biomethane** including its **feeding into the grid or its liquefaction** in order to meet customers' needs at all stages of the process. The technological solutions are complemented by deployment, testing, supervision and remote control services aimed at predictive maintenance and data analysis.

The **collaboration between the Arcugnano headquarters and Gazfio**, a French company of the Group with extensive experience in this sector, has been the basis for the Group's progress in the Italian and French markets, where to date the company boasts participation in **over 200 projects** between injection solutions and biogas upgrading systems.

What has been done for the biomethane strategic axis?

Biomethanation: biology and reactor innovation

Bio FARM, completed in April 2023, is a multidisciplinary laboratory for system development and **tests on the conversion performances of carbon gases** such as carbon dioxide, carbon monoxide and hydrogen, **into biomethane**. The plant is physically located within the water purification plant in the German city of Straubing.

The Bio FARM plant is a fundamental space for continuing studies and research related to the topic of biological methanation. Its unique feature is the fact that it is combined with the **microbiology laboratory MiO LAB** which became operational in February 2023, specialised in the cultivation, selection and testing of the micro-organisms that will be used in the company's biological methanation plants.

Biomethanation is a process that, in an oxygen-free environment, enables specific micro-organisms to **metabolise hydrogen and carbonic gases such as CO₂**, producing **methane** (and water), and is one of the most promising sources for converting surplus electricity from renewable sources into biomethane.



This is in fact one of the pillars of the energy convergence on which the current transformation projects are founded. A totally 'green' process that has the advantage of **capturing carbon dioxide** and producing a methane compatible with the requirements of the transport and distribution networks. A biomethane ready for grid injection or for liquefaction for producing bio-LNG.

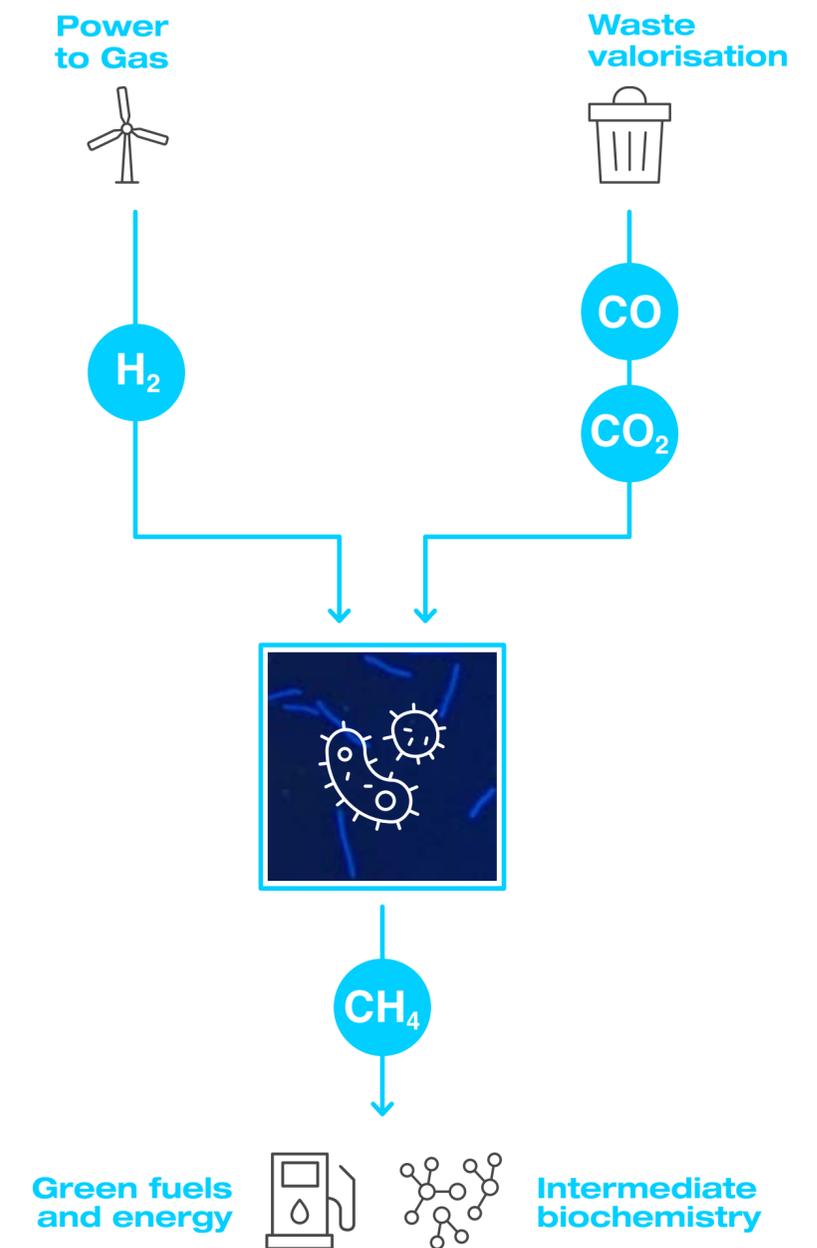
The focus of Bio FARM and the MiO LAB will be the **micro-organisms of MicroPyros BioEnerTec**, a company acquired by the Group in 2021, active in the field of applied biotechnologies in the energy field.

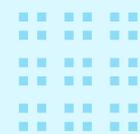
The two facilities will be dedicated to the **research and experimentation of biomethanation processes** from various sources, in particular biogas and synthesis gas. More than 70 different strains of **Archaea**, the micro-organisms behind biological methanation, collected in over 20 years of scientific activity. Through the cultivation and selection of the Archaea, it will be possible to have availability of increasingly effective

combinations of micro-organisms capable of metabolising hydrogen and carbon dioxide to produce methane and water.

A unique project in Europe, through which it will be possible to make gas mixtures on site and rely on the direct feeding of biogas from the digesters of the **wastewater treatment plant**. The project is developed in cooperation with **Hyter** for the hydrogen generator and for the power-to-gas management, **Biokomp**, for the gas-hydrogen mixture compression plant, and **Pietro Fiorentini**, for the biochemical reactor and the parts related to system integration, automation and data acquisition.

MICROPYROS





Biomethane as a vector for reducing CO₂ emissions

Each biomethane production plant allows different CO₂ savings depending on the biomass feeding it, the processes used and the way the biomethane is delivered to the end user.

The NRRP set a **target of approximately 2.5 billion cubic metres of biomethane produced annually in Italy**. A maximum carbon footprint value of 33gCO₂eq/MJ for transport use and 16gCO₂eq/MJ for other uses is required to be eligible, corresponding to an **emission reduction of at least 65% and 80%, respectively, compared to the reference fossil source** in the two categories.

Assuming that the carbon footprint of individual plants is the maximum value allowed for access to the incentive (33gCO₂eq/MJ) and assuming that the biomethane production targeted by the NRRP is allocated to the transport sector, the savings in CO₂ emissions would translate into about **5 million tonnes of CO₂ per year**, or the equivalent of the CO₂ emitted by the circulation of about 3 million cars.

Biomethane production

In 2022, it was designed, built and installed the **upgrading and injection plant in Cella Dati** (Cremona) for the EGEA Group and Santini Agricoltura Rinnovabile. In operation since March, the system injects biomethane produced from livestock manure and plant biomass cultivated in the adjacent area into the distribution network.

The **volume produced exceeds 4 million cubic metres per year**, the equivalent of the annual needs of almost 4,000 cars. In addition to **biofuel**, the plant makes it possible to obtain **digestate** from the fermentation residue, an important fertiliser that can be used instead of synthetic fertilisers.

Numerous similar projects have already been commissioned and will be implemented over the next few years.

Biomethane liquefaction and micro-liquefaction

The **SEMPRE-BIO project** co-funded by the **Horizon Europe** programme of the European Commission, aims to realise new and cost-effective solutions for biomethane production, in line with the European Green Deal, the climate and energy targets for 2030, the zeroing of net greenhouse gas emissions by 2050, and in order to increase the market uptake of biomethane-related technologies.

SEMPRE-BIO is a very large project involving a **heterogeneous consortium of 16 companies with experience in research and technological development in Europe**. The project is in turn divided into several sub-projects and work packages.

Cryo Inox/ADD Synergy is responsible for the work package that aims to develop innovative biogas upgrading technologies that enable the conversion and **retro-fitting⁴ of biogas and biomethane production plants**, including low-capacity ones, which are currently at risk of phase-out due to reduced incentives or rising feedstock costs.

The project, based on a case study in Belgium, involves the technological development and **installation of a plant for the cryogenic treatment of biogas** with a capacity of less than 100 Nm³/h, separating the CO₂ and other elements such as water, hydrogen sulphide and ammonia to obtain liquid biomethane of the desired quality.

⁴ Retro-fitting consists of adding new technology or functionality to an old system, improving its performance and making it compliant with new regulations.

Hydrogen



Pietro Fiorentini aims to assume and maintain a leading role in the hydrogen business by developing a series of innovative technological solutions, with the aim of overcoming current limitations by enabling the traditional grid to receive increasing percentages of this green molecule. This is also pursued through the **adaptation of the product range** particularly pressure regulators, valves and flow meters, **for use with mixtures containing increasing percentages of hydrogen.**

The Group aims to respond proactively to market demands in the area of **power-to-hydrogen (P2H)**, ensuring continuous investment in research and development to identify and develop technologies that are sustainable, reliable and safe.

In particular, in October 2022, the new laboratory (**H₂ Innovation Lab**) for experiments related to the generation and use of hydrogen was officially opened at the Arcugnano headquarters. This was a project that saw the construction of a **multifunctional structure** where it is possible to produce and use hydrogen

produced by electrolysis, blend mixtures of hydrogen and natural gas and test the readiness of the devices used along the existing networks.

The aim of the project is not to create a simple test area for the Group's products, but to make the laboratory a real **development accelerator** a catalyst for the creation of new technologies capable of generating debate and innovative solutions together with other organisations and companies in the sector, creating a pole of excellence for the entire country.

In addition to this debate, there is also a need to interface with the end consumer, since the energy transition necessarily starts from the users who will have to see the new technologies as an opportunity and not a threat: **this is why the lab also aims to be a training and information point for the community.**

What has been done for the hydrogen strategic axis?

Hyter: new energy routes

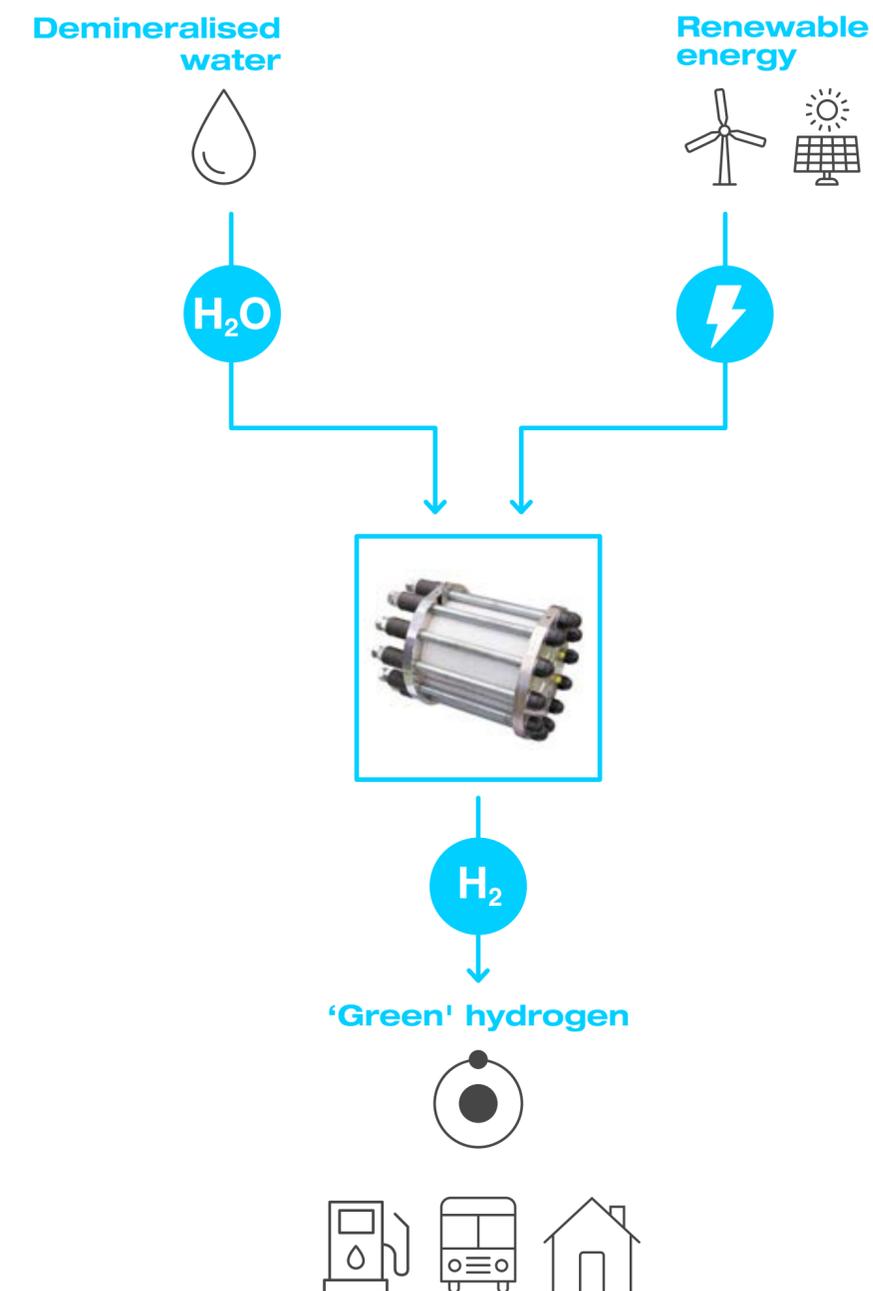
Hyter, which became part of the Pietro Fiorentini Group in 2021, is a Desenzano del Garda-based start-up operating in the renewable energy sector, with a range of **solutions for the generation of green hydrogen** through water electrolysis.

In 2022, the company continued the process of industrialising its electrolyzers, and was the winner of a tender sponsored by the Ministry of the Environment and Energy Security. The **Sirius project**, developed together with INRETE Distribuzione Energia (Hera Group), MatRes (MBN Nanomaterialia Group) and the Department of Chemical Sciences at the University of Padua, foresees the construction within three years of the **world's first electrolyser exceeding one megawatt based on AEMWE technology** (Anion Exchange Membrane Water Electrolyser) technology, to be installed near one of the Hera Group's plant sites, thus becoming part of a new industrial plant for the use of hydrogen.

The project is **financed within the framework of the NRRP, co-financed by the European Union within the NextGenerationEU⁵ programme.**



In addition to this important milestone, Hyter is involved in several other pilot projects designed to drive future developments in the hydrogen industry.



⁵ NextGenerationEU is the European Commission's recovery plan to invest in environmentally friendly technologies, introduce greener vehicles and public transport, and make buildings and public spaces more energy efficient.

X-nano: invisible matters

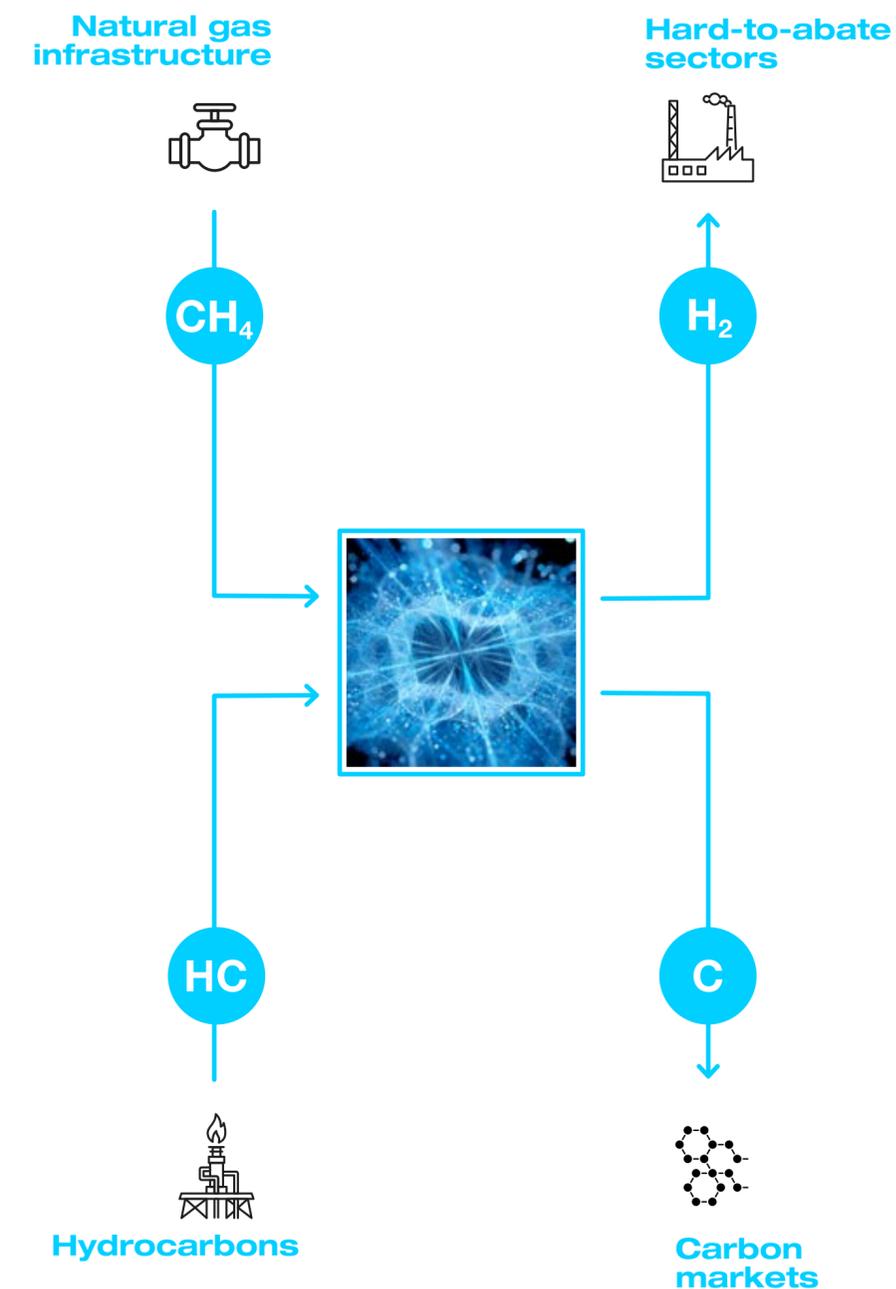
At the end of 2022, Pietro Fiorentini entered the share capital of **X-nano**, a start-up that resulting from a spin-off of the Italian Institute of Technology with the aim of developing **applications of nanotechnology to materials engineering**. X-nano is capable of producing nanomaterials with unprecedented properties, combining its capabilities with industrial requirements. A know-how applicable in many areas of the energy transition, such as the production of green or turquoise hydrogen, but which can potentially open up wider opportunities in several complementary sectors.

X-nano is able to realise **new materials with unprecedented properties** such as ceramic coatings with ductile behaviour, essential for protecting metals in extreme conditions, or nanoscale engineered catalysts to increase the efficiency of electrochemical energy conversion processes.

In particular, X-nano has already developed several advanced materials for battery production. These materials, which are among the most critical for the development of sustainable mobility and the integration of renewables into the electricity grid, will enable the **development of batteries that are more sustainable** more efficient and independent of geopolitical supply logics.

In the field of hydrogen, X-nano is contributing to the development of solutions on several levels: from the creation of advanced reactors for methane pyrolysis to nanostructured catalysts for the production of 'green' H₂, which will lead to electrolyzers that will have a greater efficiency and productivity.

X-nano invisible matters





The GEDRA device and the PiPe 4.0 project

Feeding renewable gases such as biomethane and hydrogen into the grid will lead to a change in the energy content of the mixture. In order to be able to measure these variations and provide proper gas metering, it will be necessary to install in the networks an increasing number of devices capable of measuring the energy transported.

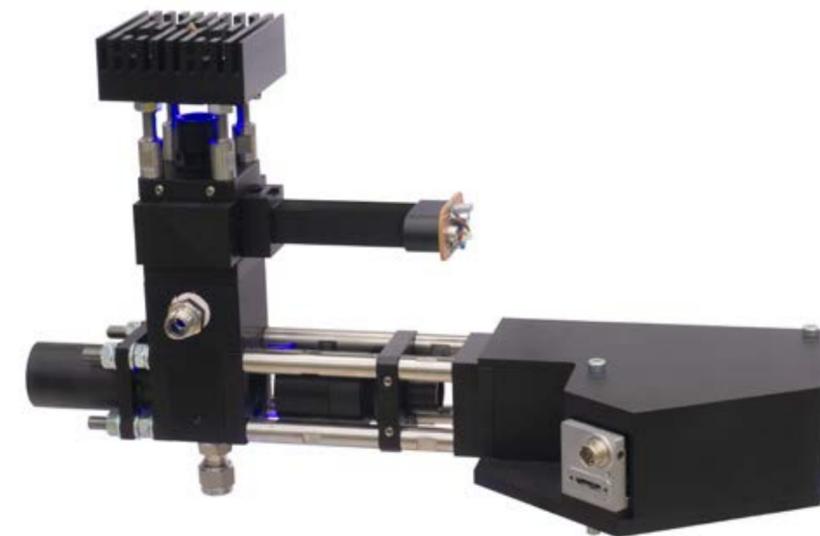
The GEDRA device is able to **determine the components present in the gas** and thus its energy power. After the initial feasibility study and testing of the prototype, the Group started the industrial development of the product in 2022 to meet the requirements of the Italian market.

The device, installed in the gas reduction cabin supplied by Pietro Fiorentini, was used in the "**Asset readiness**" trial conducted by INRETE Distribuzione Energia (Hera Group) in Castelfranco Emilia, where for the first time in Italy a mixture containing 2% hydrogen was injected into a civil network. The trial will continue in 2023 with increasing concentrations of H₂.

GEDRA is also one of the key components of the **PiPe 4.0**⁶ project, focusing on cutting-edge technologies for monitoring natural gas, with which the **National Research Council (CNR)** is participating in phase two of the ATTRACT initiative, funded by the European Commission.

The focus of the project is photonic technology and nanotechnology applied to sensors capable of **measure the calorific value of gas** inside pipelines. Positioned along the entire natural gas distribution infrastructure, these sensors will ensure cost-efficient accuracy, reliability and safety also in future distribution networks, where the use of biomethane and hydrogen-enriched natural gas mixtures is set to increase dramatically and, consequently, an increasing number of injection and monitoring points will be required.

The project is coordinated by the Institute of Photonics and Nanotechnology of the CNR and involves Pietro Fiorentini, INRETE Distribuzione Energia, inanoEnergy, Greenway and the Giorgio Levi Cases Energy Economics and Techniques Study Centre of the University of Padua.



⁶ The Pipe4.0 project is funded by the European ATTRACT Consortium to support innovative research and development projects involving academia, research and industry: <https://www.pipe40-project.eu/>

Power-to-gas



Power-to-gas technology makes it possible to transform surplus electricity into green molecules and transport them over long distances at a low cost. Today it is **one of the most promising technologies for facilitating the energy transition** and aligning with the European targets of reducing and zeroing climate-changing emissions, increasing the resilience of the system to meet the new needs of balancing energy supply and demand.

What has been done for the power-to-gas strategic axis?

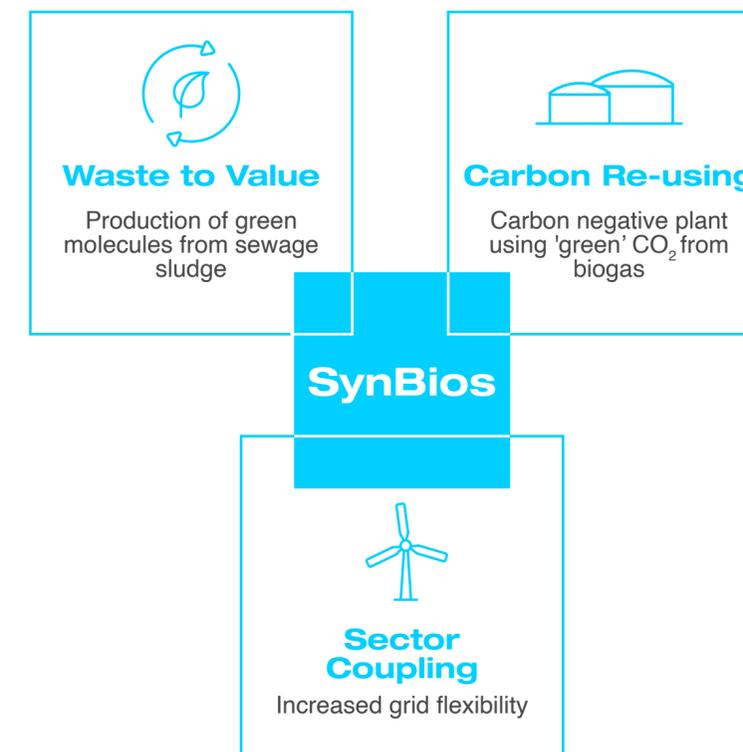
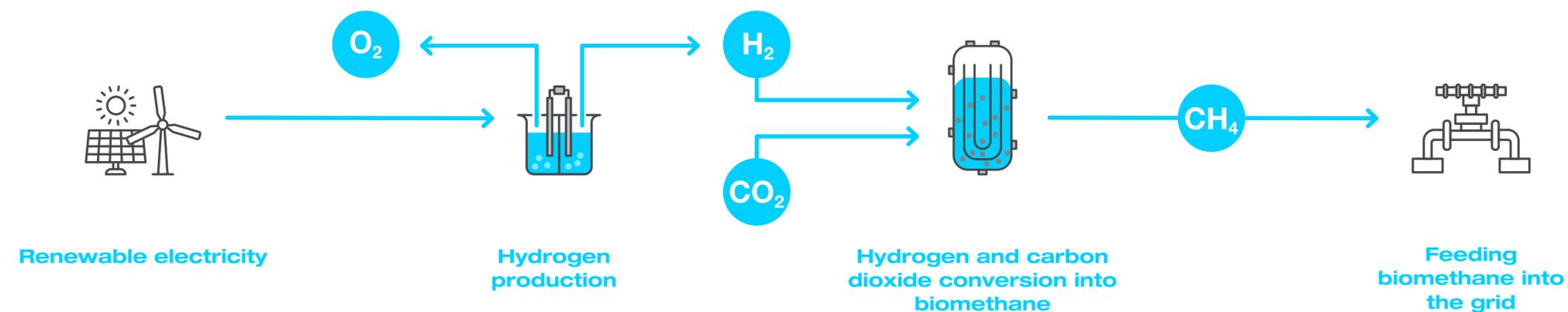
Synbios, a symbiosis of water, green gases and electrons

At the gastech trade fair in Milan the Hera Group, one of Italy's largest multi-utility companies, presented its innovative **power-to-gas plant called SynBioS (Syngas Biological Storage)**, a project to be realised by the Pietro Fiorentini Group.

SynBioS will be located in Bologna Corticella inside the largest purification plant of those managed by the multi-utility by catchment area served, and will be able to **convert renewable electricity and wastewater into 'green' hydrogen and then into biomethane**.

The plant, with its 'power-to-gas' technology to convert renewable electricity into synthetic natural gas, will increase the pollutant abatement potential of the purification plant and will also allow excess renewable energy to be valorised through the **reuse of biomethane in the city's distribution network**, which thus assumes the role of long-term storage.

In particular, the plant will use wastewater and renewable electricity to produce 'green' hydrogen and oxygen. By exploiting the CO₂ in the biogas produced by the digestion of sewage sludge, the hydrogen will be converted into biomethane, which can then be fed into the city's gas network without concentration limits and easily stored, thus enabling a diversified supply.



Water sector management

Water is a primary resource, as such it requires proper governance from each point of view: institutional, environmental and economic. The objective of the Pietro Fiorentini Group is to automate the process through the **digitalization of water networks** thereby optimising resources, investments and data management, thus generating not only a business opportunity for companies, but also and above all a social benefit for the community.

Through the acquisition in 2022 of Yavuz Metal, Turkish company and owner of the **CEM Water Meters** brand, specialised in the production of water meters, the Group enriched its offering with further solutions to complete a range that covers the entire **water supply chain** and includes the Pietro Fiorentini ultrasonic smart meters, the Fast network control devices and the data management software of Terranova.

Pietro Fiorentini is today particularly involved in the design and production of **smart water meters**, which, thanks to static measurement technology, make it possible to identify with **extreme precision** even low flow rates typically associated with hidden leaks in domestic systems. This characteristic is maintained over time thanks to the **excellent resistance to wear phenomena** which was one of the factors that degraded measurement accuracy during operation in traditional water meters built using mechanical measuring technology.

The meters are equipped with various radio technologies that allow the **transmission of data to computerised collection centres** for timely and effective control of the water network.

CEM[®] WATER METERS



Waste valorisation

Also in 2022, the Pietro Fiorentini Group completed the **acquisition of Sartori Ambiente**, a company based in the province of Trento that operates in the waste management chain.

Sartori Ambiente produces advanced systems for **waste separation** and IoT technologies (Internet of Things) for improving the performance of **separate waste collection** with hardware and software solutions that automate the inflow and analysis of data, producing significant operational and economic benefits.

From the perspective of the **circular economy**, the valorisation of waste is a key aspect to ensure environmental sustainability and at the same time create economic value. Instead of considering waste as a mere element to be disposed of, the circular approach envisages turning it into a resource, to be reused in production processes. This makes it possible to **reduce the use of virgin raw materials** thus limiting the consumption of energy and natural resources, and at the same time reducing the environmental impact of extracting and processing these raw materials.

Waste valorisation can take place in various ways, including **recycling, re-use, composting** and **energy recovery**. Thanks to technology and innovation, it is possible to exploit the materials in waste more and more efficiently and cost-effectively, making recycling increasingly attractive also from an economic point of view.

Through the acquisition of Sartori Ambiente, the Pietro Fiorentini Group consolidates its role in the **waste-to-energy chain for the production of bioenergy** (Biowaste-to-energy) and opens up new development possibilities in the circular economy sector.





Pietro Fiorentini's commitment to managing the planet's resources

Sector	Solutions	Acquired companies (2021-22)
 Renewable energy	<ul style="list-style-type: none"> • Biogas upgrading plants and injection of biomethane into the grid • Power-to-gas, biological methanation • Natural gas and biomethane compression • Hydrogen generation • Liquefaction 	<ul style="list-style-type: none"> • MicroPyros • Biokomp • Hyter • Cryo Inox (ADD Synergy brand)
 Water	<ul style="list-style-type: none"> • Measuring Products • Devices and software for monitoring water networks 	<ul style="list-style-type: none"> • Yavuz Metal (CEM Water Meters brand) • Fast
 Environmental management	<ul style="list-style-type: none"> • Products, software and services for waste cycle management 	<ul style="list-style-type: none"> • Sartori Ambiente • Giunko*

* Operation carried out by the Terranova Group

05



Let it **Protect**

OUR ENVIRONMENTAL RESPONSIBILITIES

- 65** Reducing energy consumption and emissions
- 68** Waste management between production and prevention
- 70** Water resources

Reducing energy consumption and emissions

Pietro Fiorentini pays close attention to monitoring and **assessing its environmental impacts** and energy performances, committing itself to both reducing emissions and ensuring continuous consumption efficiency.

To support its commitments in this regard, Pietro Fiorentini S.p.A. has implemented an **energy management system**, obtaining **ISO 50001:2018 certification for the Arcugnano site** at the beginning of 2023.

The certification process has enabled the company to identify some **energy efficiency interventions** which will be implemented during 2023, including the replacement of approximately 500 neon lighting fixtures with LED technologies and the **installation of photovoltaic systems** to support the plant's energy demand.

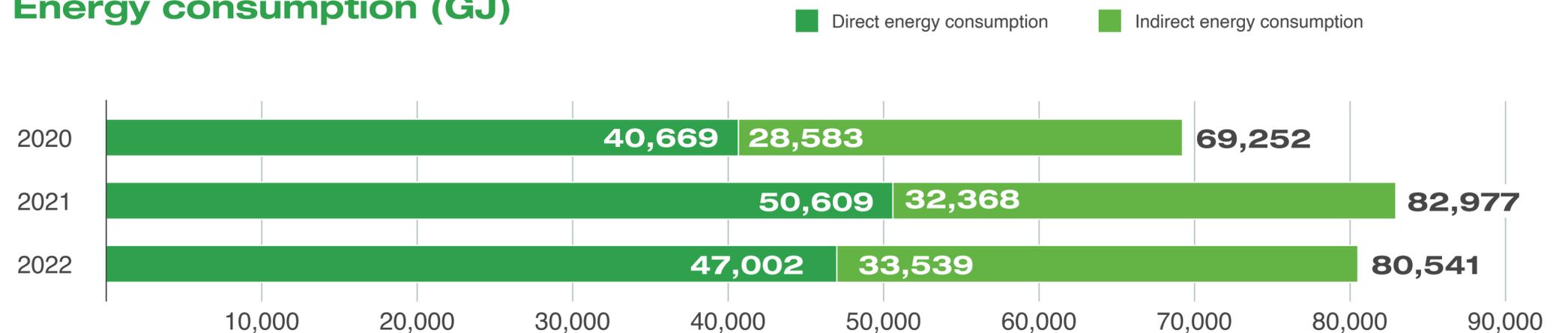
In 2022, the electricity used was **certified as 100% from renewable sources** with guarantee of origin for the **Pietro Fiorentini, TIV Valves and Sartori Ambiente** sites; on the other

hand, the offices of **Terranova**, which also underwent a recent efficiency upgrade, use around 78% renewable energy. In order to broaden the scope of companies powered by renewable energy alone, for 2023 the French company **Gazfio** has also signed a new supply contract.

Group energy consumption can be split between:

- **Direct energy consumption** which includes fuels purchased for heating and company cars and self-generated electricity, amounting to **47,002 GJ** (down 7% compared to 2021).
- **Indirect energy consumption** which includes only purchased electricity, amounting to **33,539 GJ** (4% more than in 2021). Most of these (24,669 GJ) were from renewable sources.

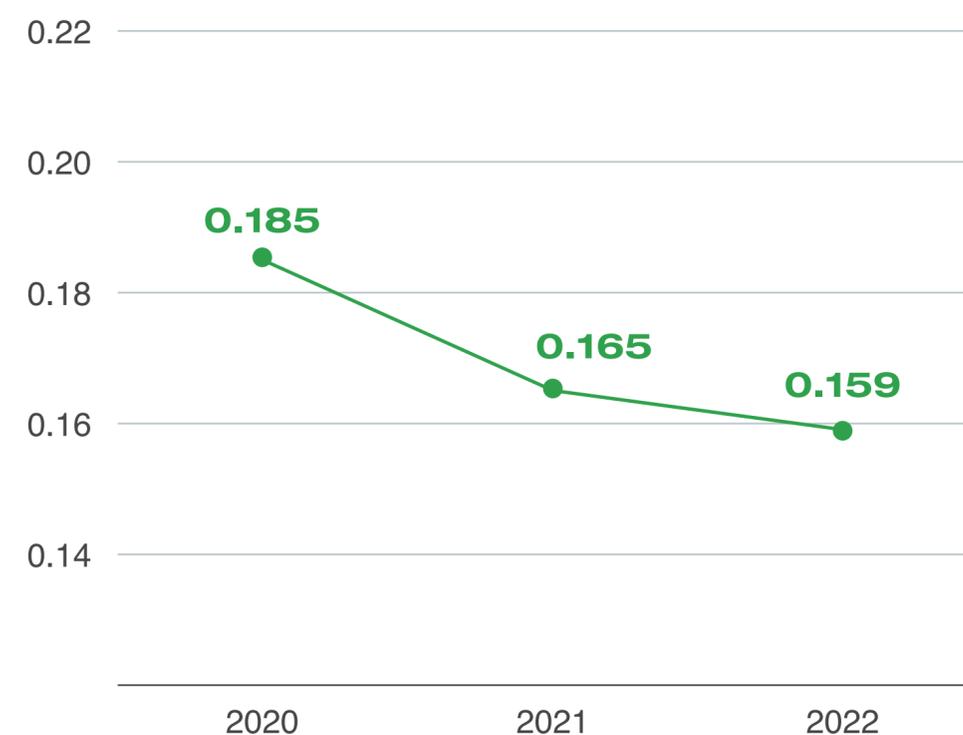
Energy consumption (GJ)



*In 2021 and 2022, the companies Fast, Fiogaz, Sartori Ambiente and Terranova were added. Data for natural gas, methane and fossil fuels were converted to GJ through DEFRA.

The **energy intensity** is the ratio of energy consumption to total turnover of the companies in the scope and it was 0.16 GJ/ml € in 2022, in line with 2021.

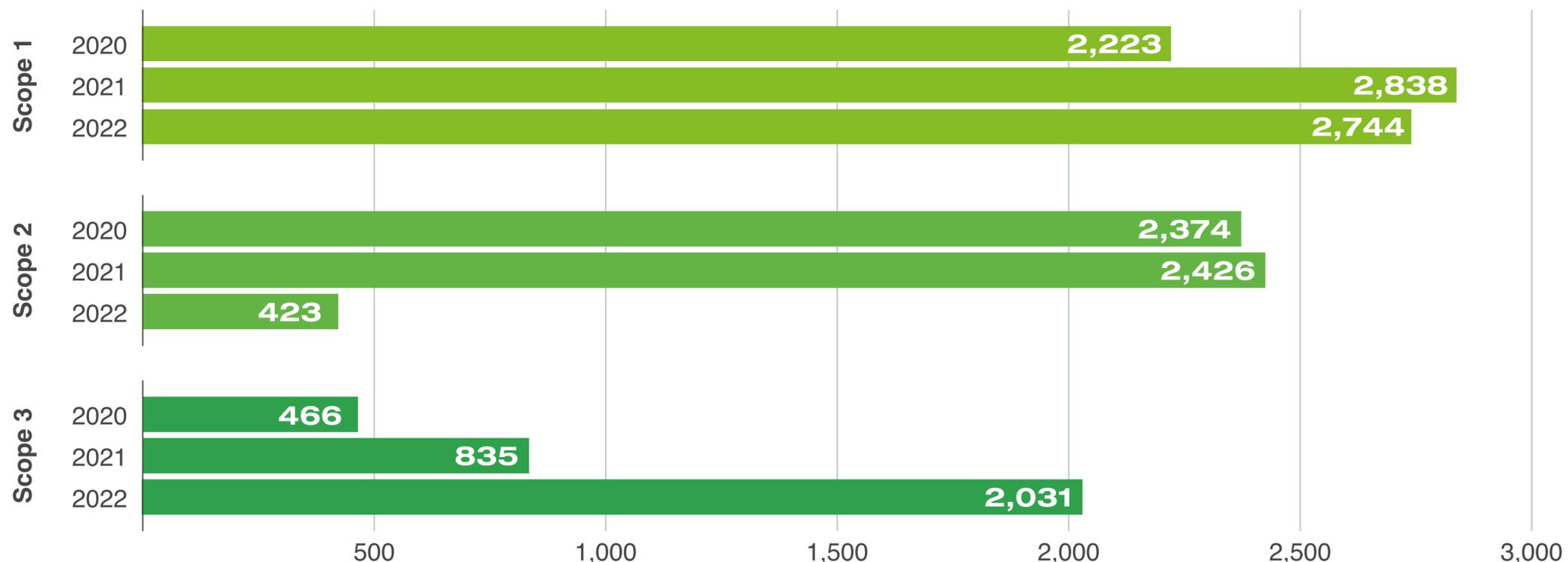
Energy intensity (GJ/M €)



*In 2021 and 2022, the companies Fast, Fiogaz, Sartori Ambiente and Terranova were added.

Energy consumption is directly and indirectly linked to **the emissions in the atmosphere**, calculated with the unit of measurement of tonnes of CO₂ equivalent (tCO₂-eq). Regarding direct **Scope 1** emissions, the amount emitted in 2022 was approximately 2,744 tCO₂-eq, down 3% compared to 2021, while for indirect **Scope 2** emissions, the share is about 423 tCO₂-eq, **in reduction of 83% from 2021**. This decrease is mainly due to Pietro Fiorentini's new procurement policies which, over the past year, involved only purchasing renewable energy with Guarantee of Origin.

CO₂ emissions (tCO₂-eq)



*In 2021 and 2022, the companies Fast, Fiogaz, Sartori Ambiente and Terranova were added. Specifically for Scope 3, the companies Sartori Ambiente and Fiogaz were excluded as the data was not available. Indirect Scope 2 emissions and their percentage trend are calculated using the location-based method. For the full calculation, please refer to the tables in the 'Environmental and social performances' section. It should also be noted that the business trips related to scope 3 2021 have been recalculated.

Regarding indirect **Scope 3** emissions, only the business trips made in the various Group companies were taken into account, generating 2,031 tCO₂-eq in 2022. This figure is up by 143% compared to 2021, mainly due to the **increase in travel** by the companies Pietro Fiorentini, TIV Valves and Terranova once the COVID-19 pandemic was over.

Sustainable mobility for our people

To **reduce transport impacts** Pietro Fiorentini has implemented several sustainable mobility strategies. Having already made the company car fleet more efficient with new electric vehicles, reaching a quota of 25 cars in 2022, the company shifted its focus to transport modes. In April 2022, a **car pooling service** was reactivated, following its discontinuation until 2021 due to the pandemic.

By reintroducing this practice, the company analysed the location of its employees in the Arcugnano, Rosate and Desenzano sites to define **plans for home-work journeys** and optimise journeys as efficiently as possible.

In addition to this, Pietro Fiorentini also supports and encourages the **so-called 'gentle' mobility**, such as walking and cycling; employees who use one of these two transport solutions are rewarded with a cashback scheme. From the overall estimates, these interventions have enabled the company to **avoid the emission of 7.2 tCO₂-eq.**

Despite the already excellent results achieved, the company will continue to carry out campaigns to incentivise and promote this type of service, in an attempt to reach more and more active users and keep current ones loyal.



Waste management between production and prevention

Pietro Fiorentini's commitment to waste management can be defined as ambivalent: with regard to its products and services, the company considers aspects of sustainability and circularity as early as in the design stage (**eco-design**), while the waste generated in the factories is managed in compliance with local regulations and the **ISO 14001:2015** certification, with a close focus on how it is treated.

The companies in the Group are committed to **preventing waste** generation, for example by reusing packaging to extend its useful life or by preferring, where possible, to purchase recycled products that have themselves prevented the generation of waste.

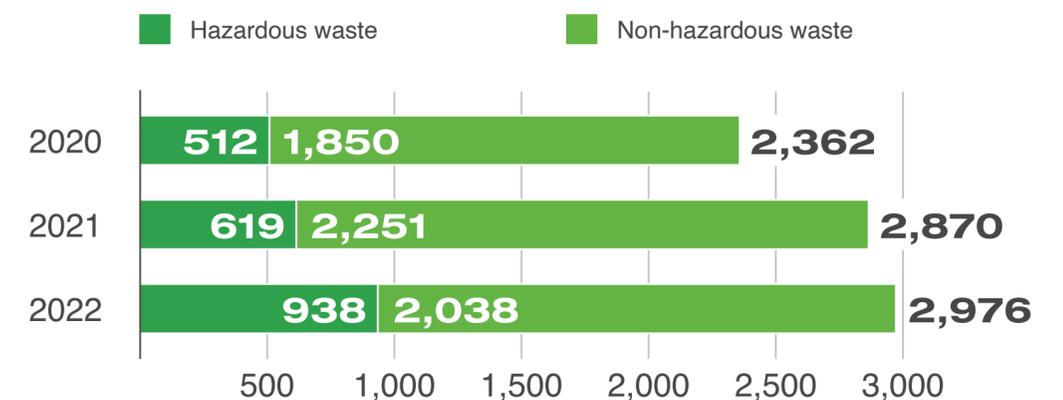
The total amount of waste generated in 2022 was **2,976 tonnes** of which **72% was sent for recycling**, reuse or other recovery operations (figure in line with previous years). The increase in the generation of waste is mainly due to the increase in the volume of the company's business, as well as the expansion of the scope of this Report from 2021.

Over time, the circular economy has also become a business opportunity: this is proved by the recent acquisition of **Sartori Ambiente**, a company that will strengthen the Group's presence in the **waste recovery chain**, a sector already partially covered through Terranova's software solutions.

Waste by destination (t)



Waste by type (t)



*The figures for 2020 do not include Fast, Fiogaz and Terranova, which are included in 2021 and 2022. The company Sartori Ambiente is excluded from this report.



Towards sustainable packaging management

In logistics, packaging plays a fundamental role, ensuring the **protection of the product from any damage** during transport, optimal space management and ease of transport. The purpose of packaging is also to correctly convey information about the properties and characteristics of the product to the final consumer.

At Pietro Fiorentini, packaging accounts for approximately 2.5% of total purchasing costs: both to cope with the rising costs of materials (wood, paper) and in order to pursue improvements in sustainability, the company has recently implemented a **pilot project for the management of packaging**.

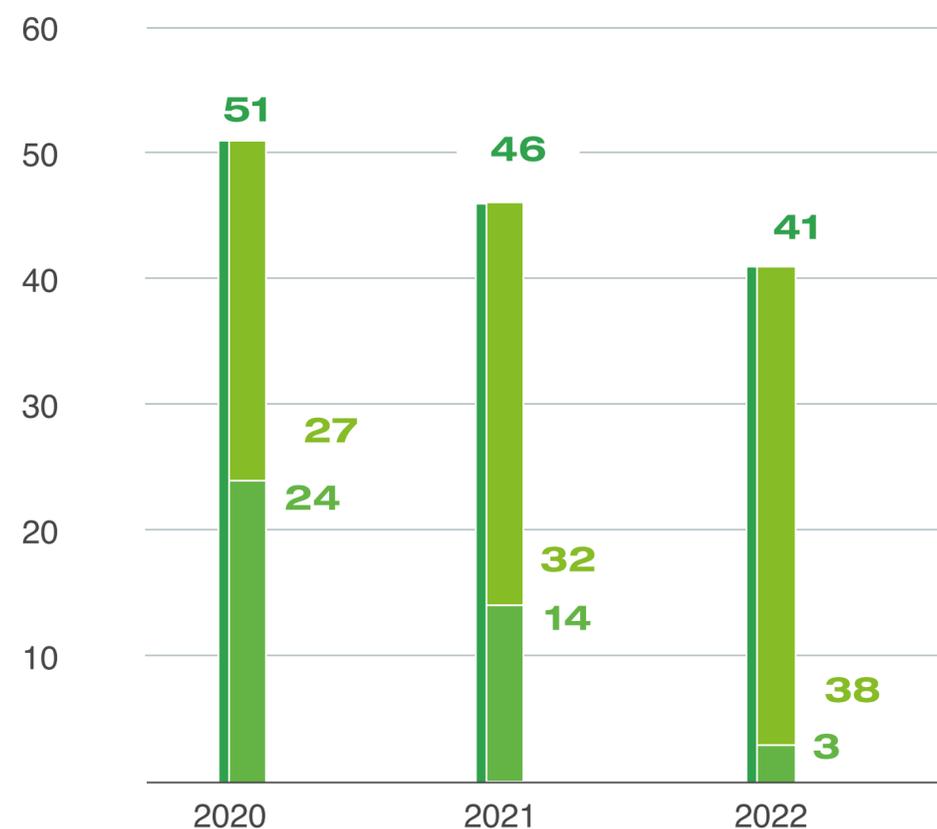
The three key points of the project are:

- the correct **labelling** of the packaging, providing appropriate information to consumers **for the disposal** of the various components according to the material;
- the gradual **transformation of paper instruction manuals into digital format**, thus avoiding all impacts attributable to the life cycle of manuals;
- the launch of a **pallet exchange project with customers**, whereby pallets are returned after delivery, guaranteeing a greater number of uses and thus saving on disposal costs and impacts.

The company is currently considering **extending the exchange project to other types of packaging** (e.g. wooden crates), with a view to forging an ever-closer collaboration with the supply chain.

Water resources

■ Water withdrawals [MI] ■ Water discharges [MI] ■ Water consumption [MI]



The **water consumption** at Pietro Fiorentini is mainly **related to the production processes** (cooling water, refrigerator water, hydraulic leak tests). The water supply was for the most part **from the water network** (93%), with only small amounts taken from groundwater (6%) and surface water (1%).

Water withdrawals amounted to 40.7 megalitres (equivalent to 40,700 m³), **a decrease of 11% compared to 2021¹**.

The total amount of water consumed was 38 megalitres², an increase of 19% compared to 2021.

The total **waste water discharge** was 2.7 megalitres, which is **80% less** than in 2021. This reduction is partly influenced by the entry into operation of the closed circuit for press cooling water installed by Gazfio as of Q3 2021.

¹ The data do not take into account the decommissioning of a heat pump as a result of the relocation of one of Pietro Fiorentini S.p.A.'s sites from Talamona (SO) to Mantello (SO); the machinery used at the old site was inefficient and drew more than 1,000 cubic metres of water per month.

² In 2022, there was a large increase in water consumption at the TIV Valves plant due to a leak in the irrigation system.

None of the companies in the Pietro Fiorentini Group have plants in water-stressed areas.



06



Let them Grow

OUR HUMAN CAPITAL

72 Human resource management and development

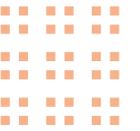
75 “Safety first” culture

77 Investing in knowledge

80 Well-being objective

83 Diversity and inclusion

Human resource management and development



The enhancement of internal skills and competencies, the promotion of intellectual capital and the adoption of a supportive leadership style based on collaboration and constant training are the pillars on which the **People Strategy** of Pietro Fiorentini are built. This plan, designed and applied in the Group's internal staff development projects, guides the activities of the **Human Resources, Learning & Development** and **Employer Branding** functions.

To cope with the complexity that characterises the current context, the Group is experimenting with an **ambidextrous organisation model** which allows the traditional hierarchical structure to be flanked by inter-functional teams dedicated to Agile project management.



Internationally, the Group has a **total of over 2,800² employees**. Specifically, the employees and collaborators included in the **reporting perimeter** in this report amount to **2,481** (data updated on 31/12/2022): 73% (**1,804**) are company **employees**, while the remaining is made up of **external collaborators (677)**. It should be noted that some of the approximately **20 internships³** activated in 2022 concerned young undergraduates who wrote their theses in the company and were then hired as apprentices after graduation.

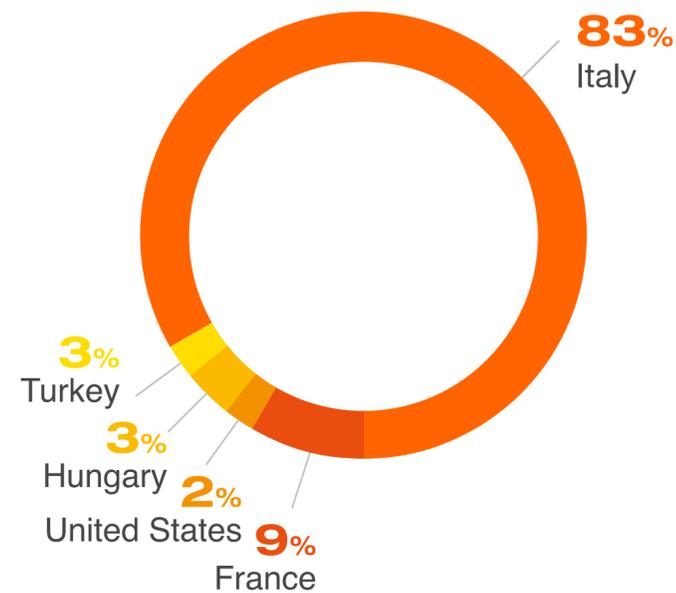
¹ Japanese term referring to the set of activities aiming at continuous improvement.

² This figure includes employees of Group companies within the scope of the Consolidated Financial Statements and external collaborators of the companies reported herein. The workforce (approximately 500 employees) of the associated company Shanghai Fiorentini Gas Equipment Ltd. were not considered.

³ This is considered an average figure, as many of the internships were only activated for part of 2022.

In terms of the geographical distribution of employees, most of them (over 80%) are located at the Italian sites (Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova sites), with a significant share also in France at the Gazfio site (9%).

Employees by geographical area in 2022 (%)



Regarding the contractual nature of the recruitment of Group employees, the **full-time contract** is the one most commonly used (**96%**), without, however, neglecting the needs of employees in terms of opportunities for **part-time work** (4%), which are granted as needed.



96%
Permanent employees

The Group operates in full compliance with the current regulations as well as with **collective bargaining agreements**⁴ periodically meeting with the relevant trade unions, sharing trends in working conditions and environmental quality, and ensuring constant discussion on issues related to socio-economic aspects and safety in the workplace.



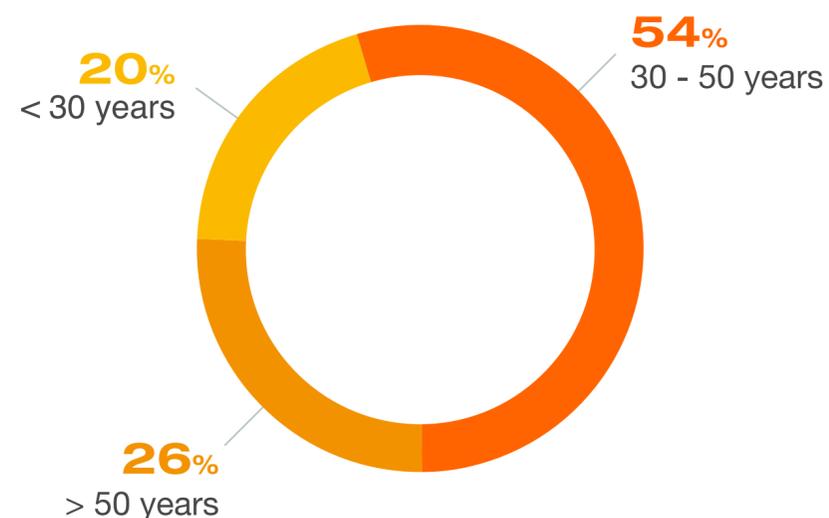
100%
Of employees covered by collective bargaining agreements

Employees by professional category, gender and age group Pietro Fiorentini Group - 31/12/2022 (n°)

	<30			30-50			>50			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top managers	0	0	0	9	1	10	23	1	24	32	2	34
Middle managers	7	1	8	39	11	50	30	3	33	76	15	91
Office workers	183	70	253	440	203	643	144	57	201	767	330	1,097
Production workers	89	8	97	209	71	280	154	51	205	452	130	582
Total	279	79	358	697	286	983	351	112	463	1,327	477	1,804

⁴ The percentage refers to countries where Group employees are covered by collective bargaining agreements (Italy - Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova and France - Gazfio). The employees of Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz (Turkey) are excluded from the scope.

Employees by age group in 2022 (%)



In 2022, a total of **351 new hires** (+37% compared to 2021), of which approximately 69% were men. Of the new hires, about **42% are young people** under the age of 30. On the other hand, there were 262 employees who left, of which 15 due to retirement and 40 due to contract termination. There was an increase in voluntary employee resignations (194), also as a result of the **recovery of the labour market** after the pandemic period. The age group most prone to resignations is the 30-50 age group, with almost 60% of the total, while young age groups account for 32%.

The complete **implementation of the PF People system**, scheduled for 2023, will address the need for a more structured approach to people management and retention rates. Managers will be able to check in aggregate form the professional performance, relevance to company values, competence coverage, turnover risk, succession plan and development opportunities for their employees.

New hires and terminations by gender in 2022 (n°)



Employer branding

Pietro Fiorentini invests in various activities to communicate what it means to work in the organisation, including the establishment of the Employer Branding function.

These include, in particular:

- The **C-Lean Energy Academy**, the training programme designed in collaboration with Politecnico di Milano
- Numerous **visits** by students and university professors to Group plants
- Participation in **recruiting and attraction events** at high schools and universities
- The presentation of the Pietro Fiorentini 'case study' at several **universities**
- The possibility of **work-related learning experiences** for Italian and French students
- The **publication on social media** of content aimed at raising awareness of the company (e.g. benefits offered, success stories of colleagues, training courses, etc.)
- The constant updating of the '**Working in PF**' section on the fiorentini.com website

Find out more



“Safety first” culture

To protect all employees and external stakeholders, the Group has always encouraged measures for monitoring and **protecting health and safety in the workplace**. In accordance with Legislative Decree 81/08 as amended, Pietro Fiorentini ensures constant risk analysis and assessment, together with accurate monitoring of all company activities and processes that may affect the health and safety of workers.

Pietro Fiorentini adheres to the guidelines of the **ISO 45001** (Health and Safety Management System - OHSMS) standard: at the Group's Italian sites **management system coverage is 100%**. As far as the other companies included in the reporting scope are concerned, on the other hand, the coverage of employees reaches 89%, but is expected to increase steadily over the next few years.

The **HSE** (Health, Safety and Environment) **function**, is responsible for coordinating specific activities, through dedicated teams for each production site. The tasks of these teams include the proposal and monitoring of **corrective actions** determined following the identification of risks, and support to workers with

regard to reporting hazards and near misses. The monitoring of health and safety issues also takes the form of control and **health surveillance**.

During 2022 there were **20 accidents** involving employees of the various Group companies⁵, **none of which had serious consequences**. With regard to external personnel, the number of accidents was 6, a decrease of about 40% compared to the year 2021. The **near misses** recorded were **63**.

Between 2021 and 2022, the number of accidents reported remained constant; the increase from 2020 is mainly due to the expansion of the scope of this Report. Considering only the employees and external staff of **Pietro Fiorentini S.p.A.**, a **53% decrease was reported in the number of accidents** (from 21 to 10) compared to the previous year, as well as the significant improvement in severity and frequency indices.

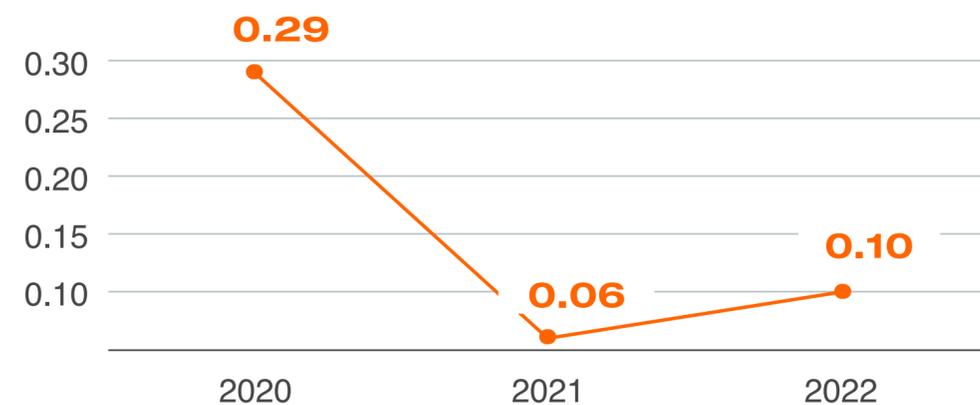
Accidents at work of employees (n°)

	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents at work	14	2	16	18	2	20	18	2	20
of which “in itinere”	-	-	-	1	-	1	1	-	1

* With regard to the scope of the companies considered in the 2021 and 2022 data, Fiogaz, Fast, Sartori Ambiente and Terranova were added.

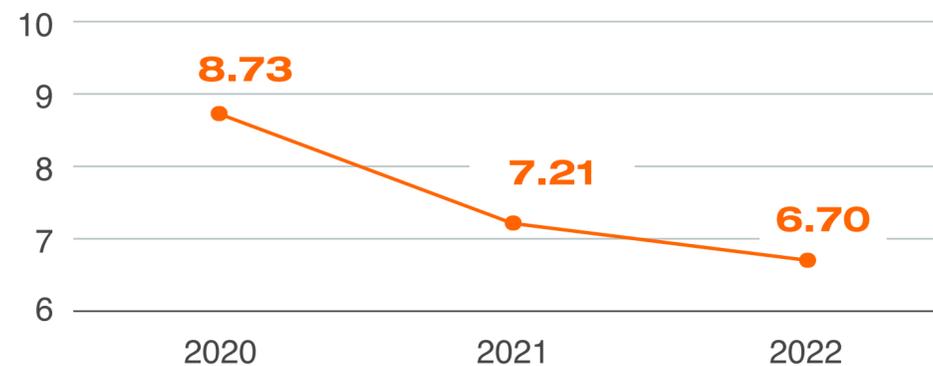
⁵ The only serious injury in the three-year period occurred in 2020 in Gazfio. All the other injuries were not classified as damage from which the worker cannot recover, is not recovering, or cannot reasonably be expected to fully recover to their state of health prior to the accident within six months.

Accident severity rate



Severity index = number of days lost due to accidents x 1,000 / number of hours worked

Accident frequency rate



Frequency index = number of accidents x 1,000,000 / number of hours worked

In the context of Pietro Fiorentini's activities, there are potential hazards that can cause occupational diseases, including the movement of manual loads and the repetition of certain movements. However, as in previous years, in 2022 **no cases of work-related ill health were recorded** in any of the Group's companies, which they continue to monitor these issues through

risk assessment processes and specific analyses. In fact, a specific team was set up with the task of investigating aspects mainly related to repetitive movements in order to identify and implement improvements in the production processes.



A new approach to safety

The **Behaviour Based Safety methodology** is a safety management technique based on behaviour. Applying the principles of BBS allows one to improve safety in the company starting from behavioural change. The objective is the **reduction in the number of accidents** and an improvement in risk management through staff awareness-raising and training, including experiential training.

In 2022, this training course was tested with a number of stakeholders in order to verify the degree of **awareness on the part of the senior health and safety officers**. However, it is clear that a more structured approach is needed, also with the help of external resources, to define the right methodology for this new way of interpreting safety issues. The HSE team, in collaboration with a pilot department of Pietro Fiorentini S.p.A., will evaluate its application by 2023.



Investing in knowledge

Investing in training and updating skills means investing in the **people's growth**, a vital element in ensuring the long-term success and competitiveness of a company. Pietro Fiorentini strives every day to develop the skills and aptitudes of its employees, offering each one specific opportunities for professional growth and development.

The **culture of continuous improvement** is in fact also built with career paths through which each employee acquires new skills and can seize new opportunities, both for his or her individual growth and for that of the company. These paths are managed at Group level through **periodic performance evaluations** based on the progress of projects.

For specific company figures, a system of **Management by Objectives (MBO)** was also implemented. This provides forms of variable incentives according to managerial level, including Long Term Incentives that support the creation of value in the long term.

In 2022 the total number of **employees evaluated** was **802**, an increase of 10%⁶ compared to 2021. In particular, the increase in **performance review** was 19% for employees and 8% for managers. The implementation of the **PF People** system will also aim to extend the performance evaluation process to all employees.

All employees are encouraged to constantly improve their knowledge and skills, thanks to an integrated development model that combines learning through **on-the-job training** and **theoretical training** (classroom or virtual).



⁶ The scope was widened compared to last year and, in addition to Pietro Fiorentini, TIV Valves, Gazfio and Fiorentini Hungary, it includes Fiogaz, Sartori Ambiente and Terranova.



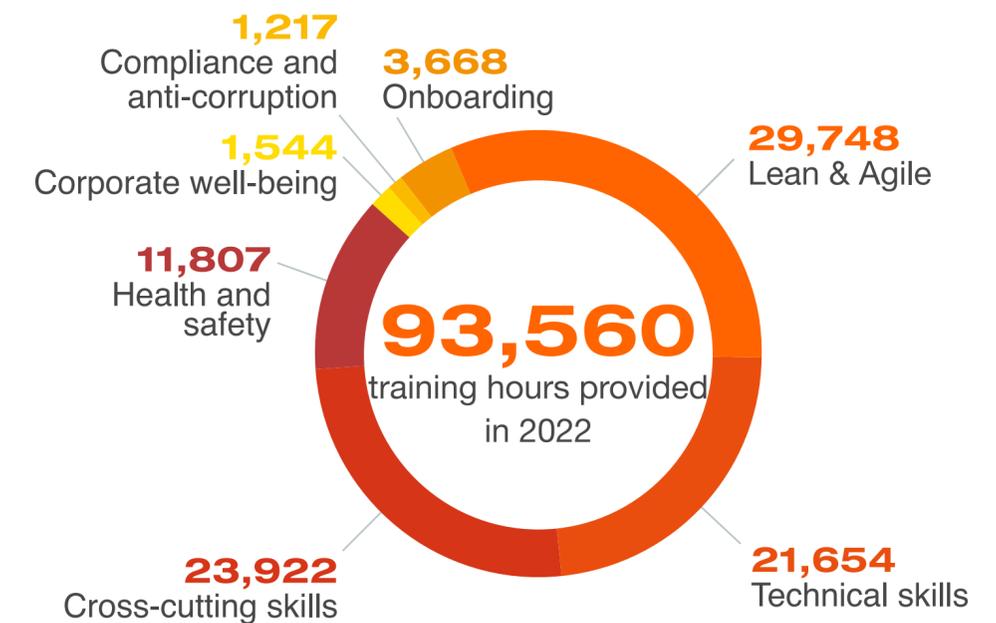
The **analysis of the training needs** makes it possible to define programmes designed to increase the skills of each employee. The **Learning & Development** team activities are focused on the development of core competencies, with the aim of creating a corporate culture based on professional growth and constant training, aligned with the corporate strategy.

One of the various initiatives launched is "**Viva Team Leader**", a project that will act on the training of line team leaders in order to better manage the well-being and development of the company's human capital.

In 2022, Pietro Fiorentini invested a total of almost EUR 1 million in employee training (EUR 950,200 to be precise).

90% of the training provided was **internally funded**, while external funds available to the company were used for the rest.

A total of 93,560 training hours were provided to employees and external collaborators, of which about 32% were in the Lean & Agile area.



44
Average hours of training provided to each employee



over
€950.000
invested in training in 2022





International training opportunities



Pietro Fiorentini continues to invest in the personal and professional growth of young students, funding opportunities for exchange and discovery of new ways of living and working, consistent with the company's principles of **internationality**.

Continuing to pursue the collaborations already established with local institutes and universities, in 2022 the Pietro Fiorentini Group activated an **Erasmus+ project**, engaging two students from the ITS Mechatronic Veneto and designing ad hoc study paths with them that allowed them to benefit from an **experience at the French subsidiary in Gazfio**. The young people had the

opportunity to train in the field, acquiring practical skills and working on their soft skills thanks to the contribution of Pietro Fiorentini's employees who offered them their time and working knowledge.

In 2023, the **cross training projects for interns** and the existing agreements with educational and academic institutions will be replicated to attract and develop new talent.

Pietro Fiorentini has structured its internal training offering through the **PF Corporate University**, a knowledge management tool composed of tangible and intangible elements, such as networking, knowledge exchange, and the creation of shared culture and values. The PF Corporate University comprehends all training initiatives undertaken and consolidated: in this way, **hard and soft skills** are developed, allowing implicit and individual knowledge to evolve into a future vision of explicit and shared knowledge.

In addition, 2022 saw the end of the pilot project of the **Quality Academy Base**, which has now become an integral part of the training offerings for quality managers, technicians, and production team leaders. Steps have been taken to begin designing the **Advanced Quality Academy**: the course will be similar to a university course, including both theoretical and practical training, checks on effectiveness and a credit system.

With the same logic, the Group started to design the structure of the **Technical Academy** which will be dedicated to operators in certain specific fields.

Well-being objective

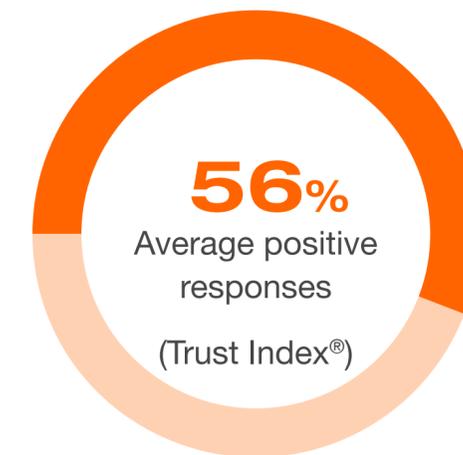
Initiatives that aim to **improve the quality of the working environment** are key priorities for the Pietro Fiorentini Group. Firmly believing that the true ambassadors of a company are above all those who are part of it, the company is committed to constantly promoting the **sense of belonging** of its employees.

In the year 2022, **two company climate surveys were carried out** with the aim of finding out the satisfaction levels of the Group employees in relation to a wide range of professional and personal issues. These surveys are the natural **continuation of those conducted in 2017 and 2019** which identified the areas in which the company took action to increase staff well-being.

The surveys involved the Italian offices of **Pietro Fiorentini, TIV Valves** and **Fast** as well as the factories of **Gazfio** and **Pietro Fiorentini (USA)**. The aim for the medium term is to extend the scope of application to most of the Group's subsidiaries.

The **first analysis** conducted according to the international **Great Place to Work (GPTW)** framework, investigated credibility, respect, equality, pride and cohesion in relation to the company. The overall **participation** total was **64%** and provided a concrete insight and understanding of excellencies and criticalities in the five dimensions taken into consideration. The Group is currently positioned at a slightly lower benchmark level than other GPTW-certified manufacturing companies in Northern Italy.

Main results of the GPTW analysis for Pietro Fiorentini S.p.A.



Answers in the 5 dimensions



Credibility
60%



Cohesion
51%



Pride
60%



Equality
51%

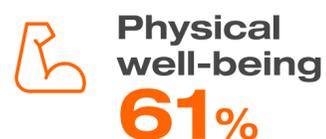


Respect
55%

Main results of the psycho-physical well-being analysis for Pietro Fiorentini S.p.A.



Answers in the 5 dimensions



On the other hand, the **second survey** focused on the **psycho-physical well-being** of workers; the level of participation was not high, stopping at 50%. This second analysis also brought to light criticalities and virtuosities of the Group.

After sharing the results with employees at traditional **six-monthly meetings** on the basis of the results obtained, **improvement actions** and specific programmes to close the gaps highlighted by the two analyses were then activated at the various sites.

These initiatives are part of the **People Fuel** programme which was created as a result of the first climate analysis in 2017 and has become the 'container' for all the initiatives aimed at increasing employee satisfaction.

PeopleFuel

2017 and 2019

2022



With the latest survey, the **corporate priorities** in this area were summarised in the new keywords **Development, Energy and Equality**, three indicators on which the company intends to intervene for the continuous improvement of working conditions.

1. The **Development** factor aims at the growth of human capital skills, enhancing the individual's potential and professional aspirations. The objective in this area is to outline **training paths** suitable for developing technical skills and strengthening the **culture of improvement** experimentation and resourcefulness. Great encouragement was also given to interpersonal dialogue and **transparent communication** which is essential for a fruitful cooperation in line with each individual's objectives.
2. On the other hand, with the **Energy** indicator, the aim is to promote the mental and physical health of the individual, through the **protection of personal needs** and the improvement of work spaces, where successes, talents and dedication can be celebrated. Added to this are the **corporate values** of pride and a sense of belonging.
3. Finally, **Equality** is the area concerning impartiality and **transparency** in the methods and criteria used for performance appraisals, salary increases and promotions.



In light of the results of these two analyses, the following priorities were outlined:

- in the **Development** field, the areas for improvement will concern the training and alignment of managers, as an approach and style of **leadership** and middle managers, as regards the **management of collaborators**;
- in the **Energy** field, the **work-life balance** will be further promoted with the aim of stipulating guidelines for the regulation of holidays, overtime, rest and disconnection, and the strengthening of **company agreements** to increase the purchasing power of the population;
- in the **Equality** field, the priorities will be to foster a more impartial regulation of **smart working** and the extension of criteria for **performance evaluation** to production staff.

The first concrete results have included the introduction of a **birth bonus** for new parents worth EUR 500, the numerous leisure time benefits available on the **welfare platform** and the provision of a **fuel bonus** (varying between EUR 100 and EUR 200) distributed to employees in response to price increases in 2022. Employees may also benefit from funds for **supplementary health care** and **performance bonuses** linked to the achievement of company objectives.

The company is aware that its strength also derives from the perceived well-being of its employees. For this reason, between 2021 and 2022, the Group **increased both the resources invested in the welfare plan⁷ (+31%) and the employees benefiting from it (+15%)**.

⁷ For the resources invested in the welfare plan, only the two-year period 2021-2022 was reported, as 2020 is not representative. This reporting scope does not include Fiorentini Hungary and Fiogaz.



New agreements to increase purchasing power

A team specifically set up to deal with maximising the economic value achieved by employees has been working, since the end of 2022, to analyse the data collected from a **questionnaire on company agreements and the use of MetaSalute** (the supplementary healthcare fund for employees), in order to improve the services offered.

The results showed a lack of familiarity with the existence of the corporate benefits and the use of prevention packages provided by the health insurance. Consequently, in 2023 the team is working on the **promotion of the discount portal** to which the company adheres and on spreading knowledge among employees about the health services offered by MetaSalute.

Diversity and inclusion

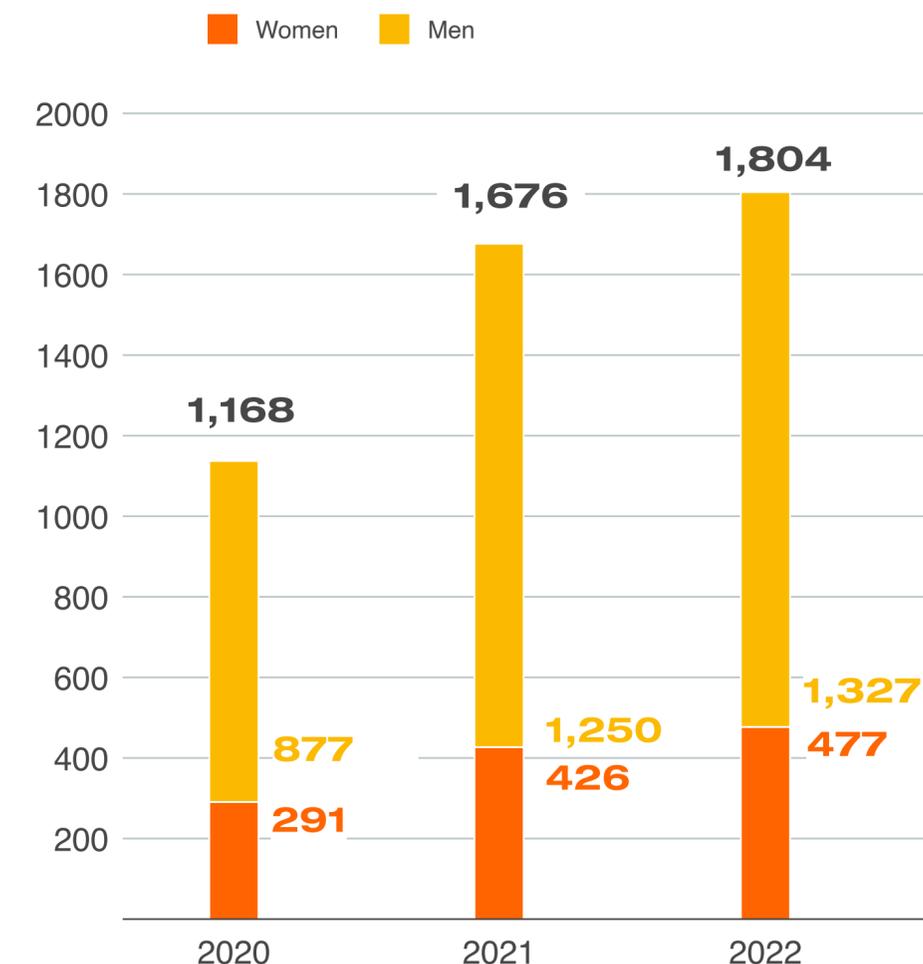
Valuing diversity means accepting and promoting differences in age, ability, culture, ethnicity, gender identity, sexual orientation and religion. A concept that ties in with that of **cross-fertilisation** through the exchange of information, practices, suggestions and advice, it is possible to increase the cultural and intellectual wealth of individual companies and, consequently, of the entire Group.

The issue of inclusion is considered with great sensitivity in the various offices of the Pietro Fiorentini Group, where it is promoted **selection and employment that are free from any kind of discrimination** towards the most socially vulnerable categories. With this in mind, in 2022 Pietro Fiorentini S.p.A. appointed a **Disability Manager**, a figure who will serve as a reference for the integration of protected categories in the company.

The Group is made up not only of different companies, but also of people from heterogeneous backgrounds, counting among its employees **more than 45 nationalities** and demonstrating the global and intercultural nature of Pietro Fiorentini.

The **female representation** in the reporting scope amounts to **26%** of the total, slightly increasing in 2022 compared to previous years. This difference is mainly related to the industrial environment in which the organisation operates, but impartiality is nevertheless guaranteed in personnel selection processes and in the working environment .

Employees by gender (n°)



In 2021 and 2022, the companies Fast, Fiogaz, Sartori Ambiente and Terranova were added.

07



Let it Connect

THE VALUE CHAIN

- 85** Creation of economic value
- 86** Customer centricity and satisfaction
- 88** Collaboration with the supply chain
- 91** Social responsibility

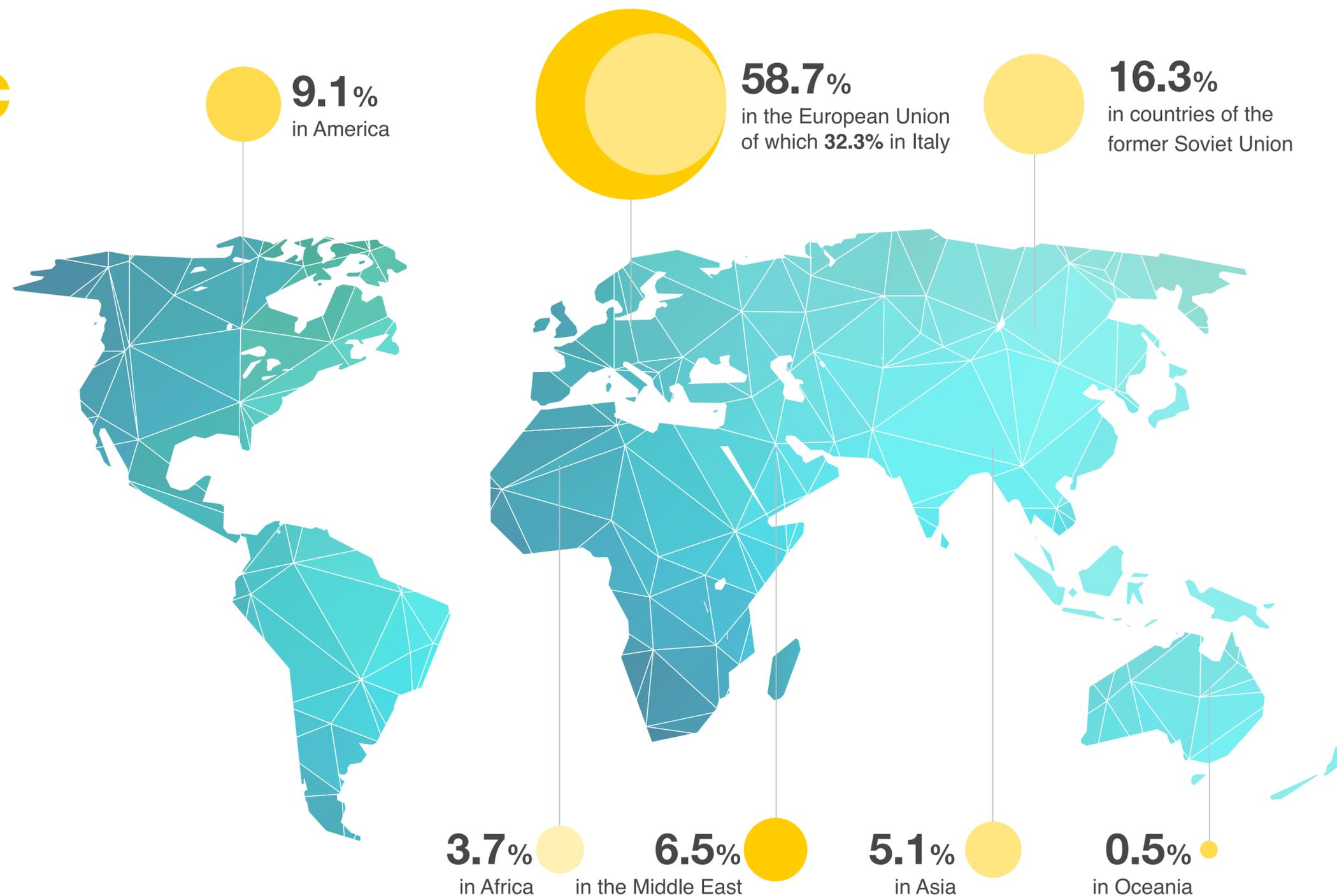
Creation of economic value

During 2022, Pietro Fiorentini provided its solutions to **customers in more than 100 countries** around the world, reconfirming the Group's significant internationalisation.

In percentage terms, the **Group's most significant share of turnover comes from Pietro Fiorentini S.p.A.** with SBU Gas & Water Network Solutions (50% of the total) and Energy Complete Solutions (14%), followed by the subsidiaries Gazfio (15%) and Pietro Fiorentini (USA) (5%).

As can be seen from the picture, from a geographical point of view, **the highest share of turnover was recorded within the European Union**, with approximately 59% (of which 32% was generated in Italy), followed by the area corresponding to the countries of the former Soviet Union (16% - in particular by virtue of the existing cooperation with the company Texnopark).

Geographical distribution of the turnover of Pietro Fiorentini Group



Customer centricity and satisfaction

Customer centricity has always been an enabling factor for the pursuit of Pietro Fiorentini's strategic goals. In fact, the Group aims to **generate sustainable added value** by responding effectively to its customers' medium to long-term needs.

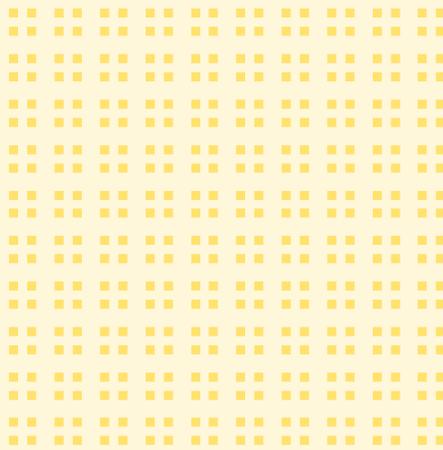
In today's highly complex and increasingly challenging market environment, in order to **'put the customer at the centre of what we do'** it is not enough to focus on product quality or process optimisation alone. The attention paid to the customer must also be inextricably linked to all the other aspects that make up the relationship, such as technical support, maintenance services, logistics, information and communication.

This approach requires a constant effort in order to **listen to and interpret customers' needs** within a complex and dynamic context, to propose innovative, safe and regulatory compliant solutions.

At Pietro Fiorentini, the adoption of **Lean & Agile Management** has helped to strengthen this *modus operandi*. The elimination of all possible waste (one of the fundamentals of **Lean Management**) aims, in fact, to optimise internal processes so as to focus attention on all those activities that are really able to generate added value for the end customer. Similarly, the flexibility inherent in the **Agile** approach guarantees the Group's ability to adapt quickly to changing conditions in the competitive environment.

Customer centricity is also ensured by the integration of the quality concept into all company processes and by making all the employees aware of this aspect. The **dissemination of the quality culture** is guaranteed not only by the implementation of a management system based on the **ISO 9001** certification, also by a series of other **product certifications**. All the solutions offered by Pietro Fiorentini are always conceived and developed with **safety** as a priority, combined with the guarantee of consistent quality performance.





Measuring customer satisfaction plays a central role in verifying the fulfilment of customer expectations. The categories of analysis cover various aspects, ranging from product reliability to speed in responding to complaints; or even from the level of IT resources (software and reporting) to an assessment of the perceived overall quality, considering the entire scope of supply.

To collect and analyse these aspects, tools such as the **Net Promoter Score questionnaires** (NPS) have been devised. With regard to offers and **general satisfaction**, the score in 2022 was 81%. Another indicator monitored is the NPS following the **handling of complaints**, which scored 88%. The aim now is to continue to **increase the number of customers involved**. For this reason 2023 will see the launch of a project involving interviews and the automation of the questionnaires based on the opportunities generated.



Pietro Fiorentini uses a **CRM (Customer Relationship Management) platform** that allows it to make the most of market and customer information. The system also has an **issue management** function which collects reports and complaints and to which the company responds in a timely manner. The CRM is currently used by the business areas of Pietro Fiorentini S.p.A. and its main subsidiaries, so as to have a **single and centralised management** in terms of customer relations for all the companies in the Group.

Collaboration with the supply chain

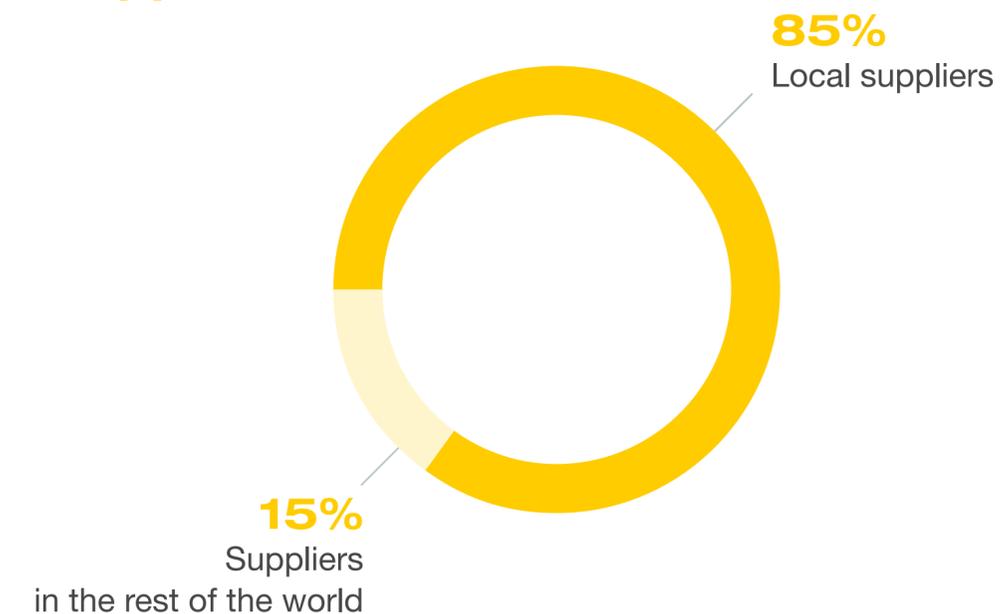
In 2022, the Pietro Fiorentini Group's supplier base counted **more than 6,000 business partners**. The **30%** is made up of **direct suppliers** from whom the company purchases goods and/or services that are directly part of the production process, while the most significant share (the remaining **70%**) is accounted for by **indirect suppliers** from which the company purchases mainly investment goods, auxiliary goods and support services for production and staff functions.

The supply chain management approach is inspired by the principle of **Local for Local**, in order to make each Group company autonomous in the management of the collaborations with their respective suppliers, thus ensuring solutions that are geographically close, as far as possible, to their own reference market and therefore to the end customer. As proof of this commitment, **local suppliers**, in 2022, were a total of **85%** of the total (figure in line with previous years).

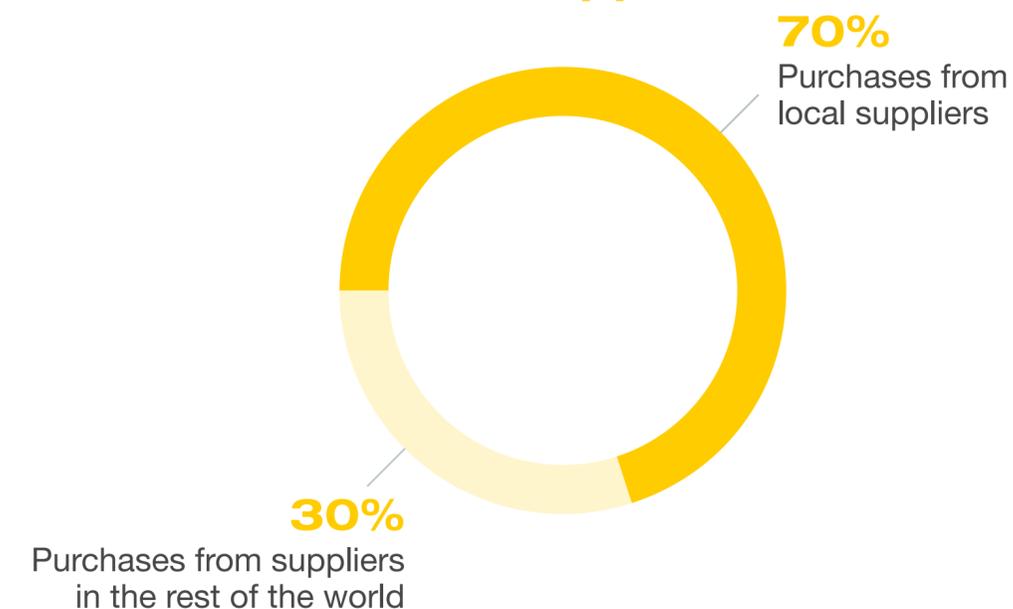


Even considering the proportion of **purchases from local suppliers**¹ it is clear that the Group is committed to working as closely as possible with suppliers located close to the Group's sites: in 2022 this will amount to approximately **70%**² and is particularly significant for some companies, such as those located in Italy (78%).

Suppliers



Purchases from suppliers



¹ "Expenditure with local suppliers" means expenditure made at suppliers whose head office is located in the same country as the production plant of the purchasing company (Italy for the companies Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova; France for Gazfio; United States for Pietro Fiorentini (USA); Hungary for Fiorentini Hungary; Turkey for FioGaz).

² With regard to the calculation concerning the purchases made by Pietro Fiorentini (USA), the economic value was converted from dollars to euros, based on the conversion rate made available by the Bank of Italy on 31.12.2022.



The Group's solutions are, for the most part, manufactured with materials and components purchased from third parties, the quality of which consequently significantly influences the final product. The role of suppliers is therefore crucial in achieving the "**zero defects**" objective. For this reason, Pietro Fiorentini establishes long-term relationships, inspired by integrity, fairness and mutual good faith, with suppliers who are able to offer the best performance in terms of **quality, innovation, product reliability and cost reduction** with a view to establishing an ongoing and mutually beneficial relationship.

All direct and most relevant indirect suppliers are approved by means of an **evaluation form** which also includes certain aspects relating to **ESG issues**, including specific health and safety and environmental management requirements.

The most relevant direct suppliers are also subjected to **on-site audits** conducted according to a structured, periodic and continuous approach. The objective is to assess the quality and **reliability of the supplier** as well as its social and environmental controls and performance, in terms of product compliance, employee management policies and health and safety procedures.

With the dual objective of ensuring constant and transparent communication with its partners and facilitating and speeding up the exchange of information and documents, Pietro Fiorentini has implemented **Supplier HUB**, a portal that enables and facilitates the flow of information from the perspective of the extended supply chain. The platform is set up to streamline processes, significantly reducing time in the order handling, receipt, acceptance and dispatch phases.

Materials used



During 2022, Pietro Fiorentini S.p.A initiated a process to **collect data on the raw materials and components used**³ in the production process, covering 90% of the purchase lines in the two years analysed. It is currently not possible to obtain reliable information on the percentage of **recyclable components** contained within the materials. On the other hand, as far as renewable materials are concerned, only 4% of materials can be considered in this category (wood, paper and cardboard)⁴.

In total, the amount of materials used in 2022 is approximately **34,000 tonnes**, an increase of 6% compared to 2021, but in line with the increase in business volume.

The most commonly used materials are steel (71% of the total) and cast iron (14% of the total).

<i>(values in tonnes)</i>	2021		2022	
	Non-renewable materials	Renewable materials	Non-renewable materials	Renewable materials
Steel	23,417		24,101	
Cast iron	4,560		4,809	
Aluminium	1,258		1,617	
Electrical material	699		961	
Wood		756		817
Paper/cardboard		484		519
Rubber	206		437	
Plastic	278		382	
Chemicals	275		283	
Zinc alloys	128		143	
Nylon	2		3	
Total	30,824	1,240	32,735	1,336

³ In the case of the absence of accurate data on weights and materials, the calculation was carried out by simplification and tracing the material back to the main category to which it belongs. All materials were purchased from external suppliers.

⁴ Renewable materials are defined as those derived from abundant resources that are rapidly replenished through ecological cycles or agricultural processes, so that the services provided by these and by other, related resources are not compromised and remain available for future generations.

Social responsibility

The Group's social responsibility takes the form of specific initiatives for the benefit of the communities in which it operates, in collaboration with local organisations and associations.

Together for Peace

In 2022, Pietro Fiorentini chose to join a solidarity initiative promoted by Confindustria and CISL to **support the people affected by the war in Ukraine**. A specific fund was set up into which the voluntary contributions of participating workers flowed. These were equal to one hour's work, with a corresponding amount from the company. The proceeds were donated to the **Italian Red Cross** to finance projects **for aiding Ukrainian refugees and families** involved in the conflict.

Support for local associations

The Arcugnano plant has housed several containers for the **collection of plastic and cork stoppers** for some time. The collection has a twofold benefit: environmental, as it helps reduce the amount of waste produced, and social, as several associations use the proceeds from the sale of the caps to fund important projects. Pietro Fiorentini supports **Associazione Progetto Valentina** for the collection of plastic caps and **Brain Onlus - Head Trauma Association** for the collection of corks. In addition, a decision was made to allocate €25,000 to Brain Onlus volunteers to help them buy the building where their office is located, which is currently on loan. This gesture not only aims to make a **concrete contribution** to the fund-raising efforts, but it is also a sign of the company's commitment to helping the energetic, passionate people who strive to be of support to those in need.

Donations to charity

Also in 2022, during the Easter and Christmas period, the company decided to collect all the gifts and presents received at its offices from suppliers and consultants and to donate them to those most in need. In addition to these goods, it also delivered **48,000 pairs of disposable gloves** to the **Caritas Diocesana Vicentina** which will be used by volunteers to distribute food in charity canteens.



08



Appendix

APPENDIX

- 93** Environmental and social performances
- 107** Methodological note
- 108** GRI Content index

Environmental and social performances



With respect to the scope of the Sustainability Report 2021, reporting was extended to the companies Fast, Fiogaz, Sartori Ambiente and Terranova for 2021 and 2022.

Management of environmental impacts

Energy consumed within the organisation

GRI 302-1	2020	2021	2022
DIRECT ENERGY CONSUMPTION			
Consumption from non-renewable sources			
Natural gas [m ³]	722,283	843,448	651,070
Diesel (for heating) [l]	2,500	2,000	2,001
Fuels used for the company fleet			
of which diesel [l]	294,220	413,508	496,939
of which petrol [l]	2,200	28,642	32,100
of which electric [kWh]	-	-	60,485
Consumption from renewable sources	10,730	123,269	257,404
Photovoltaics (self-generated electricity) [kWh]	10,730	123,269	257,404
INDIRECT ENERGY CONSUMPTION [kWh]			
Electricity	7,593,606	8,665,809	9,001,423
from non-renewable sources	7,593,606	8,631,954	2,463,791
certified from renewable sources	-	33,855	6,537,632
Thermal energy	345,980	-	-

	2020	2021	2022
DIRECT ENERGY CONSUMPTION [GJ]			
Consumption from non-renewable sources	40,660	50,165	46,075
Natural gas	28,621	33,497	25,857
Diesel (for heating)	107	76	76
Fuels used for the company fleet	11,932	16,592	20,141
of which diesel	11,210	15,468	18,582
of which petrol	722	1,124	1,341
of which electric	-	-	218
Consumption from renewable sources	39	444	927
Photovoltaics (self-generated electricity)	39	444	927
Total direct energy consumption	40,699	50,609	47,002
INDIRECT ENERGY CONSUMPTION [GJ]			
Electricity	27,337	32,368	33,539
from non-renewable sources	27,337	31,075	8,870
certified from renewable sources	-	1,293	24,669
Thermal energy	1,246	-	-
Total indirect energy consumption	28,583	32,368	33,539

* For 2020, the companies Pietro Fiorentini (USA) and Gazfio are excluded from the scope of the fleet consumption calculation, as the figure was not tracked in the reference year. The same boundary limitations are consequently also reflected in the calculation of the direct Scope 1 and the indirect Scope 2 GHG emissions.

Energy intensity (GJ/M €)

GRI 302-3	2020	2021	2022
Energy intensity	0.185	0.165	0.159

* The calculation of energy intensity refers to the ratio of direct and indirect energy consumption within the organisation, in GJ, and to the Group's turnover in thousand € (obtained with the same boundary limitations as for the data reported for the GRI 302-1 indicator).

Direct (Scope 1), indirect (Scope 2) and other indirect (Scope 3) GHG emissions [tCO₂-eq]

GRI 305-1,2,3	2020	2021	2022
SCOPE 1 EMISSIONS			
Natural gas	1,461	1,716	1,323
Diesel (for heating)	8	5	5
Diesel (for the car fleet)	749	1,050	1,341
Petrol (for the car fleet)	5	67	75
Total Scope 1 emissions	2,223	2,839	2,744
SCOPE 2 EMISSIONS			
Electricity - Location based	2,302	2,426	423
Electricity - Market based	3,054	3,279	323
Thermal energy (from heating)	72	-	-
SCOPE 3 EMISSIONS			
Business trips by plane	456	802	1,944
Business trips by train	1	5	15
Business trips with rental cars	9	28	72
Total Scope 3 emissions	466	835	2,031

* The factors used to calculate direct Scope 1 emissions, expressed in tonnes of CO₂ equivalent, are provided by the Department for Environment Food & Rural Affairs (DEFRA) in 2020, 2021 and 2022 respectively.

** Scope 2 emissions of electricity, expressed in tonnes of CO₂, are calculated using the location-based methodology, which involves the use of average emission factors relating to the specific national energy mix for electricity production (for 2020 data from TERNA 2018 and for 2021 and 2022 data from TERNA 2019). Scope 2 emissions calculated according to the market-based methodology use the conversion factors found in AIB Residual Mixes 2020 for Italy, France and Hungary, while Pietro Fiorentini USA and Fiogaz were excluded from the calculation.

*** Scope 3 indirect emissions, referring to business travel by plane, train and rental cars, are calculated using emission factors published by the Department for Energy Security and Net Zero (DESNZ) in the 2020 and 2021 editions. For emissions from rental cars, the figure (referring only to Pietro Fiorentini) was considered entirely as diesel as it was not possible to distinguish between km travelled with diesel and petrol vehicles.

Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other emissions [kg]

GRI 305-7	2020	2021	2022
Volatile organic compounds (VOC)	6,057	5,458	5,482
Powders	188	135	-
Total	6,244	5,593	5,482

* The data refer only to Pietro Fiorentini and TIV Valves. The 2020 data of TIV Valves underwent a revision.

Composition of the company fleet by vehicle type, ownership and fuel [n°]

GRI 302-1	2020			2021			2022		
	Properties	Rental/Leasing	Total	Properties	Rental/Leasing	Total	Properties	Rental/Leasing	Total
Trucks	16	66	82	23	87	110	23	95	118
Cars	7	124	131	21	198	219	21	233	254
Production vehicles	2	-	2	3	-	3	4	2	6
Mechanical equipment	31	35	66	38	31	69	27	26	53
Grand total	56	225	281	85	316	401	75	356	431
petrol	7	3	10	4	3	7	7	5	12
diesel	19	187	206	42	247	289	39	271	310
natural gas/LPG	-	-	-	1	6	7	2	7	9
hybrid	-	-	-	1	8	9	1	13	14
electric	30	35	65	37	52	89	26	60	86

Water withdrawal [MI]

GRI 303-3	2020	2021	2022
Groundwater	28.2	16.4	2.3
fresh water (≤1,000 mg/l total dissolved solids)	26.2	14.9	0.7
other types of water (>1,000 mg/l total dissolved solids)	2	1.5	1.6
Third-party water resources	22.3	29.2	38.4
fresh water (≤1,000 mg/l total dissolved solids)	22.3	28	37.3
other types of water (>1,000 mg/l total dissolved solids)	-	1.2	1.1
Total water withdrawals	50.5	45.6	40.8
fresh water (≤1,000 mg/l total dissolved solids)	48.5	42.9	38
other types of water (>1,000 mg/l total dissolved solids)	2	2.7	2.7

* The 2021 data do not take into account the decommissioning of a heat pump as a result of the relocation of one of Pietro Fiorentini S.p.A.'s sites from Talamona (SO) to Mantello (SO); the machinery used at the old site was inefficient and drew more than 1,000 cubic metres of water per month.

** It should be noted that the activities of the Pietro Fiorentini Group, and consequently their water withdrawals and discharges, are not located in water-stressed areas.

Water discharge [MI]

GRI 303-4	2020	2021	2022
Surface water	21.1	12	1.1
fresh water (≤1,000 mg/l total dissolved solids)	21.1	12	1.1
other types of water (>1,000 mg/l total dissolved solids)	-	-	-
Groundwater	0.5	-	-
fresh water (≤1,000 mg/l total dissolved solids)	0.5	-	-
other types of water (>1,000 mg/l total dissolved solids)	-	-	-
Third-party water resources	2.8	1.7	1.7
fresh water (≤1,000 mg/l total dissolved solids)	2.7	1.4	1.5
other types of water (>1,000 mg/l total dissolved solids)	0.1	0.2	0.3
Total water discharges	24.4	13.6	2.8
fresh water (≤1,000 mg/l total dissolved solids)	24.3	13.4	2.5
other types of water (>1,000 mg/l total dissolved solids)	0.1	0.2	0.3

Water consumption [MI]

GRI 303-5	2020	2021	2022
Total water consumption	26.1	31.9	38
fresh water (≤1,000 mg/l total dissolved solids)	24.2	29.4	35.5
other types of water (>1,000 mg/l total dissolved solids)	1.9	2.5	2.5

Waste recovered and disposed by type [t]

GRI 306-3,4,5 EWC Code	2020			2021			2022			EWC code description
	Disposed waste	Recovered waste	Total waste	Disposed waste	Recovered waste	Total waste	Disposed waste	Recovered waste	Total waste	
06 00 00	-	-	-	0.1	2.7	2.8	-	0.5	0.5	Waste from inorganic chemical processes
07 00 00	5.4	-	5.4	4.5	0.3	4.8	5.1	27.8	32.9	Waste from organic chemical processes
08 00 00	46.3	14.3	60.6	42.6	9.3	51.9	45.6	9.2	54.8	Waste from the manufacture, formulation, supply and use of coatings (paints, varnishes and vitreous enamels), adhesives, sealants and printing inks
09 00 00	0.2	-	0.2	-	0.4	0.4	-	0.9	0.9	Waste from the photographic industry
10 00 00	11.4	-	11.4	15.8	-	15.8	-	-	-	Waste from thermal processes
11 00 00	-	-	-	0.1	-	0.1	5.2	-	5.2	Waste from chemical surface treatment and coating of metals and other materials; non-ferrous hydrometallurgy
12 00 00	369.9	569.1	939	420.1	709.8	1,129.9	473.3	752.2	1,225.5	Wastes from shaping and physical and mechanical surface treatment of metals and plastics
13 00 00	-	2.5	2.5	-	1.3	1.3	-	1.1	1.1	Oil wastes and wastes of liquid fuels (except edible oils, and those in chapters 05, 12 and 19)
14 00 00	4.9	-	4.9	-	5.4	5.4	-	6.8	6.8	Waste organic solvents, refrigerants and propellants (except 07 and 08)
15 00 00	8	771.6	779.6	9.3	815.6	824.9	15.6	679.9	695.5	Waste packaging, absorbents, wiping cloths, filter materials and protective clothing (not otherwise specified)
16 00 00	48.3	29.7	78	159.5	45.1	204.6	133.1	278.5	411.6	Waste not otherwise specified in the list
17 00 00	0.1	444.5	444.6	67.7	421	488.7	13.3	358	371.4	Construction and demolition wastes (including excavated soil from contaminated sites)
19 00 00	0.1	-	0.1	-	0.1	0.1	-	6.7	6.7	Wastes from waste management facilities, off-site waste water treatment plants and the preparation of water intended for human consumption and water for industrial use
20 00 00	35.4	0.3	35.7	87.1	51.5	138.6	131.8	29.5	161.3	Municipal wastes (household waste and similar commercial, industrial and institutional wastes) including separately collected fractions
Others	-	-	-	0.1	-	0.1	0.1	2	2.1	
Total waste	530	1,832	2,362	807	2,062.5	2,869.5	823.2	2,153.1	2,976.3	

* The EWC code is used to classify a piece of waste, either hazardous or non-hazardous, in the European Waste Catalogue (EWC).

** The category "other" contains waste belonging to the EWC 16 00 00 and 20 00 00 family, but as the quantity allocated is not clear, it has been merged into the following category.

*** The figures for the year 2020 are the same as in the previous Report except for the company Fiorentini Hungary, for which a recalculation was required. For the calculation of the 2021 data, the data published in the previous Report were used as a basis, to which the data of the companies Fast, Fiofaz and Terranova were added. The figures reported for the three-year period do not include the company Sartori Ambiente.

Waste sent for recovery by type [t]

GRI 306-4	2020	2021	2022
Hazardous waste	72.2	86.1	357.2
Non-hazardous waste	1,759.8	1,976.4	1,795.8
Total waste sent for recovery	1,832	2,062.5	2,153.1

* the figures reported for the three-year period do not include the company Sartori Ambiente. The 2020 figures for Fiorentini Hungary were recalculated.

Waste for disposal by type [t]

GRI 306-5	2020	2021	2022
Hazardous waste	439.8	532.3	580.1
Landfill disposal	-	23.5	51.1
Incineration - with energy recovery	0.8	1.2	29
Incineration - without energy recovery	4.9	3.9	-
Other disposal operations	434.1	503.7	500.7
Non-hazardous waste	90.3	274.7	242.4
Landfill disposal	-	34.2	35.3
Incineration - with energy recovery	34.9	50.5	57.6
Incineration - without energy recovery	3.7	3.9	-
Other disposal operations	51.7	186.1	149.5
Total waste for disposal	530	807	823.2

* the figures reported for the three-year period do not include the company Sartori Ambiente. The 2020 figures for Fiorentini Hungary were recalculated.



Human resources management

The 2021 figures for Pietro Fiorentini (USA) do not coincide with those of the previous Report as they have been recalculated.

Employees by contract type and gender [n°]

GRI 2-7	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent contract	851	270	1,121	1,215	388	1,603	1,288	452	1,740
Italy	706	223	929	1,026	318	1,344	1,092	369	1,461
France	60	32	92	63	41	104	82	47	129
Hungary	58	4	62	59	6	65	55	6	61
Turkey	0	0	0	36	8	44	37	9	46
USA	27	11	38	31	15	46	22	21	43
Fixed-term contract	26	21	47	35	38	73	39	25	64
Italy	15	6	21	21	19	40	25	15	40
France	11	15	26	13	19	32	13	10	23
Hungary	0	0	0	1	0	1	0	0	0
Turkey	0	0	0	0	0	0	1	0	1
USA	0	0	0	0	0	0	0	0	0
Total	877	291	1,168	1,250	426	1,676	1,327	477	1,804
Italy	721	229	950	1,047	337	1,384	1,117	384	1,501
France	71	47	118	76	60	136	95	57	152
Hungary	58	4	62	60	6	66	55	6	61
Turkey	0	0	0	36	8	44	38	9	47
USA	27	11	38	31	15	46	22	21	43
% permanent contract	97%	93%	96%	97%	91%	96%	97%	95%	96%
% fixed-term contract	3%	7%	4%	3%	9%	4%	3%	5%	4%

* The definition of fixed-term contract is not applicable in the United States because employees are categorised according to current national legislation ("at-will employment") under which either party may terminate the employment relationship without a notice period.

** 2020 data for Turkey are not included as the first year in which Fiofaz was included in the reporting was 2021.

** The 2020 total does not include the Talamona site of Pietro Fiorentini S.p.A., while the 2020 figure for the Fiorentini Hungary employees has been included.

Employees by type of employment [n°]

GRI 2-7	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	869	245	1,114	1,240	365	1,605	1,316	419	1,735
Part-time	8	46	54	10	61	71	11	58	69
Total	877	291	1,168	1,250	426	1,676	1,327	477	1,804

*Compared to 2022, the figure of Fiorentini Hungary's 2020 employees was also taken into account.

External workforce by contract type and gender [n°]

GRI 2-8	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Interim / Temporary staff	288	261	549	279	284	563	285	338	623
Self-employed workers	2	-	2	9	1	10	6	-	6
Para-subordinate workers (co. co.pro.)	5	-	5	4	-	4	7	-	7
Interns	10	5	15	19	6	25	17	5	22
Others	-	-	-	9	-	9	19	-	19
Total external workforce	305	266	571	320	291	611	334	343	677
Ratio of directly and indirectly employed workforce	26%	48%	33%	20%	41%	27%	20%	42%	27%

Group employees by contract type [n°]

GRI 2-7	2021			2022		
	Men	Women	Total	Men	Women	Total
Permanent contract	1,425	454	1,879	1,612	546	2,158
Pietro Fiorentini S.p.A.	711	223	934	741	260	1,001
Fast S.p.A.	61	12	73	60	11	71
TIV Valves S.r.l.	37	18	55	34	16	50
Sartori Ambiente S.r.l.	19	4	23	20	5	25
Gruppo Terranova	269	80	349	283	90	373
Gazfio S.A.S.	63	41	104	82	47	129
Fiorentini Hungary Kft.	59	6	65	55	6	61
FioGaz San.Tic.A.S.	36	8	44	37	9	46
Pietro Fiorentini (USA) Inc.	31	15	46	22	21	43
Pietro Fiorentini de Mexico	-	-	-	15	3	18
Fiorentini do Brazil Oil & Gas EIRELI	-	-	-	1	-	1
Fiorentini UK Ltd.	9	3	12	9	3	12
Cryo Inox S.L.	-	-	-	34	7	41
Pietro Fiorentini Iberia	-	-	-	8	3	11
Fiorentini Benelux B.V.	1	-	1	1	-	1
Multiphase Analytics B.V.	-	-	-	2	-	2
Fiorentini Polska Sp.z o.o.	12	2	14	13	2	15
Fiorentini Deutschland GmbH	8	4	12	11	6	17
MicroPyros BioEnerTec GmbH	4	4	8	2	5	7
Fiorentini Gastechnik GmbH	2	1	3	3	1	4
Hyter S.r.l.	-	1	1	3	1	4
Biokomp S.r.l.	4	2	6	3	2	5
Samgas Romania S.r.l.	13	2	15	13	2	15
Fast East S.r.l.	11	3	14	10	3	13
Yavuz Metal A.S.	-	-	-	73	20	93
Eurl Fiorentini Algeria	2	4	6	4	4	8
Pietro Fiorentini India Pvt. Ltd	2	-	2	11	4	15
Shanghai Fiorentini Gas Equipment Ltd.	71	21	92	62	15	77

	2021			2022		
	Men	Women	Total	Men	Women	Total
Fixed-term contract	359	117	476	367	130	497
Pietro Fiorentini S.p.A.	15	14	29	14	10	24
Fast S.p.A.	4	2	6	7	2	9
TIV Valves S.r.l.	-	1	1	2	1	3
Sartori Ambiente S.r.l.	1	1	2	1	1	2
Gruppo Terranova	5	2	7	3	2	5
Gazfio S.A.S.	13	19	32	13	10	23
Fiorentini Hungary Kft.	1	-	1	-	-	-
FioGaz San.Tic.A.S.	-	-	-	1	-	1
Pietro Fiorentini de Mexico	-	-	-	1	-	1
Fiorentini Deutschland GmbH	1	1	2	-	-	-
MicroPyros BioEnerTec GmbH	-	-	-	1	1	2
Hyter S.r.l.	-	-	-	2	-	2
Eurl Fiorentini Algeria	2	-	2	3	6	9
Pietro Fiorentini India Pvt. Ltd	-	-	-	3	1	4
Shanghai Fiorentini Gas Equipment Ltd.	317	77	394	316	96	412
Total	1,784	571	2,355	1,979	676	2,655
% permanent contract	80%	80%	80%	81%	81%	81%
% fixed-term contract	20%	20%	20%	19%	19%	19%

* The table includes all Group subsidiaries included in the Consolidated Financial Statements and the associated company Shanghai Fiorentini Gas Equipment Ltd. The companies Pietro Fiorentini (USA) Inc. and Fast S.p.A. underwent a slight recalculation compared to last year.

Group employees by type of employment [n°]

GRI 2-7	2021			2022		
	Men	Women	Total	Men	Women	Total
Full-time	1,773	497	2,270	1,961	609	2,570
Pietro Fiorentini S.p.A.	720	196	916	750	231	981
Fast S.p.A.	64	5	69	67	6	73
TIV Valves S.r.l.	37	18	55	36	16	52
Sartori Ambiente S.r.l.	20	4	24	21	5	26
Gruppo Terranova	272	73	345	283	85	368
Gazfio S.A.S.	75	56	131	91	55	146
Fiorentini Hungary Kft.	59	5	64	54	4	58
FioGaz San.Tic.A.S.	36	8	44	38	9	47
Pietro Fiorentini (USA) Inc.	31	15	46	22	21	43
Pietro Fiorentini de Mexico	-	-	-	16	3	19
Fiorentini do Brazil Oil & Gas EIRELI	-	-	-	1	-	1
Fiorentini UK Ltd.	9	2	11	9	2	11
Cryo Inox S.L.	-	-	-	33	6	39
Pietro Fiorentini Iberia	-	-	-	8	3	11
Fiorentini Benelux B.V.	1	-	1	1	-	1
Multiphase Analytics B.V.	-	-	-	2	-	2
Fiorentini Polska Sp.z o.o.	12	2	14	12	2	14
Fiorentini Deutschland GmbH	9	2	11	11	4	15
MicroPyros BioEnerTec GmbH	4	3	7	2	3	5
Fiorentini Gastechnik GmbH	2	1	3	2	1	3
Hyter S.r.l.	-	-	-	5	-	5
Biokomp S.r.l.	4	2	6	3	2	5
Samgas Romania S.r.l.	13	1	14	13	2	15
Fast East S.r.l.	11	2	13	10	3	13
Yavuz Metal A.S.	-	-	-	73	20	93
Eurl Fiorentini Algerie	4	4	8	6	10	16
Pietro Fiorentini India Pvt. Ltd	2	-	2	14	5	19
Shanghai Fiorentini Gas Equipment Ltd.	388	98	486	378	111	489

	2021			2022		
	Men	Women	Total	Men	Women	Total
Part-time	12	73	85	18	67	85
Pietro Fiorentini S.p.A.	6	41	47	5	39	44
Fast S.p.A.	1	9	10	-	7	7
TIV Valves S.r.l.	-	1	1	-	1	1
Sartori Ambiente S.r.l.	-	1	1	-	1	1
Gruppo Terranova	2	9	11	3	7	10
Gazfio S.A.S.	1	4	5	4	2	6
Fiorentini Hungary Kft.	1	1	2	1	2	3
Fiorentini UK Ltd.	-	1	1	-	1	1
Cryo Inox S.L.	-	-	-	1	1	2
Fiorentini Polska Sp.z o.o.	-	-	-	1	-	1
Fiorentini Deutschland GmbH	-	3	3	-	2	2
MicroPyros BioEnerTec GmbH	-	1	1	1	3	4
Fiorentini Gastechnik GmbH	-	-	-	1	-	1
Hyter S.r.l.	-	1	1	-	1	1
Samgas Romania S.r.l.	-	1	1	-	-	-
Fast East S.r.l.	-	1	1	-	-	-
Eurl Fiorentini Algerie	-	-	-	1	-	1
Total	1,784	571	2,355	1,979	676	2,655
% full-time	99%	87%	96%	99%	90%	97%
% part-time	1%	13%	4%	1%	10%	3%

*The table includes all Group subsidiaries included in the Consolidated Financial Statements and the associated company Shanghai Fiorentini Gas Equipment Ltd. The companies Pietro Fiorentini (USA) Inc. and Fast S.p.A. underwent a slight recalculation compared to last year.

Diversity of employees by job category [n°]

GRI 405-1	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top managers	26	1	27	30	1	31	32	2	34
Under 30 years of age	-	-	-	-	-	-	-	-	-
Between 30 and 50 years old	8	1	9	11	-	11	9	1	10
Over 50 years of age	18	-	18	19	1	20	23	1	24
Middle Managers	53	6	59	68	10	78	76	15	91
Under 30 years of age	5	-	5	5	-	5	7	1	8
Between 30 and 50 years old	27	3	30	38	6	44	39	11	50
Over 50 years of age	21	3	24	25	4	29	30	3	33
Office workers	402	170	572	706	293	999	767	330	1,097
Under 30 years of age	87	27	114	171	62	233	183	70	253
Between 30 and 50 years old	243	114	357	420	191	611	440	203	643
Over 50 years of age	72	29	101	115	40	155	144	57	201
Production workers	338	110	448	446	122	568	452	130	582
Under 30 years of age	82	8	90	98	11	109	89	8	97
Between 30 and 50 years old	146	70	216	213	70	283	209	71	280
Over 50 years of age	110	32	142	135	41	176	154	51	205
Total	819	287	1,106	1,250	426	1,676	1,327	477	1,804
Under 30 years of age	174	35	209	274	73	347	279	79	358
Between 30 and 50 years old	424	188	612	682	267	949	697	286	983
Over 50 years of age	221	64	285	294	86	380	351	112	463

Diversity of employees by contract type [n°]

GRI 2-7	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent contract	793	266	1,059	1,215	388	1,603	1,287	451	1,738
Under 30 years of age	167	29	196	256	55	311	258	71	329
Between 30 and 50 years old	409	177	586	667	248	915	681	269	950
Over 50 years of age	217	60	277	292	85	377	348	111	459
Fixed-term contract	26	21	47	35	38	73	40	26	66
Under 30 years of age	7	6	13	18	18	36	21	8	29
Between 30 and 50 years old	15	11	26	15	19	34	16	17	33
Over 50 years of age	4	4	8	2	1	3	3	1	4
Total	819	287	1,106	1,250	426	1,676	1,327	477	1,804
Under 30 years of age	174	35	209	274	73	347	279	79	358
Between 30 and 50 years old	424	188	612	682	267	949	697	286	983
Over 50 years of age	221	64	285	294	86	380	351	112	463

*The breakdown of employees by professional category and age group is not available in 2020 for Fiorentini Hungary.

Number of new hires [n°]

GRI 401-1	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	120	30	150	124	52	176	167	73	240
Under 30 years of age	65	14	79	75	24	99	77	36	113
Between 30 and 50 years old	49	15	64	46	27	73	71	30	101
Over 50 years of age	6	1	7	3	1	4	19	7	26
Abroad	22	17	39	62	36	98	75	36	111
Under 30 years of age	8	6	14	27	11	38	33	3	36
Between 30 and 50 years old	12	8	20	28	21	49	31	24	55
Over 50 years of age	2	3	5	7	4	11	11	9	20
Total recruitment	142	47	189	186	88	274	242	109	351
Under 30 years of age	73	20	93	102	35	137	110	39	149
Between 30 and 50 years old	61	23	84	74	48	122	102	54	156
Over 50 years of age	8	4	12	10	5	15	30	16	46

* The "Italy" category includes data for Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova, except for 2020 where the perimeter is limited to Pietro Fiorentini and TIV Valves.
The "Abroad" category includes figures for Gazfio, Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz, except for 2020 where the perimeter is limited to Gazfio.

Incoming turnover [%]

GRI 401-1	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	16%	13%	15%	12%	15%	13%	15%	19%	16%
Under 30 years of age	44%	56%	45%	33%	45%	36%	33%	53%	38%
Between 30 and 50 years old	13%	9%	12%	8%	12%	9%	12%	13%	12%
Over 50 years of age	3%	2%	3%	1%	2%	1%	6%	9%	7%
Abroad	31%	36%	33%	31%	40%	34%	36%	39%	37%
Under 30 years of age	40%	86%	52%	54%	55%	54%	67%	27%	60%
Between 30 and 50 years old	38%	42%	39%	27%	51%	34%	28%	49%	35%
Over 50 years of age	11%	14%	13%	14%	14%	14%	21%	27%	24%
Overall turnover	17%	17%	17%	15%	21%	16%	18%	23%	19%
Under 30 years of age	43%	63%	46%	37%	48%	39%	39%	49%	42%
Between 30 and 50 years old	15%	13%	14%	11%	18%	13%	15%	19%	16%
Over 50 years of age	4%	6%	4%	3%	6%	4%	9%	14%	10%

* The "Italy" category includes data for Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova, except for 2020 where the perimeter is limited to Pietro Fiorentini and TIV Valves.
The "Abroad" category includes figures for Gazfio, Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz, except for 2020 where the perimeter is limited to Gazfio.

Number of terminations [n°]

GRI 401-1	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	61	14	75	92	20	112	127	35	162
Under 30 years of age	16	4	20	27	4	31	43	12	55
Between 30 and 50 years old	29	8	37	39	10	49	67	15	82
Over 50 years of age	16	2	18	26	6	32	17	8	25
Abroad	18	8	26	59	20	79	71	29	100
Under 30 years of age	11	2	13	19	6	25	24	7	31
Between 30 and 50 years old	4	3	7	27	10	37	33	20	53
Over 50 years of age	3	3	6	13	4	17	14	2	16
Total terminations	79	22	101	151	40	191	198	64	262
Under 30 years of age	27	6	33	46	10	56	67	19	86
Between 30 and 50 years old	33	11	44	66	20	86	100	35	135
Over 50 years of age	19	5	24	39	10	49	31	10	41

* The "Italy" category includes data for Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova, except for 2020 where the perimeter is limited to Pietro Fiorentini and TIV Valves.
The "Abroad" category includes figures for Gazfio, Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz, except for 2020 where the perimeter is limited to Gazfio.

Outgoing turnover [%]

GRI 401-1	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	8%	6%	8%	9%	6%	8%	11%	9%	11%
Under 30 years of age	11%	16%	11%	12%	8%	11%	19%	18%	18%
Between 30 and 50 years old	7%	5%	7%	7%	4%	6%	11%	6%	10%
Over 50 years of age	8%	5%	7%	11%	10%	11%	6%	10%	7%
Abroad	25%	17%	22%	29%	22%	27%	34%	31%	33%
Under 30 years of age	55%	29%	48%	38%	30%	36%	49%	64%	52%
Between 30 and 50 years old	13%	16%	14%	26%	24%	26%	30%	41%	34%
Over 50 years of age	16%	14%	15%	27%	14%	22%	27%	6%	19%
Overall turnover	10%	8%	9%	12%	9%	11%	15%	13%	15%
Under 30 years of age	16%	19%	16%	17%	14%	16%	24%	24%	24%
Between 30 and 50 years old	8%	6%	7%	10%	7%	9%	14%	12%	14%
Over 50 years of age	8%	8%	8%	13%	12%	13%	9%	9%	9%

* The "Italy" category includes data for Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova, except for 2020 where the perimeter is limited to Pietro Fiorentini and TIV Valves.
The "Abroad" category includes figures for Gazfio, Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz, except for 2020 where the perimeter is limited to Gazfio.

Average hours of employee training per professional category [h/man]

GRI 404-1	2021			2022		
	Men	Women	Total	Men	Women	Total
Top managers	61	10	59	21	29	21
Middle Managers	36	63	48	69	75	70
Office workers	58	55	57	56	45	53
Production workers	30	19	28	27	18	25
Total	47	44	46	46	38	44

* With respect to the scope of the Sustainability Report 2021, reporting was extended to the companies Fast, Fiogaz, Sartori Ambiente and Terranova for 2021 and 2022. In addition, the figures for 2021 were recalculated with respect to the previous Report for the professional categories of Managers and Middle Managers.

Training hours by subject and geographical area [h]

GRI 404-1	2021			2022		
	Men	Women	Total	Men	Women	Total
Lean & Agile	38,385	1,839	40,224	26,995	2,753	29,748
Technical skills	15,923	2,552	18,475	20,007	1,647	21,654
Cross-cutting skills	21,991	1,635	23,626	22,735	1,187	23,922
Health and safety	11,057	853	11,910	10,149	1,658	11,807
Corporate well-being	1,270	-	1,270	1,544	-	1,544
Compliance and anti-corruption	316	149	465	817	400	1,217
Onboarding	1,764	542	2,306	3,068	600	3,668
Total	90,706	7,569	98,275	85,315	8,245	93,560

* With respect to the scope of the Sustainability Report 2021, reporting was extended to the companies Fast, Fiogaz, Sartori Ambiente and Terranova for 2021 and 2022. In addition, the figures for 2021 were recalculated with respect to the previous Report for the professional categories of Managers and Middle Managers.

Employees receiving periodic performance evaluation by job category [%]

GRI 404-3	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top managers	85%	50%	83%	80%	100%	81%	78%	100%	79%
Middle Managers	69%	40%	66%	66%	40%	63%	38%	53%	41%
Office workers	23%	20%	23%	52%	47%	50%	55%	53%	55%
Production workers	13%	27%	17%	24%	34%	26%	22%	32%	24%
Total	24%	23%	24%	43%	44%	43%	43%	48%	44%

*The performance appraisal data do not take into account the company Fast. The percentage of evaluated employees is not available in 2020 for Fiorentini Hungary.

Employees belonging to protected categories

GRI 405-1	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees belonging to vulnerable categories	28	31	59	44	35	79	45	38	83
% of employees belonging to vulnerable categories	3%	11%	5%	4%	8%	5%	3%	8%	5%

* For the United States, information on employees in protected categories is only available for the year 2022. The figures do not include Fiorentini Hungary for 2020.

Collective bargaining agreements and trade union representation

GRI 2-30	2020	2021	2022
Number of employees covered by collective bargaining agreements	1,157	1,520	1,653
% of employees covered by collective bargaining agreements	100%	100%	100%
Number of employees represented by a trade union organisation	227	293	333
% of employees represented by a trade union organisation	21%	19%	20%

* The percentage refers to countries where Group employees are covered by collective bargaining agreements (Italy - Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova and France - Gazfio). The employees of Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz (Turkey) are excluded from the scope.

Occupational health and safety

Workers covered by a health and safety management system

GRI 403-8	2020	2021	2022
Employees			
Number of employees covered	977	1,498	1,619
% of employees covered	86%	89%	89%
Workers who are not employees			
Number of workers who are not employees covered	490	538	487
% of workers who are not employees covered	90%	96%	87%

Employee accidents

GRI 403-9	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents at work	14	2	16	18	2	20	18	2	20
Of which with serious consequences	1	-	1	-	-	-	-	-	-
Hours worked [thousand h]	1,312	406	1,718	2,126	647	2,773	2,272	713	2,985
Recordable accident rate	9.9%	4.9%	8.7%	8.5%	3.1%	7.2%	7.9%	2.8%	6.7%
Rate of accidents with serious consequences (excluding fatalities)	0.8%	-	0.6%	-	-	-	-	-	-

* Recordable accident rate: (total number of recordable accidents / total hours worked) x 1,000,000

** Rate of accidents with serious consequences: (total number of accidents with serious consequences / total hours worked) x 1,000,000

*** For the years 2020 and 2021, the indicated working hours have been recalculated from the previous Report.

In both 2021 and 2022, 1 commuting accident occurred. In addition, data from Fiorentini Hungary has been included compared to last year.

Accidents to workers who are not employees, but whose work and/or place of work is under the control of the organisation

GRI 403-9	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total number of accidents at work	10	2	12	9	2	11	2	4	6
Hours worked [thousand h]	420	345	766	440	479	918	460	505	965
Recordable accident rate	23.8%	5.8%	15.7%	20.5%	4.2%	12%	4.3%	7.9%	6.2%

* For the year 2020, the hours worked indicated have been recalculated from the previous Report. Only in 2021 did a commuting accident occur.

Checks as part of periodic health surveillance [n°]

GRI 403-6	2020	2021	2022
Medical examinations	846	1,068	630
Periodic medical examinations	693	876	1,362
Diagnostic examinations	4,862	5,228	6,455
Environmental investigations	16	16	62

*For the United States, information on periodic health surveillance services is not available due to local privacy regulations.

Distributed economic value and supply chain

Generated and distributed economic value [k€]

GRI 201-1	2020	2021	2022
Generated economic value	411,970	466,220	518,238
Distributed economic value	343,964	398,519	462,990
Operating Costs	228,831	265,518	317,822
Value distributed to employees	100,193	112,720	129,907
Value distributed to capital providers	1,347	1,889	4,665
Value distributed to the public administration	13,492	18,292	10,569
Value distributed to the community	100	100	25
Economic value retained	68,006	67,701	55,248

Expenditure on local suppliers [M€]

GRI 204-1	2020			2021			2022		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Expenditure on local suppliers	167	16.8	183.8	202.9	25.2	228.2	228.8	34.1	262.9
Total purchases	233.5	36.7	270.3	264.7	66.6	331.3	286.9	89.7	376.6
% expenditure on local suppliers	72%	46%	68%	77%	38%	69%	80%	38%	70%

* "Expenditure with local suppliers" means expenditure made at suppliers whose head office is located in the same country as the production plant of the purchasing company (Italy for the companies Pietro Fiorentini, TIV Valves, Fast, Sartori Ambiente and Terranova; France for Gazfio; United States for Pietro Fiorentini (USA); Hungary for Fiorentini Hungary; Turkey for FioGaz).

** The "Abroad" category includes data on Gazfio, Pietro Fiorentini (USA), Fiorentini Hungary and Fiogaz.

Suppliers by geographical area and type

GRI 2-6	2020			2021			2022		
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total
Local suppliers [n°]	4,071	817	4,888	4,643	1,166	5,809	4,175	1,104	5,279
%	85%	83%	84%	88%	88%	88%	85%	86%	85%
Direct [n°]	920	400	1,320	1,246	344	1,590	1,248	374	1,622
%	23%	49%	27%	27%	30%	27%	30%	34%	31%
Indirect [n°]	3,151	417	3,568	3,397	822	4,219	2,927	730	3,657
%	77%	51%	73%	73%	70%	73%	70%	66%	69%
Suppliers in the rest of the world [n°]	732	172	904	635	163	798	741	175	916
%	15%	17%	16%	12%	12%	12%	15%	14%	15%
Direct [n°]	134	114	248	150	92	242	193	73	266
%	18%	66%	27%	24%	56%	30%	26%	42%	29%
Indirect [n°]	598	58	656	485	71	556	548	102	650
%	82%	34%	73%	76%	44%	70%	74%	58%	71%
Total	4,803	989	5,792	5,278	1,329	6,607	4,916	1,279	6,195

Methodological note

The Pietro Fiorentini Group Sustainability Report (hereafter, “Report”), now in its **third edition**, is drawn up annually in **voluntary form** in order to report with increasing accuracy on performance in the ESG area. The Report is part of a broader path undertaken by the Group towards a complete **integration of sustainability into its business model**. The document aims to provide internal and external stakeholders with the clearest, most comprehensive and transparent representation of the activities, projects, commitments, short- to medium-term objectives and results achieved, with a view to **creating shared value in the long term**.

Approved by the Board of Directors on 16/05/2023, the Report is prepared in accordance with **GRI** (Global Reporting Initiative, 2021 version) standards, according to a level of application **"with reference to"**. The document, in particular, refers to the standards indicated in the GRI Content Index table, (given in the next paragraph), in which for each “material” aspect the page of the Report where the relevant content can be found is indicated.

During the preliminary benchmarking and industry study phase, the guidelines of the **Sustainability Accounting Standards Board (SASB)** with regard to the Electrical & Electronic Equipment and Oil & Gas sectors were considered.

The figures and information shown refer to the financial year running from 1 January to 31 December 2022, unless otherwise indicated. Where available, comparative data from previous years was reported for the **three-year period 2020-2022** in order to present the Group's performance trend over a longer time horizon. In order to provide a timely representation of performance, the inclusion of directly detectable and measurable **qualitative-quantitative indicators** was favoured, resorting only in limited cases to estimates, duly highlighted. In the rare cases of corrections of that published in the previous version of the Report, these were always carefully noted in the notes near the figures.

The **principle of materiality**, a characteristic element of the GRI standards, guides the extent and quality of the non-financial reporting. The topics covered are in fact those which, as a result of the **involvement of external stakeholders** (for more information see Chapter 2, p. 18-19), have been confirmed as relevant, as they are able to reflect the economic, environmental and social impacts of the company's activities and/or influence the decisions of its stakeholders.

The reporting scope of the economic and financial data corresponds to that of the **Group Consolidated Financial Statements as at 31 December 2022**. The environmental and social data and information refer to the Parent Company **Pietro Fiorentini S.p.A.** (with head office located at Via Enrico Fermi 8/10, Arcugnano) and the fully consolidated companies **TIV Valves S.r.l.**, **Fast S.p.A.**, **Sartori Ambiente S.r.l.**, **Terranova S.r.l.**, **Gazfio S.A.S.**, **Pietro Fiorentini (USA) Inc.**, **Fiorentini Hungary Kft** and **FioGaz San.Tic.A.S.**

The Report was prepared with the technical-methodological assistance of IMQ eAmbiente S.r.l. and **is not subject to third party verification**.

For more details on the objectives, indicators and results achieved or for comments on this document, please send a request to **sustainability@fiorentini.com**.

GRI Content index

The Pietro Fiorentini Group has reported the information mentioned in this GRI content index for the period 01/01/22 - 31/12/22 through the "with reference to" mode.

GRI Standards	Note	Paragraph - notes
GRI 2: General Disclosures (2021)	2-1 Organisational details	The Pietro Fiorentini Group p.7; Methodological note p.107
	2-2 Entities included in the organisation's sustainability reporting	Methodological note p.107
	2-3 Reporting period, frequency and point of contact	Methodological note p.107
	2-4 Review of information	Methodological note p.107
	2-6 Activities, value chain and other business relationships	Business areas p.12-13; The enabling factors of the strategy p.16; Collaboration with the supply chain p.88-90
	2-7 Employees	Human resources management and development p.72-73; Environmental and social performances p.98-104
	2-8 Workers who are not employees	Human resources management and development p.72; Environmental and social performances p.98
	2-9 Governance structure and composition	Governance structure p.35-36
	2-10 Appointment and selection of the highest governance body	Governance structure (omitted 2-10 b) p.35-36
	2-11 President of the highest governance body	Governance structure p.35-36

GRI Standards	Note	Paragraph - notes
GRI 2: General Disclosures (2021)	2-12 Role of the highest governance body in impact management control	Governance structure p.35-36
	2-13 Delegation of responsibility for impact management	Governance structure p.35-36; Sustainability Committee p.37
	2-14 Role of the highest governance body in sustainability reporting	Governance structure p.35-36; Sustainability Committee p.37
	2-15 Conflicts of Interest	Business ethics p.38
	2-16 Communication of critical issues	Business ethics p.38
	2-17 Collective knowledge of the highest governance body	Sustainability Committee p.37
	2-18 Performance evaluation of the highest governance body	<i>The Board of Directors is not evaluated on the management of the organisation's impacts on the economy, environment and people.</i>
	2-22 Sustainable development strategy statement	Letter to our stakeholders p.1-2

GRI Standards	Note	Paragraph - notes
	2-23 Policy commitment	<p>Management systems p.39</p> <p><i>The organisation has an integrated policy that can be consulted on its website.</i> Find out more </p>
	2-24 Integration of policy commitments	<p><i>The Management Review, as required by the management systems in place, gives an overview of the main projects in place aimed at achieving the objectives. These projects are implemented at different levels of the organisation through a strategic planning system. Employees also undergo constant training on the subject of responsible business conduct.</i></p>
GRI 2: General Disclosures (2021)	2-25 Processes designed to remedy negative impacts	<p><i>The 231 Model has set up a dedicated mailbox to enable all those who may become aware of information relating to the commission of offences or non-compliances with the rules of conduct envisaged by the Code of Conduct to report these to the Supervisory Body. This Body takes into consideration the reports received and takes the necessary consequent measures, always ensuring the protection of the whistleblower from any type of retaliation, in line with the provisions of the legislation. Complaints from business partners are handled through the relevant portals, ensuring the highest quality standards for their resolution.</i> Find out more  </p>
	2-26 Mechanisms for requesting clarification and raising concerns	<p><i>There are no specific procedures.</i></p>
	2-27 Compliance with laws and regulations	<p><i>No significant cases of non-compliance were reported.</i></p>

GRI Standards	Note	Paragraph - notes
	2-28 Membership of associations	<p><i>The company participates in events and working tables of national and international association bodies on topics relevant to the energy sector. The company also participates in consultations, working tables and technical meetings with authorities, governmental bodies and national and international standardisation bodies.</i></p>
GRI 2: General Disclosures (2021)	2-29 Approach to stakeholder engagement	<p>Stakeholder engagement p.18-19</p>
	2-30 Collective Agreements	<p>Human resource management and development p.73</p>



Economic performance: topic specific standards

Material Topic: Stakeholder engagement

GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33

GRI 201: Economic Performance (2016)	201-1 Economic value directly generated and distributed	Environmental and social performances p.106
--------------------------------------	---	---

Material Topic: Sustainable supply chain

GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Collaboration with the supply chain p.88-90

GRI 204: Procurement Practices (2016)	204-1 Proportion of expenditure on local suppliers	Collaboration with the supply chain p.88
---------------------------------------	--	--

GRI 301: Materials (2016)	301-1 Materials used by weight or volume	Collaboration with the supply chain p.90
---------------------------	--	--

Economic performance: topic specific standards

Material Topic: Business ethics / ESG integration into the business

GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Business ethics p.38

GRI 205: Anti-Corruption (2016)	205-1 Operations assessed for risks related to corruption	Business ethics p.38
---------------------------------	---	----------------------

GRI 205: Anti-Corruption (2016)	205-2 Communication and training on anti-corruption policies and procedures	<i>Thanks to the controls implemented, no incidents of corruption were detected at Group level during 2022.</i>
---------------------------------	---	---

GRI 205: Anti-Corruption (2016)	205-3 Anti-corruption incidents and actions taken in response to corruption cases	<i>100% of the business partners the Group interfaced with in 2022 (when entering into or renewing contracts) were informed of the anti-corruption policies and procedures.</i>
---------------------------------	---	---

GRI 206: Anticompetitive Behaviour (2016)	206-1 Legal actions taken for anti-competitive behaviour, antitrust and monopoly practices	<i>During 2022, no legal actions (pending or concluded) relating to anti-competitive behaviour, antitrust violations and monopolistic practices, in which the organisation was identified as a participant, were reportable. There are reports of open investigations in Poland in which the company is involved but not accused.</i>
---	--	---

GRI 307: Environmental Compliance (2016)	307-1 Penalties for non-compliance with environmental laws and regulations	<i>There were no significant non-compliances with laws and regulations during 2022.</i>
--	--	---

GRI 419: Socio-economic compliance (2016-17)	419-1 Significant monetary and non-monetary penalties for non-compliance with laws or regulations in the socio-economic area	<i>There were no significant non-compliances with laws and regulations during 2022.</i>
--	--	---

Environmental performance: topic specific standards		
Material Topic: Emissions & Resilient infrastructures / Energy transition / Innovation & Digitalization		
GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Reducing energy consumption and emissions p.65-67; Water resources p.70
GRI 302: Energy (2016)	302-1 Energy consumption within the organisation	Reducing energy consumption and emissions p.65-66
	302-3 Energy intensity	Reducing energy consumption and emissions p.65-66
GRI 303: Water and water discharges (2018)	303-1 Interaction with water as a shared resource	Water resources p.70
	303-2 Management of impacts related to water discharge	Water resources p.70
	303-3 Water withdrawal	Water resources p.70
	303-4 Water discharge	Water resources p.70
	303-5 Water consumed	Water resources p.70
GRI 305: Emissions (2016)	305-1 Scope 1 emissions	Reducing energy consumption and emissions p.65-67
	305-2 Scope 2 emissions	Reducing energy consumption and emissions p.65-67
	305-3 Scope 3 emissions	Reducing energy consumption and emissions p.65-67 <i>For Scope 3 emissions, only business trips were considered.</i>
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant emissions	Environmental and social performances p.94

Environmental performance: topic specific standards		
Material Topic: Circular economy		
GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Waste management between production and prevention p.68-69
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	Waste management between production and prevention p.68-69
	306-2 Management of significant waste-related impacts	Waste management between production and prevention p.68-69
	306-3 Waste generated	Waste management between production and prevention p.68-69
	306-4 Waste not for disposal	Waste management between production and prevention p.68-69
	306-5 Waste for disposal	Waste management between production and prevention p.68-69

Social performance: topic specific standards		
Material Topic: HR management & enhancing / People well-being		
GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Human resources management and development p.72-74; Investing in knowledge p.77-79; Objective well-being p.80-82
GRI 401: Employment (2016)	401-1 Total number and percentage of new hires and turnover, by age, gender and region	Human resource management and development p.72-74
GRI 404: Training and Education (2016)	404-1 Average annual training hours per employee	Investing in knowledge p.77-79
	404-3 Percentage of employees receiving regular performance and professional development evaluation	Investing in knowledge p.77-79

Social performance: topic specific standards		
Material Topic: Workers' health and safety		
GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; 'Safety first' culture p.75-76
GRI 403: Occupational health and safety (2018)	403-1 Occupational health and safety management system	"Safety first" culture p.75-76
	403-2 Hazard identification, risk assessment and accident investigation	"Safety first" culture p.75-76
	403-3 Occupational health services	"Safety first" culture p.75-76
	403-4 Worker participation and consultation and communication on occupational health and safety	"Safety first" culture p.75-76
	403-5 Occupational health and safety training for workers	"Safety first" culture p.75-76; Investing in knowledge p.77-79
	403-6 Workers' health promotion	"Safety first" culture p.75-76
	403-7 Prevention and mitigation of occupational health and safety impacts within business relationships	"Safety first" culture p.75-76
	403-8 Workers covered by an occupational health and safety management system	"Safety first" culture p.75-76
	403-9 Accidents at work	"Safety first" culture p.75-76
	403-10 Occupational diseases	"Safety first" culture p.75-76

Social performance: topic specific standards		
Material Topic: Diversity & Inclusion		
GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Governance structure p.35-36; Diversity and inclusion p.83
GRI 405: Diversity and Equal Opportunities (2016)	405-1 Diversity in governance bodies and among employees	Governance structure p.35; Diversity and inclusion p.83

Social performance topic specific standards		
Material Topic: Customer centricity		
GRI Standards	Note	Paragraph - notes
GRI 3: Material Topics (2021)	3-1 Process for determining material topics	Stakeholder engagement p.18-19
	3-2 List of material topics	Impacts related to material topics p.20-27
	3-3 Management of material topics	Impacts related to material topics p.20-27; The path to sustainability p.28-33; Customer centricity and satisfaction p.86-87
GRI 418: Consumer privacy (2016)	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data	Customer centricity and satisfaction p.86-87 <i>In 2022, no complaints were received concerning breaches of customer privacy.</i>



2022 SUSTAINABILITY REPORT

BY
The Pietro Fiorentini Group

CONCEPT & DESIGN
WITHUB

FOR INFORMATION
Pietro Fiorentini S.p.A. Via Enrico Fermi 8/10 - 36057 Arcugnano (VI)
sustainability@fiorentini.com

www.fiorentini.com

