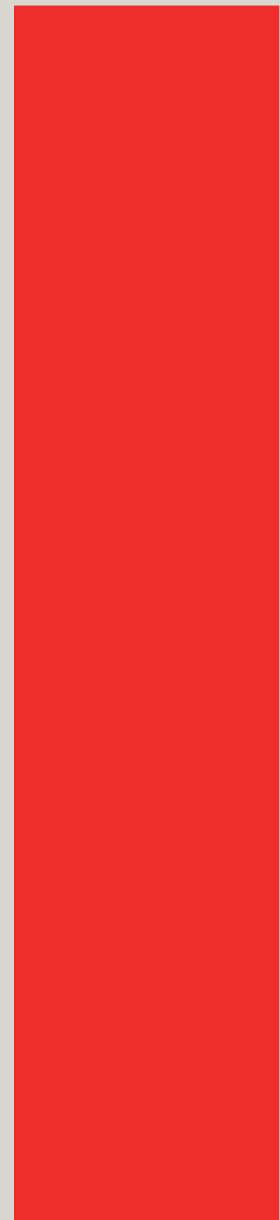
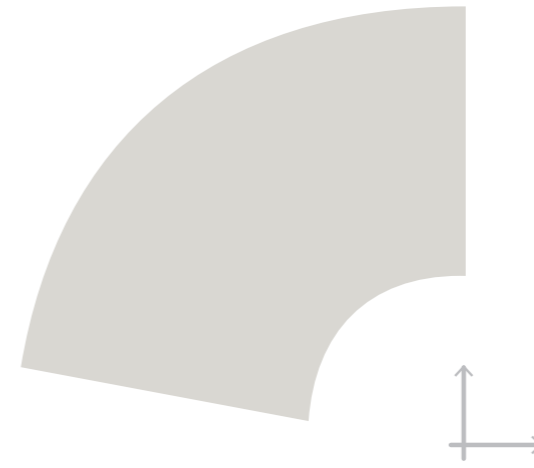


No
time
to
lose.



SUSTAINABILITY
REPORT 2021





No
time
to
lose.



SUSTAINABILITY
REPORT 2021



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Message from the Chairman of the Board of Directors to Stakeholders.

(GRI 102-14) 102-16

Great is the satisfaction for this first edition of the Sustainability Report that gives a quantitative and qualitative account of the activity of Belleli Energy Critical Process Equipment S.r.l. through the measurement of its impacts in the economic, social and environmental fields.

The path taken towards sustainability was immediately consistent with the company's vision. We have approached this work based on the basic meaning of the term sustainability, which is often used and abused in economics, referring to its Latin etymon *sustine-re*, a verb whose main meaning indicates the ability to “hold”, to “support” something or someone. Therefore, a sustainable economy and a sustainable company are able to withstand the impact

of complex situations to “sustain” over time its ability to produce value for shareholders but also for all stakeholders who are an integral and irreplaceable part in creating that value.

With this Report, Belleli Energy Critical Process Equipment opens up to the community telling of a long entrepreneurial history, short and medium-long term objectives and the contribution it is able to offer to the ecological transition.

The title “*No time to lose*” aims to demonstrate the commitment to integrate sustainability as a founding value of daily action, with a fully transparent approach to address the key existential challenges, from Covid to the climate. To confirm our commitment to all dimensions of sustainability, we

have adhered to the principles of the Global Compact and the Sustainable Development Goals (SDGs) defined by the UN.

2021 was marked by worldwide events that affected the context in which we carry out our business: following the events from a chronological viewpoint, we saw how a ship that runs aground and blocks for days the Suez Canal can have serious repercussions on the security of supplies. 2021 was also the year that marked a watershed on the path towards the ecological transition and that saw the succession of international events starting from the **Environment, Climate and Energy G20** in Naples, to the first Youth4Climate in history, to arrive at the **G20 in Rome** where an agreement was found to contain overheating below 1.5 degrees with immediate

also known as COP26, took place in Glasgow last November. The conference ended with the approval, by the 197 participating countries, of the “Glasgow Pact” to accelerate the fight against climate change and lay the foundations for its financing. The document commits governments to the goal of decarbonisation by 2030, forecasting a 45% cut in CO2 emissions compared to 2010, with the aim of reaching zero net emissions by the middle of the century, and accelerating efforts to gradually reduce the use of coal and its subsidies to fossil sources.

Certainly, it is not possible to achieve the collective objectives set without investments: the adoption of the National Recovery and Resilience Plan, which has its main pillar in the ecological transition, gives hope for a change of

We are aware that we can fight the great challenge of the fight against climate change which is also our theme, to support the territory in which we operate and the country that we honor material to represent in the most authoritative international competitions in the sector.

actions and medium-term commitments.

At the end of this series of events, the United Nations Framework Conference on Climate Change,

pace essential to face the global climate emergency.

This is exactly where Belleli Energy CPE is located, in a panorama also characterised by a strong in-

crease in energy prices and increasing geopolitical tensions in the heart of Europe: we are working to play a role as protagonists of change. We are aware that we can contribute to the great challenge of the fight against climate change, which is also our material theme, to support the territory in which we operate and the country that we are honoured to represent in the most authoritative international contexts of the sector.

The high energy prices and the need to phase out fossil fuels make us believe that in order to achieve the Climate Goals and to meet the need for energy production, it is imperative to use an energy mix from reliable and stable sources including nuclear power with the “green label”. Our strategy, in the short term, focuses on new gene-

ration nuclear plants and in the medium term on nuclear fusion plants - in which we are already active - and generation IV.

In parallel, we will be involved in all technical aspects for the scale-up of emerging technologies aimed at the production of **hydrogen**, in particular the storage of **gaseous green hydrogen**.

No time to lose, therefore, because we can no longer waste time: “we are living through the roaring twenties of climate action”, as Ursula von der Leyen said, we must use our experience and our skills to continue the energy and ecological transition. This is not only an environmental issue, but also an economic and social one. It is about the future of our children, our grandchildren and generations to come.

LUCA TOSTO



Letter from the C.F.O.

(GRI 102-14) (GRI 102-16)

The presentation of the first Sustainability Report relating to 2021 is part of a path that aims at the progressive integration of ESG issues in the company business through an evolution of policies in favour of people and the environment.

The United Nations Climate Change Conference (COP 26) in Glasgow in November 2021, hosted the Glasgow Financial Alliance for Net Zero (GFANZ) which brought together financial giants for a statement of commitment for a future with zero net greenhouse gas emissions. In line with the Race to Zero campaign, with which the United Nations involves the private sector in the ambitious mission to decarbonise the economic system, GFANZ members have promised to adopt scientific

guidelines to achieve zero emissions, direct and indirect, by 2050, in addition to intermediate targets for 2030. To confirm this intent, GFANZ has committed itself to transform the world economic system by providing 100 trillion dollars that are estimated to be needed to exit fossil fuels by the middle of the century and limit global warming to +1.5°C. The sign that is hidden behind the numbers is that international finance is officially and concretely putting itself at the service of the fight against climate change. In fact, more and more international asset managers are responding to the appeal. Just as the financial services sector is an important “enabler” to support the ecological transition, CFOs are also increasingly playing a leading role towards the creation of sustainable value through

business finance that respects the ESG principles, such as to attract investments towards effective solutions for Sustainable Development Goals.

Therefore, integrating sustainability at the heart of the company's business is not only a fundamental action for the planet and future generations, but also convenient for Companies. In practice, economic value and sustainable value are two sides of the same coin. The links between ESG performance and economic performance have a concrete manifestation

align their credit and investment portfolio with the zero emissions target by 2050. The Alliance, therefore, recognises the key role of banks in supporting the global transition of the real economy towards the common zero emissions target, including both own emissions (energy consumption) and funded emissions, including Scope 3 emissions.

To comply with these very stringent parameters, banks also evaluate companies under the ESG profile: during 2022 Belleli Energy CPE will in fact undergo the required ESG valuation ratings.

Integrating sustainability into the heart of the corporate business is not only a fundamental action for the planet and future generations, but also convenient for companies, [...] economic value and sustainable value represent two sides of the same coin.

in the constant and sustainable growth of profits, as was the case in 2021.

The pursuit of a sustainable development model also consists in obtaining increasingly important requirements for access to credit. Specifically, we have established relationships with numerous banks that have joined the United Nations "Net-Zero Banking Alliance" program that mobilises banks worldwide in the commitment to

Similar to the banking world, the global insurance and reinsurance sector also launched the objectives of the Net-Zero Insurance Alliance in 2021. It is an alliance committed to zero net greenhouse gas emissions from insurance portfolios by 2050.

The evolution of Belleli Energy CPE from a company focused on the production of critical components for the Oil & Gas sector to a leading company in the energy transition, has now started and consolidates from year to year.

The success of new businesses in achieving the common goal of zero emissions is based on our assets, our people and the continuous exchange with all our stakeholders.

LUCA PIERFELICE





BELLINI
ENERGY Critical Process Equipment 

Values, Vision, Mission.

(GRI 102-16)

The shared values constitute the guidelines of the company activity:

Requirements

Safety is a primary value in the performance of all activities. Belleli Energy CPE is always committed to the development of the safety culture to ensure the health of workers.

Quality

Quality is the essence of Belleli Energy CPE's work. The company policy ensures the continuous improvement of quality standards to meet the demands of high technology in the design and manufacture of critical process equipment.

Prosperity

The constant growth of staff skills is encouraged, in order to satisfy the customer's needs with constantly new and innovative technological solutions developed by the talents present in the company.

Vision

Be the "first choice" for end users, licensees and major contractors in the world. Constantly exceed the expectations of customers through innovative ideas, new technologies and value-added solutions, inspired by the vocation for research and sustainability.














Mission

The objective is to provide customised and technologically advanced solutions to customers in relation to the design and operation of process equipment and the timing of projects, generating a positive impact on the environment and on people.

Values

Highlights 2021.

(102-7) (102-8) (102-9) (201-1) (302-1) (305-1) (305-2) (305-3)
(305-4) (306-1) (404-1) (405-1)

ECONOMIC HIGHLIGHTS			
 ANTI-CORRUPTION	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA 	Revenues (k€)	62.322,38
	9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE 	Net profit (k€)	538,68
		EBITDA (k€)	4.426,86
		Value distributed to stakeholders (k€)	17.953,80
		Investment in R&D (k€)	574,68
SOCIAL HIGHLIGHTS			
 LABOUR	4 ISTRUZIONE DI QUALITÀ 	No. of employees	297
	8 LAVORO DIGNITOSO E CRESCITA ECONOMICA 	No. hours worked	514.736
 HUMAN RIGHTS		No. hours Training	4.836
		% employees with an open-ended contract	92%
		% staff aged between 30 and 50	44%
		Cultural and social donations (k€)	40
		No. suppliers	812
		Value of goods and services purchased (k€)	36.589,35
	12 CONSUMO E PRODUZIONE RESPONSABILI 	% Procurement from domestic suppliers	76%
ENVIRONMENTAL HIGHLIGHTS			
 ENVIRONMENT	7 ENERGIA PULITA E ACCESSIBILE 	Energy consumption (GJ)	104.386
	13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO 	CO2 emissions (t) Scope 1 and Scope 2	3.493
		CO2 emissions (t) Scope 3 (Business Travels)	8
		KG CO2-Eq / Ton net weight	614
		Waste (t)	2.532



Main events 2021.

Nitrogen + Syngas 2021
1-3 March 2021
Virtual Exhibition



From 1 to 3 March 2021 Belleli Energy CPE and its sister company Walter Tosto participated in the virtual fair Nitrogen + Syngas. For over 34 years, Nitrogen + Syngas has been providing an ideal network platform for companies and professionals in the nitrogen and syngas industries.

FCTM-ESCOPE 2021

6-7 October 2021
Paris



Belleli Energy CPE participated in the conference, one of the most important international events dedicated to the pressure equipment industry, held in Paris on 6 and 7 October 2021. Stefano Alberini, Welding Engineer, presented a report on a research carried out in collaboration with the European partners Arcelor Mittal France and Voestalpine Böhler Welding, concerning the characterisation of the P91 material (9% Chrome 1 % Molybdenum 0.25% Vanadium). Due to its resistance to high temperatures, this material can find application in the green economy sector, in particular in the recycling of waste materials. Belleli Energy CPE, in line with the policy of the Tosto Group, aims to be always at the forefront in the research for the development of innovative processes and materials, increasing the know-how of the company and bringing its contribution to support the European production system in the global competition.



XII International Conference “Gas and Petrochemical”

2-3 December
Omsk

Belleli Energy CPE participated in the XII International Conference “Gas and Petrochemical”. Towards Green Future“ organised by the Russian company ONHP, held in OMSK, Russian Federation. Fausto Fusari VP R&D of Belleli Energy CPE presented a report entitled “Requirements for Hydrogen Storage: Material selection and inherent quality tests” on the emerging needs to store Pure Hydrogen, produced through Renewable Energies. Belleli Energy Cpe, in line with the philosophy of the Tosto Group, demonstrates great interest in this new sector of the Green Economy, also promoting research aimed at a standardization of the quality requirements for the construction of components for the production and storage of Hydrogen.

Belleli Energy CPE was invited by Aramco, an important and esteemed customer, to participate in the “Workshop of the inspectors of AOC Static Equipment”.

The aim of the event was to discuss developments in the sector with qualified inspectors, share information and knowledge learned in recent years and disseminate the extensive experience of Aramco gained during the various inspections in the execution of projects.

AOC Static Equipment

17 December 2021
On-line



| identity

“

The best
prophet of
the future is
the past

”

Lord George Gordon Noel Byron

Belleli, a company in evolution.

(GRI 102-5) (GRI 102-7) (GRI 102-10)

The first Belleli was that of the family. The second, the American one, [...] The third is the one we launch.

Belleli Energy CPE was established in Mantua in 1947 by Rodolfo Belleli.

Rodolfo Belleli was born in Mantua in 1911 to a family of modest origins and studied at the local Technical School, where he deepened his interest in mechanics and mathematics. After completing his studies, the young Belleli is hired by Mr. and Mrs. Perlini, owners of a hydraulic company specialised

in the production of boilers. Following a dramatic event, the sudden death of the owners who were victims of a road accident, the Perlini company, lacking a management and a solid organization, is forced to cease its activity. The tragic event for Belleli transforms into a long awaited opportunity: the opportunity to set up an independent business. Two former employees of Perlini, the Bisi brothers, took over the workshop

together with Belleli, who was offered the position of administrative manager and restarted the production of the newly-established company called “Bisi and Belleli”. After the end of the Second World War, the company underwent the post-war productive process and its activity grew until 1950, when the company was completely sold, due to the disappearance of one of the Bisi brothers, to Belleli, which took over full management of the company, which was then called “Officine Rodolfo Belleli”.

In that period, the impulse that the activity of the petrochemical plants imprints to the life and the fabric of the economic activities of the city, induces the young entrepreneur to join to the production of boilers the construction of components for petrochemical plants. In the 1950s, the company entered into important supply and maintenance contracts for the Civil Engineer and for the State Railways.

In 1964, the obtaining of the numerous contracts for the design, installation and assembly of a part of the new Italsider plant in Taranto places the conditions both for the realisation of important technological innovations, and for the installation of a new construction site on site, in Marina di Melilli in the province of Taranto, which will eventually become, thanks to the installation of a yard near the sea, the main production site of the group’s internationalisation

process.

In the following years, the latter became a global player in plant and component engineering, reaching the threshold of 500 employees. This number continued to grow together with the construction of new production plants in Sicily.

In the same year we also witness the production of the first heat exchangers, innovative degassers and the first refining columns, designed both for Italian plants (Edison, Montecatini, Agip and Anic) and for the giants of the world petrochemical industry (Shell and BIPM). Belleli then penetrates the American and Middle Eastern markets. It was precisely in the latter that the company’s activities expanded considerably, taking the decision to set up an on-site company for the construction and assembly of modules for plants: in 1978, Belleli Saudi Arabia Limited (BSA), based in Al Jubail, was established, followed, five years later, by Belleli Saudi Heavy Industries (BSHI), conceived for the production of thermoelectric and oil plants.

In the 1980s the first National Energy Plan for the use of alternative sources to oil was drawn up in Italy and based on the installation of the first nuclear power plants. Once again, Belleli is one of the first companies to impose itself for the supply of components for nuclear power plants, both in Italy and abroad.

At the end of the 1980s Belleli carried out a series of acquisitions of companies (Cimontubi, Cardenas and Derna) and reached the threshold of 10,000 employees. Among the most important works of the period are the construction of the new “turnkey” plants located in Asia and Africa and components for imposing complexes, such as the laying of the roof of the San Siro stadium in Milan.

The rise of Belleli continues until the 1990s, a period in which the beginning of the international economic recession calls on the group to reformulate its strategic lines and highlights the fragility and profound contradictions that the recent growth, on the trail of acquisitions and the disorderly expansion of activities, brings with it: the increase in indebtedness, the compromise of efficiency and the appearance of expensive overlaps.

In the short term, the worsening of Belleli’s financial conditions led the management to sell significant shares of Belleli Holding Industriale in 1995 and to disengage from the heating sector.

The huge losses and the judicial storm that struck the founder’s son, Aldo Belleli, will only further unfold the current crisis and prompt the start of the controlled administration.

A restructuring and reorganisation

plan was thus drawn up establishing an extraordinary redundancy fund for 1000 employees, which precluded the opening of bankruptcy proceedings for Belleli Holding Industriale, the sale of Cardenas and Cimontubi and the definitive exit of the Belleli family from the company’s Board of Directors in November 1996. Despite the succession of numerous rescue initiatives and the increase in sales, the company is going through new and insurmountable financial difficulties. A new restructuring plan follows, giving rise to the formation of two companies, Belleli Energy and Belleli Offshore, which were transferred to the American company Ihi in 1997. Subsequently, the American company Hannover Compressor Company will acquire, in stages, the shares of Belleli Energy and the plant in Arabia.

The company then passed into the hands of Exterran in 2007, the result of the merger between Universal Compression Holdings and Hanover Compressor Company. In 2016, the Belleli Energy CPE company returned to Italian hands, acquired by the Tosto Group, which returned the company to full production.

«The first Belleli was that of the family. The second, the American one, was a more or less fortunate parenthesis. The third is the one we are launching. International competition is strong, there are

companies with huge revenues. We are small but we can win with commitment, ability to innovate and communion of intentions».

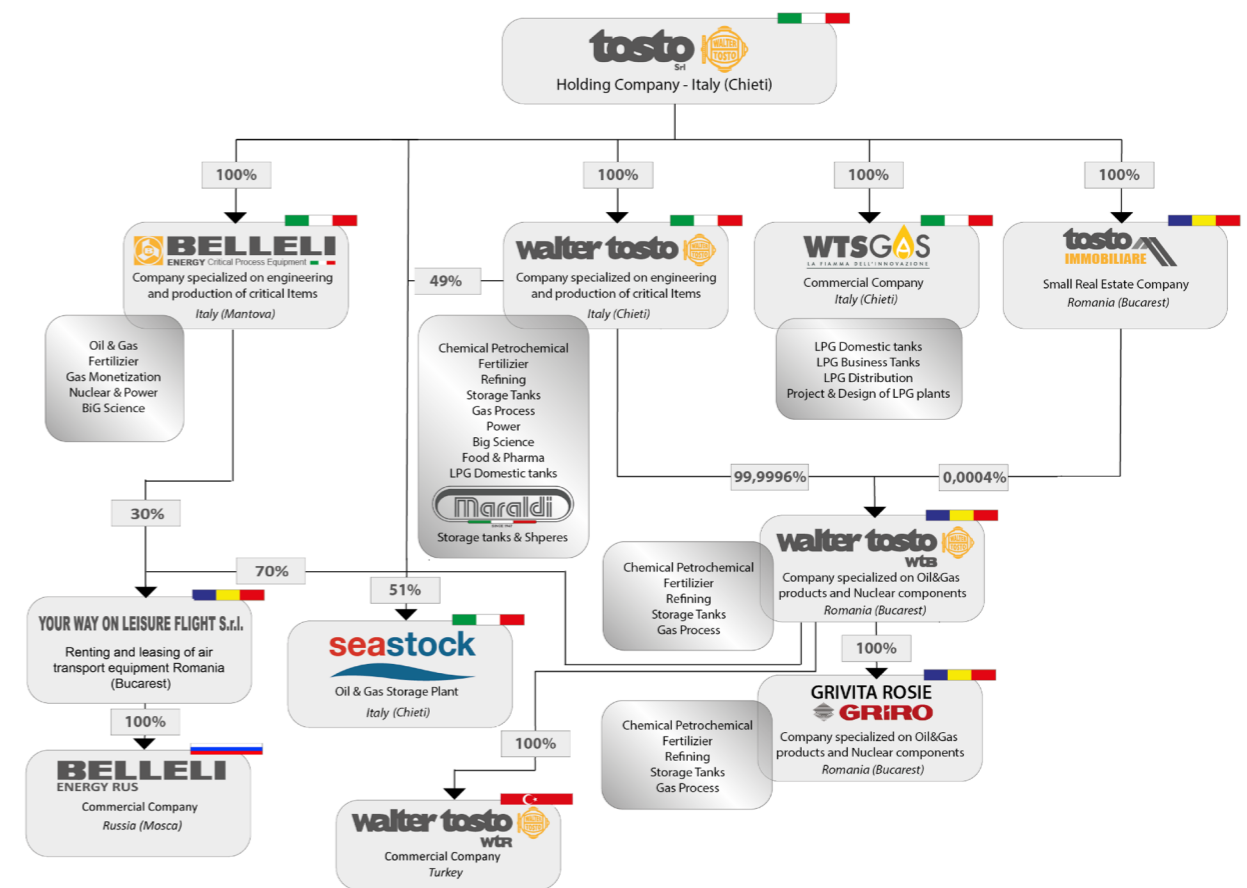
This was the statement of CEO Paolo Fedeli on the occasion of the Family Day celebration in December 2016.

The Tosto Group, composed of ten companies with offices in Italy and abroad, generates a consolidated turnover of approximately €180 million and employs over 1300 employees. Today the Group is directed by Luca Tosto.

“ I don't create companies for the sake of creating companies, but to get things done ”

Elon Musk

Belleli Energy CPE is 100% owned by the Holding Company of the Group composed as follows:



All companies share the same corporate philosophy of socially sustainable development, based on quality, innovation, transparency and flexibility.

Our headquarter.

(GRI 102-3) (GRI 102-4)

One of the largest and most equipped production plants in the area European.

With a total area of 280,000 m², of which 60,000 m² are covered (including offices and workshops), Belleli Energy CPE can count on one of the largest and most equipped production facilities in Europe.

The combination of vast spaces, large production plants and favourable conditions for international transport, allow Belleli Energy CPE to meet all types of requests for the production of sophisticated process equipment of any weight and size.



Active participation in associations.

(GRI 102-12) (GRI 102-13)

In support of the business development activities, the companies actively participate in various national and international associations, stimulating, with the other associates, a propulsive and systemic action in the reference economic sector, in the research and development and in the promotion of the interests of the different stakeholders.

Trade Associations

Aipe:



Aipe is an association born from the intention to face the main problems that affect the category of boiler producers in a simple, efficient and quick way, not only at local level but according to a broader, international perspective. The acronym A.I.P.E. (Associazione Italiana Pressure Equipment) recalls its dual purpose, enclosing both the Italian character of the association and terms in English (Pressure Equipment), which indeed evoke a worldwide opening.

In 2021 AIPE became part of H2IT, the Italian Association for Hydrogen and Fuel Cells, established in order to give a voice to the Italian industry and research centres involved in the hydrogen supply chain. The primary objective of the association is to promote technological progress and the development of the Italian market related to the production, storage and use of hydrogen.

Associazione Piccole e Medie Industrie Mantova:



The **Associazione Piccole e Medie Industrie di Mantova** was established on Saturday, November 11, 1989 and its mission has always been to defend the interests and support the needs of the small and medium businesses of Mantua, accompanying their development and promoting their growth.

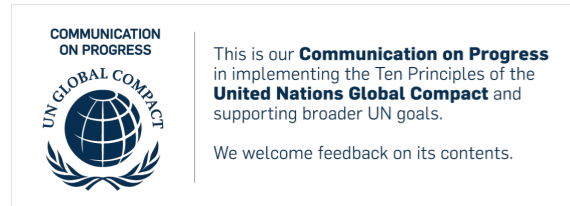
Authoritative institutional interlocutor on the territory of Mantua, it is present with its entrepreneurs and its officials in the main political and technical fora in which it operates to support small and medium-sized industries, developing proposals and concrete initiatives.

Apindustria joins Confimi Industria, Confederation of Italian Manufacturing Industry established on 5 December 2012 to represent and support the Italian manufacturing and services sector.

Confimi Industria is a signatory of national collective labour agreements, it is the usual interlocutor recognised by politics at the government and parliamentary level; it is audited in the Budget Law and in the main hearings relating to the SME sector. Furthermore, Confimi Industria attends tables and engages in concrete dialogue with ABI (Italian Banking Association), the Italian Revenue Agency and the Customs Agency, and has signed protocols with organisations such as SACE, ICE, SIMEST, members of the government's Internationalisation Steering Committee.

Sustainable development

Global Compact:



The **United Nations Global Compact** is the world's largest strategic corporate citizenship initiative. It stems from the desire to promote a sustainable global economy: respectful of human rights and labour, the protection of the environment and the fight against corruption.

Technological development

Associazione Italiana Prove non Distruttive Monitoraggio Diagnostica – AIPnD:



The **Associazione Italiana Prove non Distruttive Monitoraggio Diagnostica – AIPnD** – is a non-profit, scientific, cultural and professional organisation.

It was established in 1979; it is among the first in the world in its field and includes Members belonging to about 1000 Bodies such as: Companies, Institutes, Research Centres, Organisations, Schools, Universities, Professional Studies, Manufacturers and Sellers of PnD instrumentation and products and PnD Service Companies.

The aims of the Association are:

- promotion of scientific and technical knowledge and technological development of non-destructive testing through information and education;
- enhancement of the professional activities of those operating in the sector;
- promotion of associative and cultural life to promote the exchange of ideas, experiences and knowledge among the Members.

Environmental protection

CONAI:



CONAI, Consorzio Nazionale Imballaggi, is a private consortium that operates on a non-profit basis and is a system that constitutes the response of private companies to a problem of collective interest, such as the environmental one, in compliance with the guidelines and objectives set by the political system. The Consortium has about 760,000 companies producing and using packaging. Established on the basis of the Ronchi Decree of 1997, the Consortium has marked the transition from a management system based on landfill to an integrated system, which is based on the prevention, recovery and recycling of the six packaging materials: steel, aluminum, paper, wood, plastic, bioplastic and glass.

Socials.

 FB Followers **1.212**

 LinkedIn Followers **5.117**

On the Belleli Energy CPE Facebook pages, a total of **21** posts were created during 2021, of which 18 with images and 3 with videos.

Classifying the posts according to the topics covered, we find **3** posts related to results achieved, such as the completion of orders or the start of new projects, **10** of the posts concern short stories related to the daily life of the company (employees, training activities, participation in events, production activities, etc.), **3** posts fall within the institutional communication (interviews, collaborations, projects in support of the territory, etc.) while the remaining **5** posts are related to various communications such as announcements for the search for personnel and selections for internal courses.

On the LinkedIn pages of Belleli Energy CPE, **15** posts were published during the year, of whi-

ch **12** with text and images and **3** with videos, with an average of 7,800 views per post and a total of 16,599 interactions (comments, reactions, shares, clicks).

Of the 15 posts, **4** are related to results achieved, such as the completion of orders or the start of new projects, **6** posts are part of the institutional communication (interviews, collaborations, projects in support of the territory, etc.), **2** posts are storytelling of company life, **3** are announcements for the search for personnel and internal training courses.

Business activity

“
The strength lies in the quality
”

Friedrich Nietzsche

The brand.

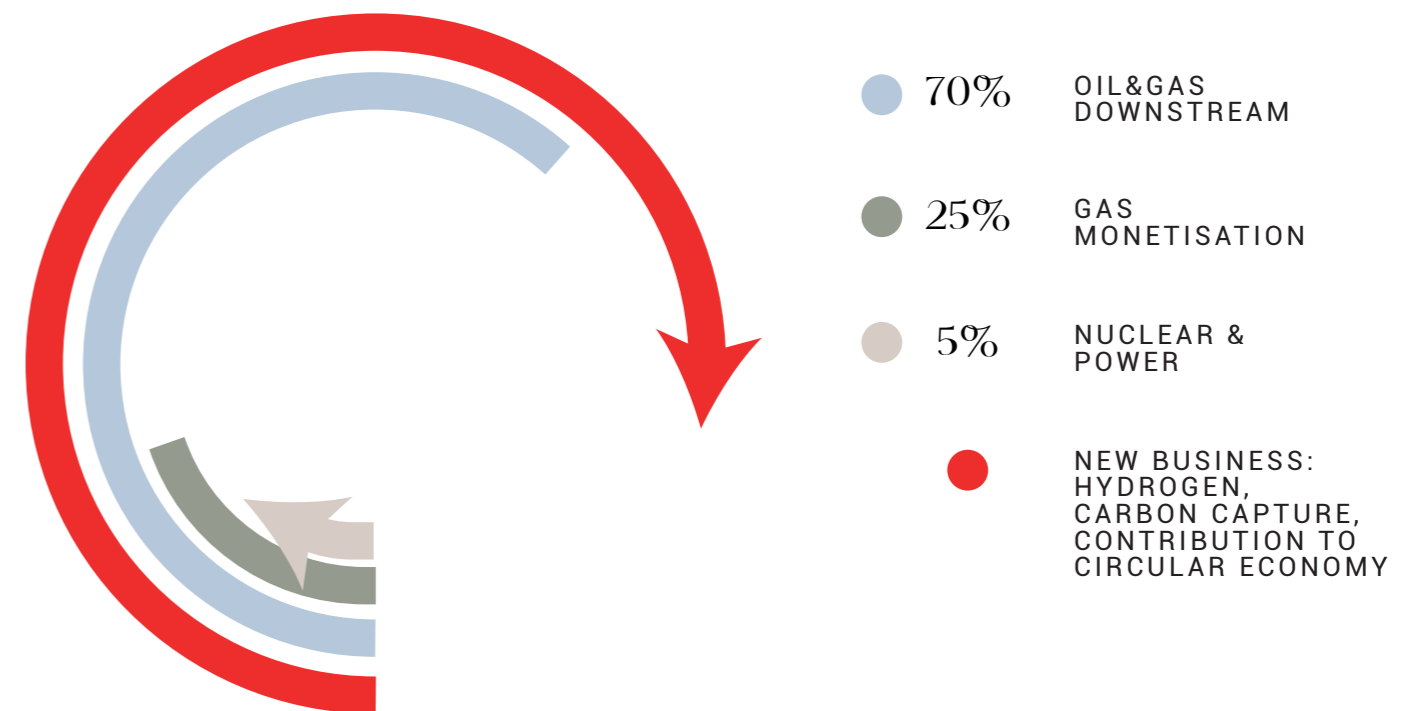
The company sells its products with the following brand:



Core products and new business.

(GRI 102-2)

The Company designs and manufactures critical process and storage equipment for the Oil & Gas, Gas monetization, Power sectors. Since we are faced with the need and urgency of long-term strategic choices, the Group has planned to expand its offer towards products that embrace unavoidable complexities such as the environmental, ethical and social dimension.





OIL & GAS DOWNSTREAM

The high level skills in the design and construction of critical components (large reactors - up to 1,850 t- separators and heat exchangers) at high pressure and high temperatures for hydrocracking, hydrotreating, desulphurisation, gas treatment make Belleli Energy CPE a reference supplier for refineries and chemical and petrochemical industries. The company is able to produce components using the most innovative and advanced materials in the sector (low alloy chromium-molybdenum-vanadium steels, nickel alloys, stainless steels, etc.) in compliance with the main international codes established for design and production.

GAS MONETISATION

With regard to gas monetisation - transformation of gas into chemical products - Belleli Energy CPE is a partner of process licensees in the urea, ammonia and methanol sectors for the supply of critical process equipment globally, making available its historic ability to create large process exchangers that require the use of advanced materials in the field of corrosion.

NUCLEAR & POWER

The company is already active in the field of nuclear fusion research thanks to the creation of two segments of Vacuum Vessel for the ITER (International Thermonuclear Experimental Reactor) project. Qualification activities are in progress for the supply of critical components for other TOKAMAK machines that will be launched in the coming years.

Taking into account the fact that fission power and, in the coming decades, fusion power, re-

present a continuous source practically free of CO2 emissions, the Tosto Group believes that this area is destined to grow in the short and medium long term in order to achieve the objectives of the Green Deal by 2050.

NEW BUSINESS: HYDROGEN, CARBON CAPTURE, CONTRIBUTION TO CIRCULAR ECONOMY

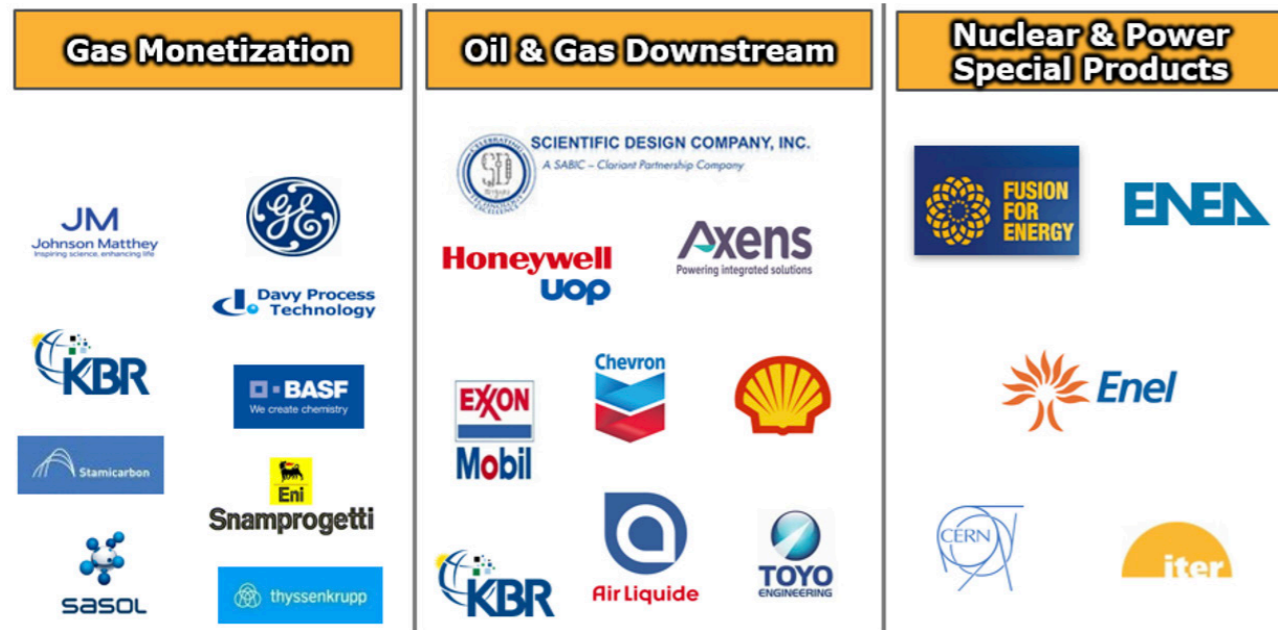
Belleli Energy CPE can play a leading role in the process of Transition towards a Low Carbon Economy, in Italy, in Europe and worldwide. The company invests in R&D for the implementation of projects aimed at combating climate change through the responsible use of resources, their integration, in a circular economy logic, with other sources and with waste. This evolution of the business allows to pursue the SDGs defined by the United Nations Global Compact to which the Tosto Group adheres. Belleli Energy CPE has carried out detailed studies for process licensees, aimed mainly at qualifying materials and identifying possible manufacturing alternatives related to critical equipment for the recycling of waste or plastic materials.

The Group has the ambition to challenge the design of equipment used in the circular process such as gasification, pyrolysis, etc..

Finally, Belleli Energy CPE is very active in the renewable energy chain and in particular in the storage of gaseous green hydrogen; in this area it is taking an active part in promoting research activities with industrial partners and research bodies and universities with which it is carrying out detailed studies.



Customers.



Qualification Process

The Qualification Process is a real examination that companies in the relevant sector (Suppliers) have to undergo in order to be “admitted” to the List of Suppliers of the large groups in the Oil & Gas, Chemical, Petrochemical and Nuclear sectors (End User/Main Contractor/Licensor). The scope of action of the sector’s players is the focus of attention of governments and environmental organisations, as they directly impact issues such as Health and Safety; therefore, a careful evaluation of the technical requirements, quality and compliance with the regulations in force of the devices produced becomes essential. The Qualification Process has two main objectives:

- verify, evaluate and monitor the technical, organisational and management skills, compliance with HSEQ requirements, ethical and reputational reliability, economic and financial soundness of a potential supplier, in compliance with the standards defined both by the End User and by current regulations;
- select the best Suppliers on the market.

Once the Qualification Process has started, a multidisciplinary team of experts will evaluate the Supplier by means of documentary analysis (Questionnaires and In-depth Documents) and, if necessary, also by means of a further verification in the field that will concern skills (Technical Assessment), capabilities, means of the supplier. The outcome of the Qualification Process will be accompanied by an official communication from the End User/Main contractor/Licensor to the Supplier. If positive, by means of a real Certificate of Qualification or by an official Letter/email. An improvement plan may sometimes be attached to this communication: this plan will contain guidelines for the topics and action areas for which specific improvement actions are requested from the supplier concerned.

On average, 20 qualifications are held per year, including new initiatives and maintenance of existing ones.

Relationship with customers

Belleli Energy CPE has always valued long-term relationships with its customers. The loyalty of its customers is the basis of each and every company performance. A loyal customer is worth more than a thousand marketing campaigns and promotional strategies, especially in a sector such as that of reference where a good performance has a global echo.

For this reason, the Company always places a lot of emphasis on the aspects considered critical by customers such as compliance with delivery times, a quality supply that complies with the contractual technical requirements and a proactive attitude aimed at jointly solving the problems that may arise during the implementation of the projects.

With this completely “Customer oriented” perspective, Belleli Energy CPE has managed

over the years to earn the trust and respect of many international customers by signing various Strategic and long-term collaboration relationships in the Netherlands and the United States. A high area of strategic interest for Belleli Energy CPE, always from the point of view of a valuable relationship with its customers, is research and development. In fact, the Company is engaged in various co-design or value engineering activities with its main customers, with the aim of supporting them in their technical development activities by consolidating their loyalty.

Customer satisfaction

The attention paid to issues related to the quality of the product and related services is also confirmed this year by the results of the “customer satisfaction” surveys. The Surveys concern the relationship with the customer, the quality of the products and services offered, the management of the order, compliance with delivery times, relations with the Belleli Energy CPE personnel who managed the order, the level of engineering, quality control. As an alternative to the questionnaire, an Appreciation Letter or complaint is requested. The participation rate is on average 60% and the results were very positive (98%):

	no. of questionnaires sent	no. of questionnaires received
2021	3	2 + 2 appreciation letter
2020	2	1 + 1 appreciation letter
2019	4	1 + 1 appreciation letter

Meeting sessions are also organised together with the Clients totally dedicated to the

evaluation of the company’s performance. Subsequently, the analysis of the results is carried out in dedicated internal meetings whose objective is to define specific countermeasures to mitigate the risk of repetition of “negative” events and to improve the aspects highlighted as “medium” or “to be developed”.

Among the various customer events, Belleli Energy CPE is proud and honoured to have received an important award from the Bayernoil MHC customer company, who thanks for “...Great work has been done on this project, both in the implementation of the small transition reactor and in the final installation of the two large new reactors. From engineering through production, construction to commissioning, all project phases were carried out professionally and the system was even able to be put into operation earlier than planned in the already very optimistic schedule. Please pass the message of this remarkable flagship project with its successful story to all of your team without which it would not have been possible. Thanks very much.”, as stated in the letter of appreciation received to confirm the ability to respond to market challenges and the consolidation of the position of excellence among the world manufacturers of critical process equipment.

Internationality.

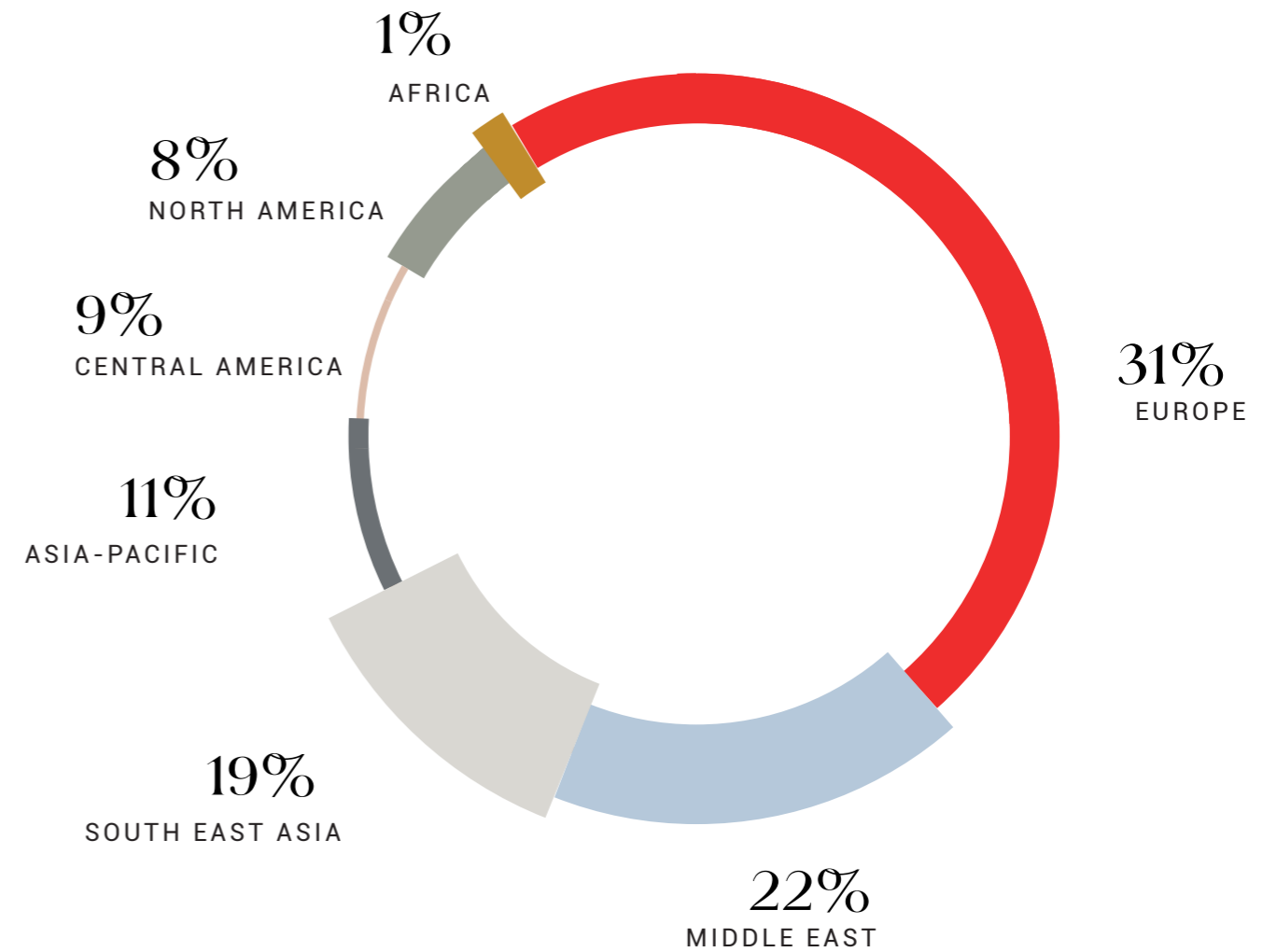
(GRI 102-6) (102-7)

Strongly present and internationally recognized, Belleli Energy CPE has been included in the vendor list of the most important customers worldwide. Although the market has been subject to an increasing presence of manufacturers from low-cost countries, the company has been able to maintain its position as market leader by focusing on quality, reliability, financial solidity and on-time delivery.

Belleli Energy CPE exports 94% of its products abroad (average over the last three years), therefore, it has an international vocation and is known and renowned all over the world.

The type of markets supplied in fact pushes the Company to export its products and services wherever there is a need to build new plants or replace existing items.

Below, the outlet markets based on an average percentage of the last three years (2019, 2020, 2021):



Logistics.

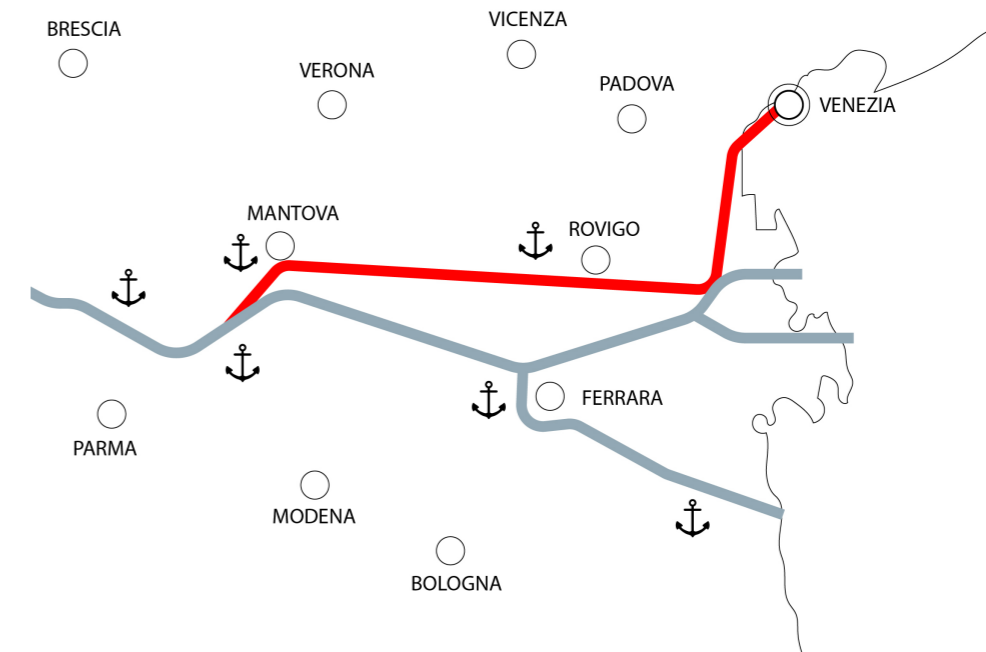
Not only high technological capabilities, but also punctuality in deliveries are a key factor for customer satisfaction and loyalty. Logistics is a process that consists of planning, implementing and controlling the actual flow of raw materials, processed products, finished products and related information, from the point of origin to the point of destination, in order to meet the production needs and requests of the customer. This whole process is carried out trying never to neglect the importance of the impact that the logistics has on the atmosphere: the optimisation of transports turns out to be the most effective instrument in helping to reduce the quantity of emissions of harmful substances in the atmosphere.

The challenges for companies that decide to embark on the path of eco-sustainability are manifold because they must reduce the environmental impact and at the same time create competitive advantages. The substantial flow of incoming and outgoing materials is managed in such a way as to reduce road travel as much as possible and promotes the combined river / sea travel for the largest batches.

All this is possible thanks to the excellent logistics managed by Belleli Energy CPE who, having to respond to the needs of large capacity plants, over time has specialised in the delivery of reactors of ever larger dimensions and with superior performance compared to the past. The flexibility of Belleli Energy CPE has made it possible, over the years, to adapt promptly to more stringent and demanding project requirements. To make logistics sustainable, the company has favoured transport solutions with a

low environmental impact and effective use of the existing river infrastructures in the territory of Mantua.

The majority of the items are delivered by sea, as they far exceed the dimensions of the packages considered standard. These are shipped directly from the seafront workshops on the Adriatic in Italy.



Belleli Energy CPE is equipped with a private port area of 25,000 square meters, served by a barge of property with a nominal load capacity of 2,000 tons.

The Company also has at its disposal:

- 78 m long loading dock;
- 4 lifting cranes (Derrick type), with load capacity up to about 1,500 tons.

The port is directly connected by artificial canals and the river Po to Porto Marghera (Venice).

It can therefore be said that the awareness of how the logistics process is decisive and essential for the success of each project, makes this aspect represent for Belleli Energy CPE a fundamental critical element able to differentiate it from the competition.

International exhibitions and events.

Belleli Energy CPE participates annually in the most prestigious international fairs in the Oil & Gas, Chemical, Petrochemical, Nuclear, Food & Pharma sectors. Similar events also represent an opportunity for professional growth for the employees involved.

Among the most important fairs in which Belleli Energy CPE has participated during the various editions we point out:

- **Nitrogen + Syngas**, a platform that for over 30 years has allowed the creation of collaborations between companies and professionals in the nitrogen and syngas industries (Europe and the USA);
- **ADIPEC**, the main event dedicated to Oil & Gas in the Middle East;
- **Central Asian Oil & Gas in Uzbekistan** (Tashkent);
- **OGT** (Oil and Gas Turkmenistan): one of the most significant events both at regional and international level that constitutes an important opportunity to have access to the latest trends and developments in the Oil & Gas sector;
- **Egypts**, the largest event in the Mediterranean dedicated to Oil & Gas;
- **ESOPE**, one of the most important international events dedicated to the pressure equipment industry;
- **Symposium Stamicarbon** - Utrecht.





“

Innovation:
the fuel of a
company's
longevity

”

Innovation

2019 2020 2021 SDGs

Spending on R&D:	243.825,48 €	864.402,98 €	574.679,58 €	9 IMPRESE, INNOVAZIONE E INFRASTRUTTURE 
• Evolutionary and adaptive systems	0	407.484,38 €	288.747,53 €	
• Innovative materials	0	23.190,82 €	29.151,22 €	
• Innovative processes	141.677,94 €	78.246,42 €	191.742,99 €	
• Innovative Equipment / Machinery	27.781,14 €	355.481,36 €	10.284,44 €	
• Innovative Products	74.366,40 €	0	54.753,40 €	12 CONSUMO E PRODUZIONE RESPONSABILI 
APPLICATIONS FOR THE FIRST FILING OF PATENTS	0	0	0	
EXISTING PATENTS	8	8	8	
AVERAGE PATENT AGE	3,12	4,12	5,12	
NUMBER OF PARTNERSHIPS IN R&D	2	3	1	
OF WHICH WITH UNIVERSITIES AND RESEARCH CENTRES	2	2	0	
EMPLOYEES ENGAGED IN R&D&I	16	19	90	

Belleli Energy CPE firmly believes in the importance of R&D and innovation as contributions to the realisation of a new social, sustainable and inclusive economy.

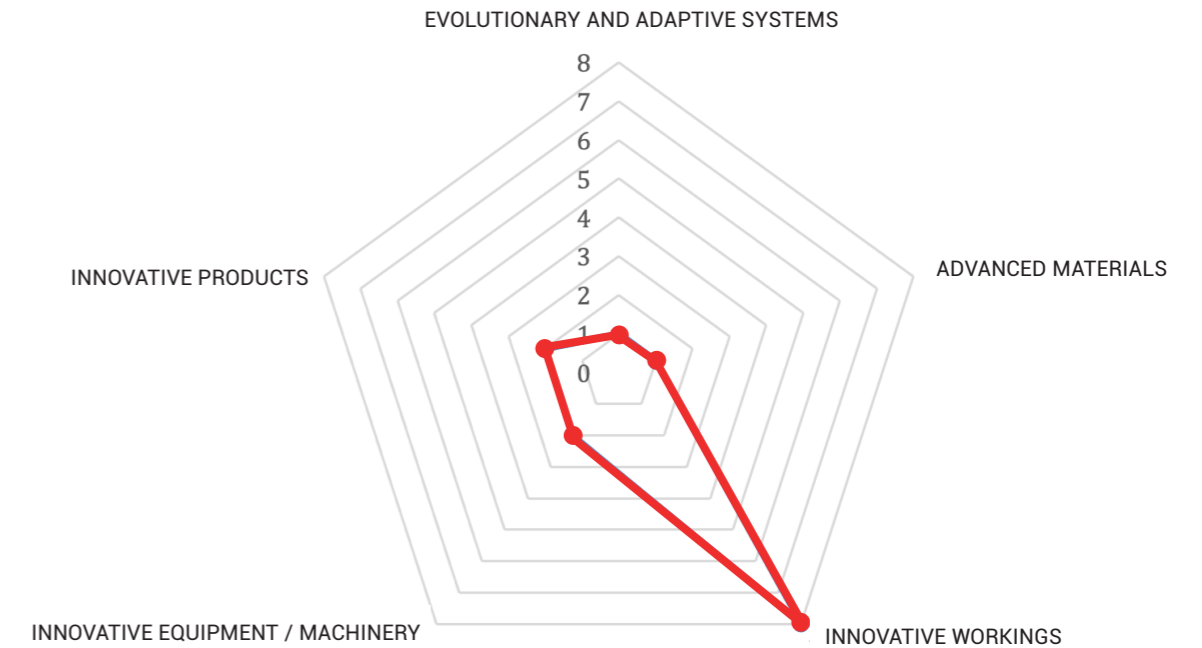
In compliance with the definitions adopted by the Frascati Manual and the Oslo Manual prepared by the OECD, the company carries out applied research, experimental development and innovation, adding value to itself and its stakeholders.

Most R&D projects are linked to production needs and purposes and are based on technical engineering activities for the realisation of tests, prototypes and pilot plants.

The interactions of the R&D department with other company functions reduce risks, enhance resources and company knowledge, generating a “cultural environment” leading to change.

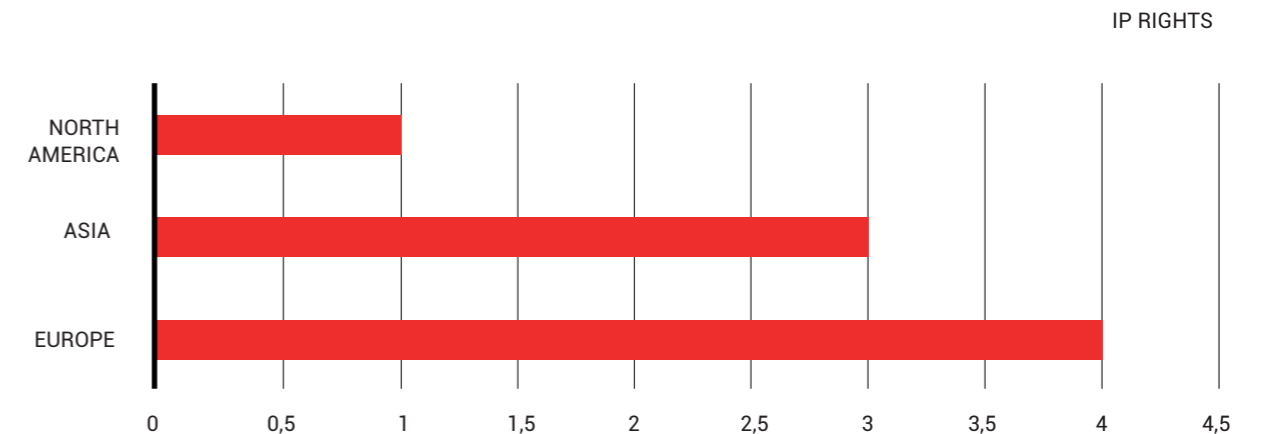
R&D&I Areas.

The company has developed several projects in-house in the following areas: evolutionary and adaptive production systems, advanced materials, processing, products and innovative machinery.



Patents.

R&D activity is also reflected in patent filings in the countries in which Belleli Energy CPE operates. The total IP rights portfolio has 8 deposits in 6 countries around the world (Italy, USA, South Korea, Japan, Russian Federation, India).



In 1986, Belleli patented and produced its first Breech-Lock Heat Exchanger, with over 200 Breech-Locks produced so far and a total of 800 High Pressure Heat Exchangers.

Belleli Energy CPE was one of the first companies to use Chrome molybdenum Vanadium steel, having participated in the European research project on the addition of Vanadium to the low steel linked to Chrome Molybdenum in 1992, pioneering a trend that to date is well stabilized in the production of Reactors, Pressure Vessels and Heat Exchangers.

Over 20 years, Belleli Energy CPE has more than 70 reactors and 17 Chromium Molybdenum Vanadium Exchangers with a total of 120 reactors produced and delivered, with a unit weight of up to 1,800 tons.

In 2018, Belleli Energy CPE obtained a patent for an innovative “MONOWELD” welding process, in particular for low-grade materials related to Chrome Molybdenum Vanadium with significant results in terms of cost reduction and quality improvement.

It should be noted that the counting of the average age of patents was carried out considering validations with seniority from the European patent of origin.

Open Innovation.

Innovation is not just technology, but it reflects a cultural change that constitutes a new way of relating to the world.

Joseph Schumpeter, a development theorist, focused his monumental analysis on a single word: innovation. Starting from a company or an entrepreneur, a “swarm”, such as that of

bees migrating to a new hive, comes together developing new initiatives and launching development.

Open innovation represents the strategic approach of the Company to create highly innovative projects using a network of highly specialised partners able to bring added value to the existing know-how.

Collaborations with Universities and Research Centres.

(GRI 102-12) (GRI 102-13)

There are numerous relationships developed in the field of R&D with prestigious Universities and Research Centres, including the Milan Polytechnic, UNIMORE University of Modena and Reggio Emilia, Italian Welding Institute.

We mention the most important one, namely the high training course “Critical process equipment expert” concluded in 2021 with the collaboration of the aforementioned partners.

In addition, Belleli Energy CPE participates as a non-formal member in various API committees (Association Petroleum Institute) contributing thanks to its expertise in the field of design and manufacturing to the definition of guidelines relating to specialist areas in the materials sector, with specific reference to welding and heat treatment aspects (API 934; API 582; API 938).

Publications.

Various publications have been made in the field of applied industrial research in collaboration with universities, research bodies and other companies. Belleli Energy CPE's most significant publications are listed below:

– **Improvements in the welding technology for heavy wall pressure vessels 2 ¼ CR 1m v low alloy steels**

F. Fusari, P. Marangoni, M. Musti, S. Alberini

From: ASME 2017 Pressure Vessels and Piping Conference

– **Numerical and experimental residual highlights of different welded joint configurations in heavy wall**

C. Colombo, S. Monti, M. Guagliano, L. Vergani, E. Fiordaligi, F. Fusari

From: ASME 2020 Pressure Vessels and Piping Conference
Conference Sponsors: Pressure Vessels and Piping Division

– **Alternative design approach by finite element analysis for high pressure equipment**

G.B. Trinca, N. Ronchi, F. Fusari, E. Fiordaligi

From: ASME 2020 Pressure Vessels and Piping Conference
Conference Sponsors: Pressure Vessels and Piping Division

– **Requirements for hydrogen storage: material selection and inherent quality tests**

F. Fusari

XII International Conference “Gas and Petrochemical. Towards Green Future”, OMSK, December 02/03/2021

Access to facilitated financing and incentive mechanisms

Belleli Energy CPE makes use of the tax credit for companies that invest in research and development activities and successfully promotes applications for funding for its activities, confirming the quality of its research. These projects are also useful to consolidate relationships with partners and suppliers able to identify and develop the cutting-edge technology in the fields of greatest interest to the company.

During 2021, the Company was engaged in research activities relating to the following project financed by the Ministry of Economic Development:

SDGs



Workshop Overseas Learn Fabrication

Fund for Sustainable Growth - “Smart Factory” Facility F/190164/01/X44

Role: partner.
Activities: design and realisation of the modular structure, design and development of the new production process, design and realisation of the material handling system, design of the interface software for the interconnection of the subsystems.



R&D Objectives.

Belleli Energy CPE, always active in the search for the improvement of production cycles, to meet the changing needs of stakeholders, is adapting its long-term strategies to incorporate environmental and social aspects in its product offer and in the decision-making process.

Organisational capabilities and sustainability performance suggest possible directions for future research.

In the short term, instead, the company will continue to take the necessary actions to be part of national and international research and development projects by taking active roles and improving knowledge. With regard to research topics, in line with global strategies, Belleli Energy CPE follows the action of innovation and market reform necessary to drive the **energy and ecological transition**.

In this context, **renewable sources, hydrogen, the circular economy and low-carbon solutions and energy efficiency solutions, the use of CO2** can be listed as topics of attention. The company's long-term goals

are to play a pioneering role in the development of innovative components in the process industry and to offer sustainable products to the market through national and international collaboration. Thanks to the know-how and experience gained over many years, the company will be part of the technology in the industrial production sectors.

In addition, the company will be involved in all technical aspects for the scale-up of emerging technologies for the production of **hydrogen**.

Like all companies in the Tosto Group, Belleli Energy CPE is also very active in the renewable energy chain and in particular the storage of **gaseous green hydrogen**; in this area it is taking an active part in promoting research activities with industrial partners and research bodies and universities and is carrying out detailed studies, aimed above all at the qualification of materials and identifying possible manufacturing alternatives.

A project, in the advanced proposal phase, will evaluate the possibility

of using gaseous hydrogen instead of natural gas (methane) for one of the heat treatment furnaces with undoubtedly positive effect on the reduction of harmful emissions.

Careful and committed to contributing to the production of low-carbon electricity, Belleli Energy CPE has launched a program of investments in knowledge, modernisation of plants and relaunching its participation in the construction of **new generation nuclear plants**, both in the short term, with innovative fission plants, and in the medium term with nuclear fusion plants and generation IV.

The company is already active in the field of **nuclear fusion** research thanks to the creation of two segments of Vacuum Vessel for the ITER (International Thermonuclear Experimental Reactor) project, qualification activities are in progress for the supply of critical components for other TOKAMAK machines that will be launched in the coming years.

Finally, Belleli Energy CPE has again obtained the N press and started a new qualification path with the main players in the sector for the construction of components for new generation nuclear plants and Small Modular Reactor.



ESG
governance
and culture

“
Great
companies
are internally
driven,
externally
aware

”

Jim Collins

“

Our planet is
on fire and we
have to deal
with it

”

Borge Brende - President of World Economic Forum

Megatrends in the 2030 scenario.

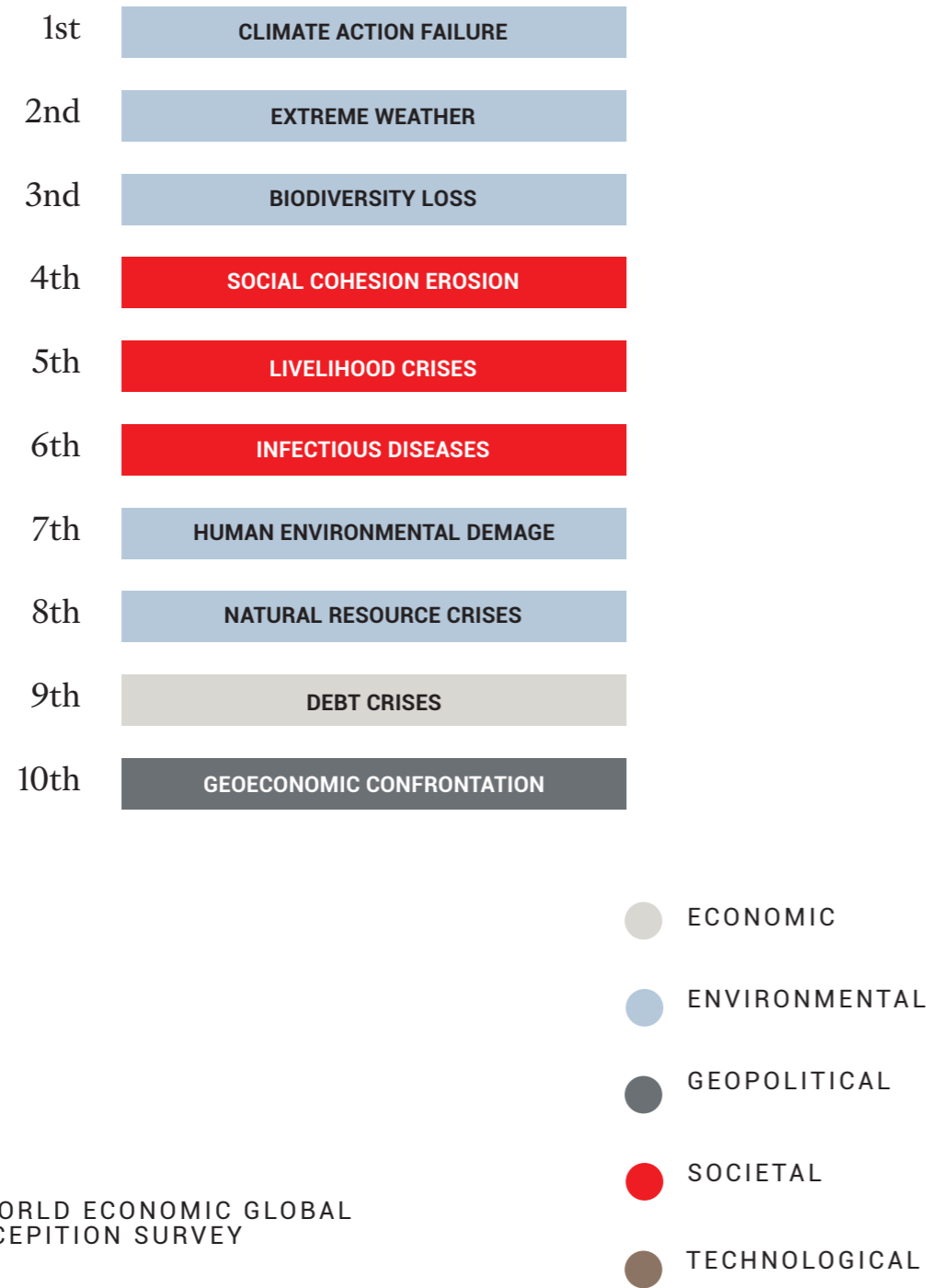
Megatrends are disruptive forces capable of transforming the economy, the way of doing business and society.

Identifying megatrends is an essential activity for companies, as it allows us to understand the context within which we operate to better anticipate or manage the threats and risks involved. Examining the key points of the main Reports is crucial for corporate risk management and economic, social and governance (ESG) strategy in 2022.

One of the Reports highlighting the risks of the near future is the Global Risk Report published annually by the World Economic Forum: the 17th edition offers a rich perspective on the main threats that could impact global prosperity over the course of 2022 and the next decade.

In 2021, the crisis caused by COVID-19 is still looming and its fractures at the environmental, social and economic levels continue to be felt.

“Identify the most severe risks on a Global scale over the next 10 years”



SOURCE: WORLD ECONOMIC GLOBAL RISKS PERCEPTION SURVEY 2021-2022

Also for 2021, environmental risks are confirmed as those potentially most serious for the next decade. Climate action failure, extreme weather events and biodiversity loss have been identified as the three global risks that are expected to have the most damaging effect over the next ten years. Their expected predicted flow effects are wide-ranging and include intensified rates of involuntary migration, natural resource crises, pollution damage to health, geopolitical resources dispute, social security collapse, and livelihood and debt crises.

The pandemic and its collateral impacts on health, both physical and mental, have significantly accentuated the erosion of social cohesion by widening health inequalities in countries and penalizing long-term economic growth. Income inequalities are getting stronger and those who are most affected are young people, women and less skilled workers.

The debt crisis over the next five years will reach a tipping point. Goals such as income protection, job maintenance and business aid appear increasingly difficult to achieve due to too high a burden on governments.

The pandemic and its economic consequences have once again demonstrated that global, do not respect any political boundaries. The only way to address new threats is to implement a coordinated global response.

Another Report, which annually explores what are the long-term sustainable trends and their influence on business, suggesting responses to the private sector with the aim of advancing the sustainable development agenda, is the one prepared by the SustainAbility Institute by ERM.

quello redatto dal *SustainAbility Institute* by ERM.

Nell'ultima edizione, viene analizzato l'esito delle previsioni effettuate nell'anno passato che hanno interessato maggiormente il rapporto datore di lavoro-dipendente, l'adozione di obiettivi net-zero, il focus sulla natura per ridurre i cambiamenti climatici ed un approccio aziendale volto alla gestione di diversità, equità e inclusione (DEI).

1. INTEGRATING ESG
2. VALUING HUMAN CAPITAL
3. RESPONDING TO CLIMATE CHANGE
4. SAFEGUARDING NATURAL SYSTEMS
5. BUILDING SUSTAINABLE AND RESILIENT SUPPLY CHAINS
6. ENABLING SUSTAINABLE CONSUMPTION AND PRODUCTION
7. APPLYING TECHNOLOGY TO SUSTAINABILITY
8. PROTECTING FUNDAMENTAL RIGHTS
9. SHAPING POLICY, REGULATIONS AND NORMS
10. MOVING TOWARDS STAKEHOLDER CAPITALISM

The new trends still revolve around the pandemic and its significant impacts on various fronts such as supply chain disruption, human rights and health in the workplace. Responsible companies will be able to focus their attention on the multiple challenges of sustainable development and cooperate for a better future.

All companies will need to constantly strengthen and review their risk mitigation strategies in order to improve their resilience to future crises.

Integrated management of sustainability risks.

The current macroeconomic context is showing an increasing focus on risk management, especially with reference to “non-financial” or “ESG” risks. According to the Global Risks Report, prepared by the World Economic Forum, over the last ten years the nature of risks has profoundly changed, evolving from the economic-financial field towards trend-topic related to the environment, in particular to climate change, and the social dimension.

The Tosto Group operates in sectors characterised by a high complexity of its activities that can also lead to significant risks, whose supervision is, therefore, essential to guarantee the continuity of the company. During 2021, an integration was achieved between business risks and specific sustainability risks in order to contribute to the sustainable success of the Companies and, therefore, of the Group. Therefore, an integrated business strategy has been developed with ESG issues not only because today financial stakeholders show interest in companies that develop their business from a “sustainable” perspective but also because it is the mandatory way to achieve the 17 sustainable development goals in 2030, creating value for the community.

The analysis conducted on the Risk Universe has allowed the identification and highlighting of 24 ESG risks (Environmental, Social and Governance) whose management methods are described below and whose control will contribute to the achievement of long-term ethical sustainability.

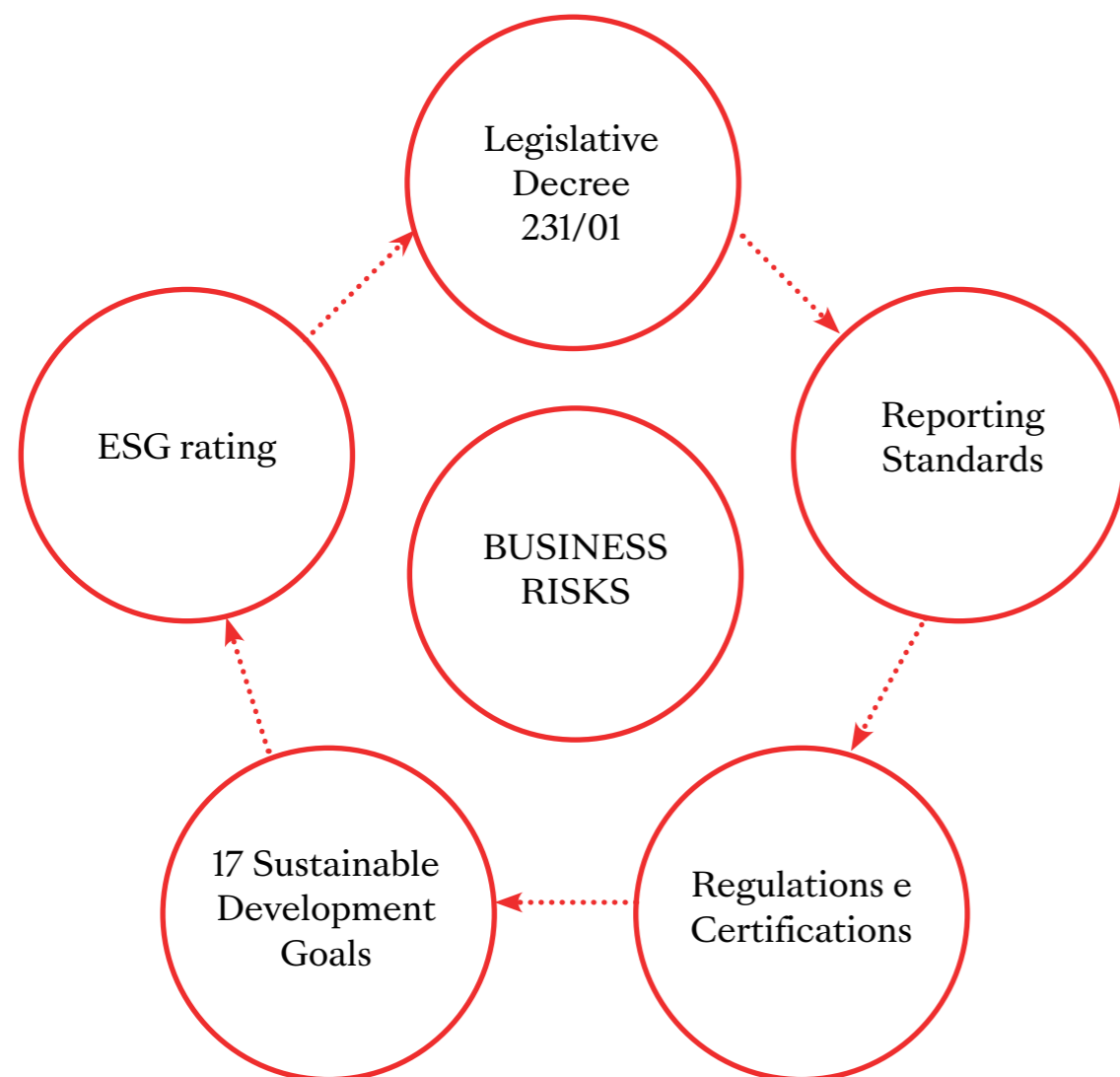
E-S-G	CATEGORY OF RISK	DESCRIPTION OF THE FACTOR OF RISK	E-S-G	CATEGORY OF RISK	DESCRIPTION OF THE FACTOR OF RISK
G	RISKS OF NEW TECHNOLOGIES	The inability of the company to seize new development opportunities prevents the achievement of significant improvements in terms of products, processes, effectiveness and efficiency. This could have an impact on full achievement of short term corporate objectives and medium-long term, including possible repercussions in terms of time-to-market of new products/services, as well as access to emerging business segments.	S	RISKS CONNECTED TO THE MANAGEMENT OF HUMAN RESOURCES	Human resources if not valued in terms of motivation and training do not contribute to business success. Attracting young talents and retaining qualified staff allows significant advantages to be developed in the competitive arena. Diversity and equal opportunities must be guaranteed in all workplaces. Failure to achieve these objectives creates dissatisfaction among employees and consequently impacts on productivity.
G	COMPLIANCE RISKS	Failure to comply with laws and regulations entails administrative and judicial penalties, causing damage to productivity.	S	OCCUPATIONAL HEALTH AND SAFETY RISKS	Health as a fundamental human right must be protected and guaranteed in every business environment. It is considered to be the result not only of biological processes but also of economic, social, political, cultural and environmental processes. Safety at the workplace, regardless of any contingent factor, must also ensure the safety of all employees. The commitment, aimed at zeroing accidents, aims at the management of health and safety risks and the application of an accurate system of procedures and standards for the protection of employees, suppliers and processes. The risk is minimised by spreading and strengthening the culture of safety, as an essential part of the activities, with the development of campaigns and projects that promote healthy and safe behaviours in every work environment.
G	RISKS RELATED TO CORRUPTION	Taking conduct aimed at corruption damages the deep integrity of the company.			
G	RISK OF ACTS OF UNFAIR COMPETITION	Infringement of the rules protecting competition not only undermines the proper functioning of the market, but also harms businesses and consumers, resulting in penalties against the company.			
G	PRIVACY RISKS	The breach of the rules on the protection of sensitive data generates countless consequences: from reputational damage to criminal sanctions in the most serious cases.			
G	RISK RELATED TO THE ESG VALUATION ISSUED BY RATING COMPANIES	The company is assigned a medium-term non-financial rating by external agencies. A possible reduction in the ESG merit could severely limit the possibility of access to funding sources with consequent negative effects on the business development prospects.	S	RISKS CONNECTED TO THE VIOLATION OF HUMAN RIGHTS	Respect for human rights is based on the dignity of every human being and on the responsibility of companies to contribute to the well-being of individuals and local communities. This approach is rooted and diffused in the corporate culture. The commitment starts from relations with collaborators and extends to those with local communities, governments, suppliers and all business partners, as well as security activities and workers' rights. This commitment is based on the United Nations Universal Declaration of Human Rights and is reinforced by adherence to the 10 principles of the Global Compact.
G	CUSTOMER SATISFACTION	Customer satisfaction is a fundamental part of company success. Understanding the needs of customers allows the company to generate value internally and externally but the incorrect identification of the same exposes the company to a loss of market share and competitiveness.			
G	RISK OF FRAUD AND ILLEGAL ACTIVITY	Ethically incorrect or not fully compliant conduct by employees or third parties exposes the company to legal proceedings capable of producing any suspensions in the markets served.	S	RISKS CONNECTED TO LOCAL CONTENT	Local Content is of fundamental importance for the development of local communities: an effective strategy can create social and commercial advantages that stimulate economic growth and contribute to the sustainable development of companies and communities. On the contrary, if the company does not pay sufficient attention to the local communities, both in terms of impact and in terms of development projects, in addition to damaging them, it would incur significant reputational damage.
G	RISK ASSOCIATED WITH INTELLECTUAL PROPERTY	The strategic advantage is also linked to the ability to protect the results arising from R&D projects through intellectual property such as patents and industrial secrecy. However, the leakage of data by employees or suppliers cannot be excluded, especially in highly competitive sectors.	S	SUSTAINABLE SUPPLY CHAIN	A continuous audit of the supply chain will allow the company to select the most environmentally and socially virtuous suppliers. Failure to take advantage of this

E-S-G	CATEGORY OF RISK	DESCRIPTION OF THE FACTOR OF RISK
S	RISKS CONNECTED TO THE SKILLS GAP	opportunity would prevent the company from lowering costs, improving its image and creating sustainable innovative processes. The growing competition in the sectors served by the company requires a constant development of skills to generate products capable of generating value. A lack of specific capacities would jeopardise the achievement of company objectives.
S	PANDEMIC RISKS	The occurrence of a pandemic can undermine the health of people to the point of endangering the health and socio-economic systems of the countries involved.
E-S	PROCESS SAFETY AND ASSET INTEGRITY INCIDENTS	All systems must be well designed, built with suitable materials, well working and finally decommissioned, managing the residual risk in the best possible way, to guarantee maximum reliability and above all safety for people and the environment. The culture of asset integrity must be spread across the organisation.
E	ENVIRONMENTAL RISKS	Failure to comply with environmental laws, the incorrect understanding of phenomena related to climate change and the failure to activate internal control systems do not allow the company to fully exploit the opportunities for improvement both under the reputational and operational sphere.
E	RISKS OF NATURAL DISASTERS	An unexpected event can prevent the normal conduct of business activities causing a compression of profits.
E	RISKS OF LACK OF CARBON MANAGEMENT	A legislative and regulatory regime aimed at establishing a low-emissions economy could disrupt markets and cause more frequent shortages in supply chains, labour and production. Being ready for this change protects companies from a disruption of national and international activities. A solid and preventive net zero strategy minimises the impacts of the global transition.
TRANSVERSAL RISKS	CYBER IT RISK	The cyber risks associated with the growth of digitisation and the recent spread of remote working appear to be constantly growing. Cyber incidents, including in the supply chain, business interruption, spillage of personal data and loss of information, even of strategic importance, can compromise the company's business and image.
	DISASTER RISK (PANDEMIC)	The occurrence of a pandemic and the related variability of the risk factors associated with it makes it difficult to

E-S-G	CATEGORY OF RISK	DESCRIPTION OF THE FACTOR OF RISK
TRANSVERSAL RISKS	DISASTER RISK (WAR)	carry out the normal activities of the company. There are innumerable risks connected to a possible conflict: crisis of the logistics chains, interruption of consolidated economic and financial flows, separation from foreign branches, deprivation of a wide range of market up to a considerable loss of jobs.
	EXPENSIVE ENERGY RISK	The increase in energy costs can put serious difficulties in the production chains that use gas and electricity to the point of stopping for unsustainable costs. Continuing to invest in the production of renewable energy independently remains a priority.
	PROCUREMENT RISK	In globalised supply chains and complex factors such as those related to the pandemic and conflict can compromise supply, critically affecting the availability of production components.
	RISKS CONNECTED TO RELATIONSHIPS WITH STAKEHOLDERS	A continuous audit of the supply chain will allow the company to identify the most critical areas in order to increase their resilience.
	REPUTATION RISKS	Dialogue and the involvement of stakeholders are fundamental elements for the creation of sustainable value. Openness to mutual listening and exchange, the inclusion, understanding of stakeholder expectations as well as the sharing of choices serve to increase the trust, transparency and integrity of the business. Although connected to multiple intangible elements, they generate tangible impacts from an economic and financial point of view. Damage to the brand image causes innumerable consequences: from the loss of customers, following a lower strategic positioning compared to the competition, to the difficulty in finding sources of financing.

Main ESG risk mitigation tools.

The Sustainable Enterprise Risk Management (SERM) process is based on a series of different regulatory and regulatory provisions that allow the integration of the ordinary Enterprise Risk Management policies, with the analysis of non-financial risks.



Organisation and management model pursuant to Legislative Decree 231/01.

(GRI 102-11) (GRI 102-16) (GRI 103-1) (GRI 205-1)

An important piece of legislation in the context of the ESG risk assessment is represented by the regulations dictated by Italian Legislative Decree 231/2001 concerning the administrative liability regime of the company for unlawful acts constituting a crime and committed by the employees of the company. Over the years, legislation 231 has constantly evolved to include environmental crimes, crimes against the individual and other cases related to corruption, etc. Belleli Energy CPE adopted the procedures and model 231 in 2018 and in 2022 it implemented an updating process to adapt to regulatory changes related to the introduction of new crimes. The current Model opens with the General Part, which provides an overview of the reference legislation followed by an introductory part on the function of the Model and its operation within the Company; the disciplinary system and description of the role, composition, operation and tasks of the Supervisory Body in force are added. The second part of the Model, entitled “special”, contains the formalisation of specific decision protocols for “sensitive process” with respect to the individual crime families in which it is divided. It should be noted that Belleli Energy CPE considers environmental protection and sustainable development a priority objective of its activity. For this reason, the model provides for periodic environmental

audits carried out by a subject that reports to the Supervisory Body, to guarantee the seriousness with which Belleli Energy treats the environmental matter.

The Model pursuant to Legislative Decree 231/2001 is constantly monitored and is freely available on the website in the Downloads section:



The Model closes with the Code of Ethics, as its integral part.

Code of Ethics.

(GRI 102-16)

The Code of Ethics of Belleli Energy CPE regulates the behaviour of people and regulates all the relationships that the company undertakes with third parties, such as suppliers, customers and the Public Administration, which must necessarily be characterised by transparency, fairness, honesty, integrity, impartiality.

The Code of Conduct is intended to be consistent with these guidelines and aims at ensuring that all members of the workforce act with the highest level of integrity, comply with the laws and build a better future for the Company and the community in which it operates.

The Belleli Energy CPE integrity system includes the following sections:

- **General ethical principles** that identify the company's commitment to the pursuit of its

values in business and personal conduct;

- **Basic rules** that must guide the daily **behaviours** of the recipients necessary to put the General Principles into practice;
- **Implementation and control mechanisms** for the correct application of the Code of Ethics.

The Code of Ethics, an integral part of the Organisation, Management and Control Model, has been approved by the Administrative Body and applies to members of corporate bodies, personnel and third parties. The Supervisory Body is entrusted with the task of monitoring the implementation and compliance with the Code of Ethics.

Faced with a substantial violation of the Code of Ethics, directors, auditors, employees and all those who come into contact with the company are required to inform the Supervisory Bodies. Different penalties apply depending on the person involved.

The Code of Ethics includes policies that pay attention to the **health and safety** of employees.

The Code of Ethics is freely available on the website in the Downloads section:



It was shared with the BoD and all of the staff.

Anti-corruption.

Belleli Energy CPE undertakes to comply with the highest standards of integrity, honesty and fairness in all internal and external business and will not tolerate any type of corruption.

The value reference of Belleli Energy CPE on the fight against corruption is constituted by the Code of Ethics and the tenth principle of the Global Compact that denies corruption “in all its forms, including extortion and bribes” and clearly outlines the permitted and prohibited conduct.

With specific reference to the prevention of crimes of corruption between private individuals and incitement to corruption between private individuals, the Recipients of this Model are prohibited, in particular, from:

- engage in conduct that is not characterised by honesty and respect for professional ethics;
- making cash donations to representatives (senior or subordinate) of other private companies aimed at obtaining any advantage for the Company;
- negotiating other advantages of any kind (promises of hiring, use of company assets, etc.) in favour of representatives of other private companies that may induce them to ensure any advantage for the Company;
- perform services or grant benefits of any kind in favour of business partners and/or consultants that are not adequately justified in the context of the relationship established with them;
- recognising remuneration or commissions in favour of consultants or external collaborators that do not find adequate justification or that are not adequately proportionate to the activity carried out, also in consideration of

market conditions, the type of assignment to be carried out and current local practices;

- make cash donations or recognising other benefits in favour of their suppliers, which are not adequately justified in the context of the relationship established with them or which may lead to ensuring an undue advantage for the Company;
- establish relationships with third parties in the event that situations of conflicts of interest may arise;
- derogate from the principles and operating procedures adopted when entering into contracts with third parties;
- envisage and/or make exceptions to the standard economic and legal contractual conditions that are not adequately reflected in normal market conditions;
- make payments to numbered accounts or in cash (except for modest amounts and in compliance with the company’s cash management procedure) and in any case to parties other than the contractual counterpart;
- distribute or receive gifts outside of the provisions of the Code of Ethics and internal rules;
- receive advantages of any kind, exceeding normal business practices or courtesy, or in any case aimed at acquiring undue favourable treatment in the conduct of any business activity, in exchange for the payment of money or benefits of any kind.

Antitrust.

(GRI 206-1)

Belleli Energy CPE recognises the fundamental importance of a competitive market and is committed to fully complying with the antitrust legislation in force in the countries where it operates. The value of competition is recognised when inspired by the principles of fairness, fair competition and transparency towards the operators on the market, undertaking not to unduly damage the image of competitors and their products. There are no legal actions for anti-competitive behaviour.

Legality Rating.

(GRI 102-16)

The Legality Rating is an innovative tool developed by the Competition and Market Authority (AGCM) in agreement with the Ministries of the Interior and Justice, aimed at promoting and introducing principles of ethical behaviour in the corporate sphere.

The rating has a range between a minimum of one 'star' (the company complies with legal principles) to a maximum of three 'stars' (the company complies with further requirements beyond legal obligations); the Competition and Market Authority has the possibility to add to the traditional stars also a "+" sign (the attribution of three positive signs corresponds



to the ex officio attribution of another star). The attribution of the rating by the Authority is based on the declarations of the companies that are subsequently verified through cross-checks with the data held by the public administrations concerned. The legality rating has a duration of two years from the issue and is renewable on request.

To the assignment of the rating, the legal system links advantages when granting public financing and facilities for access to bank credit. A further benefit is to increase the transparency and reputation of the company on the market.

Certifications and Regulations.

(GRI 102-11)

Belleli Energy CPE operates in its sector not only with the aim of satisfying its customers but also undertakes the responsibility of producing pressure devices that are suitable for the purpose for which they are made. This means that the equipment produced must be manufactured in strict compliance with the applicable technical requirements and must be certified as compliant at the end of the production process.

From this point of view, it is essential that both the company and its processes in general, as well as its products, are certified by external organisations recognised at national and international level.

Therefore, quality certifications respond to the need for **safety**, standardisation and


guarantee of products and manufacturing processes. Obtaining and maintaining these certifications certifies that the company's Quality System is such as to guarantee that the products manufactured will comply with all the requirements established by the different technical regulations, and will be adapted to operate safely for the purpose for which they were made.

Since 1998, Belleli Energy CPE has been operating through a quality management system that complies with the standards established by **ISO 9001 certification**. The company has also obtained further certifications such as:

- Stamp ASME U, U2, S.

- The Quality functional area is specialised for obtaining international credits such as SELO certification, which allows to operate in CHINA.

- In 2008, the ASME N, NPT and NS Stamps relating to the "Rules for the construction of nuclear components" were obtained.

Type of certificate	Description	Body that issued the Certificate	Issue Date	Expiration Date	SDGs
ISO 9001:2015	COMPLIANCE WITH ISO9001 FOR QUALITY MANAGEMENT SYSTEM	DNV	12/5/1998	1/8/2024	   
SELO: PRESSURE VESSELS	SAFETY MANUFACTURING LICENSE FOR PRESSURE VESSELS	GENERAL ADMINISTRATION OF QUALITY SUPERVISION, INSPECTION AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA	21/1/2020	2/6/2023	
CERTIFICATE OF AUTHORIZATION U	MANUFACTURE OF PRESSURE VESSELS AT SHOP AND/OR FIELD SITES	ASME	18/5/2021	18/5/2024	
CERTIFICATE OF AUTHORIZATION U2	MANUFACTURE OF PRESSURE VESSELS AT SHOP AND/OR FIELD SITES	ASME	18/5/2021	18/5/2024	
CERTIFICATE OF AUTHORIZATION N	DESIGN, FABRICATION AND INSPECTION OF PRESSURE COMPONENTS ACCORDING TO ASME CODE SECTION III (NUCLEAR)	ASME	4/1/2020	4/1/2023	
CERTIFICATE OF AUTHORIZATION S	MANUFACTURE OF POWER BOILERS AT SHOP AND/OR FIELD SITES	ASME	20/11/2021	20/11/2024	
CERTIFICATE OF AUTHORIZATION NPT	DESIGN, FABRICATION AND INSPECTION OF PRESSURE COMPONENTS ACCORDING TO ASME CODE SECTION III (NUCLEAR)	ASME	9/12/2011	9/12/2023	
CERTIFICATE OF AUTHORIZATION NS	DESIGN, FABRICATION AND INSPECTION OF PRESSURE COMPONENTS ACCORDING TO ASME CODE SECTION III (NUCLEAR)	ASME	9/12/2011	9/12/2023	

Product safety.

(GRI 102-11)


Due to the nature of its business, Belleli Energy CPE must carry out an assessment to prevent the risks associated with pressure equipment in compliance with the PED 2014/68/EU directive, which is taken into account in the design phase and subsequently in the testing phase of the device, and Italian Legislative Decree 81/2008 in terms of prevention and analysis of risks.

Risk prevention analysis

low	EVENTS THAT MAY COMPROMISE THE INTEGRITY OF THE MAIN PARTS.
medium	EVENTS THAT MAY COMPROMISE THE INTEGRITY OF THE EQUIPMENT UNDER EXAMINATION AND THE EQUIPMENT CONNECTED TO IT.
high	EVENTS THAT MAY COMPROMISE THE INTEGRITY OF THE EQUIPMENT UNDER EXAMINATION AND THE SURROUNDING AREAS.

Concurrently, the frequency and possibility of occurrence of each event is examined. The risks associated with these events are therefore a function of these two variables (possibility and frequency).

Risk Assessment Matrix

	frequency and/or possibility of occurrence (f)			
dangerousness of the event (d)		LOW	MEDIUM	HIGH
	LOW	L	M-L	M-H
	MEDIUM	M-L	M	H
	HIGH	H	H	H

The matrix shows the risk factor of the event, as a direct product of the probability with the danger associated with it, 5 risk classes are defined: Low (L); Medium-Low (M-L); Medium (M); Medium-High (MH); High (H). Highly hazardous events are classified as high-risk, regardless of the frequency of occurrence.

Risk analysis on pressure equipment

On the basis of the company's "know-how", gained from its experience in the construction of pressure equipment, and on the basis of the list of buyer's specifications, the list of hazard factors with the frequencies and the relative level of risk has been drawn up below.

- 1) Examination of geometric characteristics (f = L; d = L).
- 2) Examination of congruence between the design data and the chemical-physical properties of the contained materials and the climatic-environmental characteristics of the final destination site. (f = M; d = M).
- 3) Risks due to the fragility of the material of the pressure part. (f=M; d=M).
- 4) Resulting effects on the equipment given by the fluid that will be contained. (f = M; d = M).
- 5) Examination of the effects deriving from local loads on the equipment in operation. (f = M; d = M).
- 6) Assessment of natural loads (wind, earthquake, snow) (f = L; d = M).
- 7) Examination of accidental overloads. (f = L; d = L).
- 8) Risks due to excessive filling and/or an overpressure condition of the equipment. (f = L; d = L).
- 9) Risks due to the leakage of the fluid contained in the equipment. (f = L; d = H).
- 10) Examination of the overall stress of the appliance under hydraulic test conditions. (f = M; d = M).
- 11) Evaluation of any effects on the equipment related to the remediation phase. (f = L; d = L).

- 12) Evaluation of the effects related to stray electric currents. (f = N.A.; d = N.A.).
- 13) Study of transport procedures. (f = M; d = L).
- 14) Study of field assembly procedures. (f = M; d = L).
- 15) Assessment of the effects on the characteristics of the final place of destination. (f = L; d = L).
- 16) Effects of cyclic loading. (f = L d = L).
- 17) Description of the parameters to be evaluated during the periodic tests and frequency of the cyclic inspections. (f = H; d = M).
- 18) Studies on the scrapping procedure. (f = L d = L).
- 19) Modification of the service condition above the permissible pressure/temperature. (f = L; d = M).
- 20) Improper installation of equipment (f = L d = L).
- 21) Condition of low amount of fluid in the equipment (f = L; d = M).

General Data Protection Regulation.

(GRI 102-11) (GRI 418-1)

With reference to the subject of personal data protection, during the year 2021, the processing activities carried out by the companies of the Tosto Group Srl were monitored, in order to verify the correct adaptation to the requirements of Regulation (EU) 2016/679.

In the case of Belleli Energy CPE, the Company processes personal data relating to employees, suppliers and customers.

Therefore, in the connection between the various offices, the data in question are subjected to the analysis of the DPO, in order to verify its nature (particular data or by the municipalities) and prepare any appointments to internal and external agents for the management of the data themselves.

In particular, with reference to the provisions of art. 25, in the preliminary phase, the needs in terms of data protection are identified so that the different figures (provided for by the GDPR) and the related responsibilities can be clearly and unambiguously identified and the appropriate security measures proportionate to the risk are envisaged. Therefore, a prior analysis is carried out and, on the basis of this,

the most appropriate measures are adopted to ensure the management of personal data in accordance with the European regulation. Preventive analysis that must necessarily start from the identification of the process to be carried out.

The aforementioned preliminary analysis consists of two aspects, the process analysis and the identification of the subjects involved in the process and their role in terms of GDPR.

a) Process analysis

The process is analysed and described, with the granularity appropriate to the type of act, in terms of objective, category of stakeholders, subjects involved, activities carried out by each subject, type of data processed.

b) Identification of the figures

This identification, on the other hand, is carried out in two phases depending on the definition of the objectives to be achieved.

Phase 1

Based on the description of the process, the data subjects and the subjects involved are analysed, in order to determine in what capacity the activities that make up the process are carried out by the different subjects; the types of data processed, the data subjects involved in the process are identified as categories of subjects and their assumed number. This is in order to determine whether or not this is a treatment that affects a large scale of people.

Phase 2

Once the different figures and their respective roles and responsibilities have been identified, the processing and types of data processed are identified.

In this way, an organisational model has been created that aims to achieve full compliance with all data protection regulations in force,

thus mitigating the risk of being subject to sanctions.

Like previous years, no complaints have been received for breaches of privacy, improper use or unauthorised processing of personal data entrusted to Group companies, either through the dedicated mailbox (gdpr@belleli.it) or through other reporting or identification channels.



During FY2021, in order to cope with the management of the health emergency related to COVID-19, Belleli Energy CPE implemented a body temperature detection mechanism, in full compliance with current privacy regulations. Indeed, an adequate privacy policy has been drawn up, the processing register has been updated and the contracts for appointment as data processor have been signed in favour of the personnel in charge of managing the particular data.

Cyber security.

(GRI 102-11)

The risk of cyber security represents the possibility that cyber attacks may compromise the company's information systems (management and industrial), leading to the interruption of the services provided and the theft of sensitive information. This risk is a key factor in the development of the company's digital transformation strategy.

Regarding the problem of Cyber risk, the company has adopted the following mitigation measures:

1. Adoption of Next Generation Firewall (NGFW) perimeter firewalls. Specifically, a Paloalto PA800 firewall.

In addition to the classic features of traditional

Firewalls, these are able to recognise Apps, abnormal behaviours, use of PeerToPeer.

Through the WildFire Malware Analysis feature, it is able to recognise Zero-Day attacks, using Statistical Analysis, Machine Learning and Bare Metal Analysis techniques. The combination of these techniques allows to detect threats and implement preventive actions against known and unknown malware and exploits with a very high effectiveness and almost zero false-positives.

2. Adoption of Endpoint Protection Paloalto Cortex XDR.

Cortex XDR is a detection, investigation and response solution that natively integrates data from the network, endpoints and cloud. Cortex XDR uncovers threats using behavioural analysis, accelerates investigation processes through automation, and blocks attacks before they cause damage through its deep integration with existing enforcement points.

3. Daily backup policies for the entire hypervisor environment. Specifically, the 3-2-1 backup rule was implemented. Which requires you to keep at least 3 copies of the data, on 2 different media, with 1 off-site copy.

4. Adoption of a Mail Gateway Protection capable of filtering viruses, spam and phishing. In 2021, a programme was implemented to strengthen the corporate culture on the right behaviours to be adopted to deal with cyber risks, which included training, simulations, awareness-raising and communication aimed at the entire corporate population.

Supply chain due diligence.

In 2021, Belleli Energy CPE started an audit of its supply chain by mapping the ESG impacts of its suppliers. It is unthinkable that the small company working in the supply chain of the big one does not embrace sustainability issues and include systemic, **socio-economic** risks and a commitment to decarbonising operations.

In 2022, the completion of the supply chain due diligence - through the Synesgy by Cribis platform - will strengthen the positive sentiment of stakeholders and, in particular, increase the interest of investors and lenders (see chapter Objectives for a sustainable future).

Furthermore, the adoption of a shorter sourcing strategy can help reduce the company's carbon footprint by limiting the use of high-intensity processes such as air and maritime transport. In this regard, shortening the supply chain can be a prudent risk management strategy as investors' sensitivity to the longitudinal risks of climate change, biodiversity loss, labour exploitation and human rights violations in supply chains continues to intensify (see chapter *Supply chain*).

Export Certificates.



The AEO is a European programme aimed at economic operators who carry out operations subject to customs legislation in compliance with the conditions and criteria defined by the customs legislation of the European Union. Authorised Economic Operator status is an internationally recognised quality label that shows the company's role in the international supply chain and facilitates legitimate trade by striking a balance between effective controls and rapid trade flows. The principles of transparency, fairness and accountability are essential to the concept of AEO in the spirit of the Customs - Economy partnership introduced by the World Customs Organisation (WCO).

The AEO certification was issued in its FULL version on 28/10/2018 with no. IT AEOF 18 1502.

This certification is monitored annually by the Regional Directorate for Lombardy through the Customs Agency of Mantua.

REX

The Registered Exporter System (REX) is used to certify the origin of goods under the Generalised System of Preferences (GSP) and under certain preferential trade agreements. Belleli Energy CPE has obtained the REX certification no. ITREXIT03339200960 on 30/10/2018.

Authorised Exporter

The status of authorised exporter is a facilitation, provided for by the European Community customs legislation, which guarantees facilitation in import and export with certain third-party countries on the basis of agreements between the EU and these countries.

The status of Authorised Exporter was obtained from Belleli Energy CPE on 25/01/2012 no. IT-003-MN-12 vs. South Korea for the customs entries of reactors and exchangers - On 15/10/2018 it was extended to all existing products in the company production cycle.

On 19/10/2021, the status of Authorised Exporter was extended to Egypt - Mexico - Singapore.

Mobility Management.

Starting from 2021, particular attention was also paid to interventions on the subject of sustainable mobility, giving rise to the first phase of a project that aims at mapping the paths that employees carry out to go from their place of residence to their workplaces. At the end of this initial phase, in 2022, a sustainable mobility management model is envisaged that can affect the reduction of greenhouse gas (GHG) emissions, resulting in a change in established habits from a greener perspective and responding to Italian Interministerial Decree 179 of 12 May 2021, art. 3, subsection 5.

The plan includes actions to encourage and organise a company car-pool aimed at providing and incentivising a sustainable alternative solution when travelling from home to work together, sharing the same car. The resulting advantages are economic, ecological but also from the viewpoint of human relations: by making the journey from home to work together and vice versa, colleagues can get to know each other better and cement the group spirit.

The needs determined by the epidemiological emergency have obviously led to the temporary suspension of this form of mobility.

Also with a view to the prevention and containment of COVID-19 infections, the activities that involved travel were blocked and/or reduced:

- preferring tele- or videoconference meetings;
- drastically limiting travel and business trips, except for those deemed strictly necessary.



Regardless of the situation created as a result of the pandemic emergency, it should be reiterated that the company’s policy for work travel promotes the use of public transport whenever possible and does not entail excessive difficulties of movement, consequently limiting the use of cars. The company, also with a view to reducing employee travel for work purposes, is investing in increasingly high-performance technologies that improve the use of video and teleconferencing.

Company fleet

As part of sustainable mobility, in 2021 a plan was prepared for the gradual reduction of the most polluting light and heavy vehicles.






Belleli Energy CPE owns 48 diesel and 3 petrol powered vehicles, as well as 2 electric forklifts and 1 electric chariot.

Governance Structure.

(GRI 102-18)

The Company’s governance system is structured pursuant to the regulations in force and applicable to the sector, taking into account the principles contained in the Group’s Code of Ethics, and complies with the ten global ethical principles in terms of human rights, environmental protection, workers’ rights and anti-corruption contained in the United Nations Global Compact, the most important international initiative in the field of sustainable development.

2021

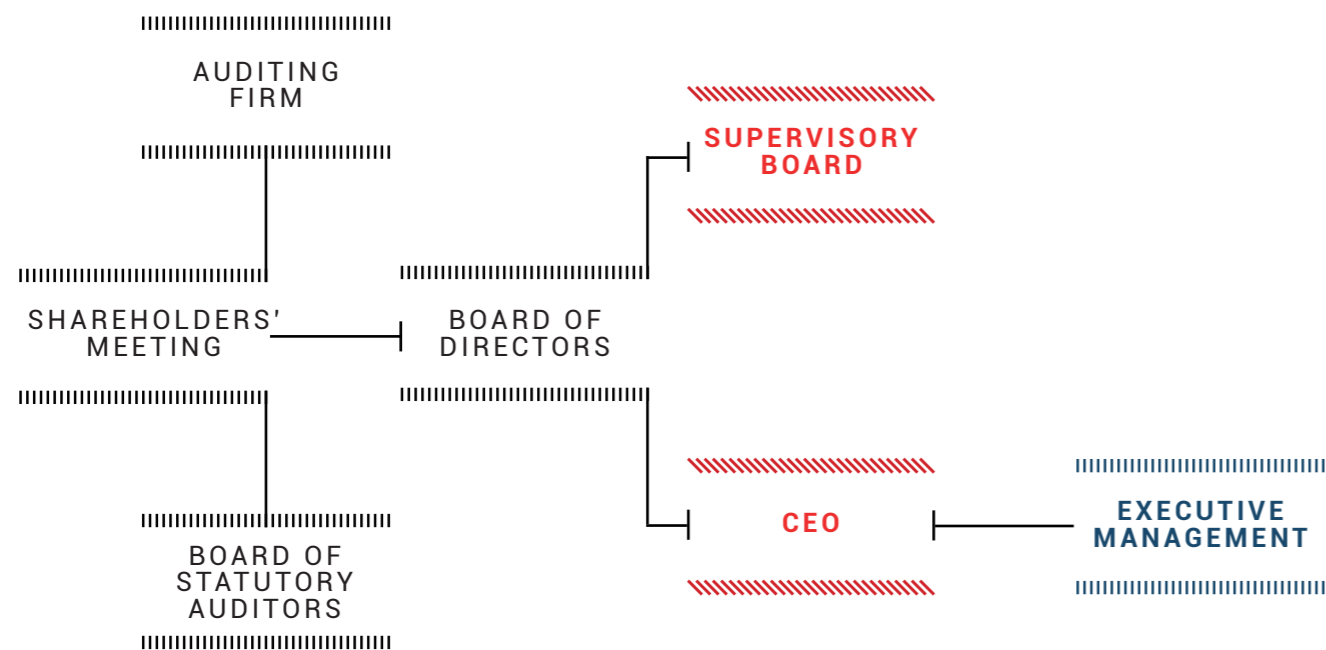
	NUMBER OF MEMBERS	4
	WOMEN	0
	AVERAGE AGE	49
	MEETINGS HELD IN 2021	4
	PARTICIPATION RATE*	100%

* Calculated as number of attendances/number of calls

Corporate Governance BELLELI.

Belleli Energy Critical Process Equipment S.r.l.'s governance model is traditional and includes the presence of a Board of Directors, vested with all the powers for the ordinary and extraordinary administration of the Company (except those reserved by law or by the Articles of Association to the competence of the Shareholders' Meeting) and a Board of Statutory Auditors that supervises compliance with the rules of law, regulations and statutes, compliance with the principles of correct administration, adequacy of organisational and accounting structures, functionality of the overall internal control system.

BELLELI CORPORATE GOVERNANCE MODEL



On 09/07/2019, the Shareholders' Meeting renewed the composition of the Administrative Body, confirming Mr. Luca Tosto (Chairman of the Board of Directors), Mr. Paolo Fedeli, Mr. Luca Pierfelice and Mr. Giacomo Fossataro.

The mandate is valid until the approval of the 2021 Financial Statements.



Luca Tosto
CHAIRMAN OF THE BOARD OF DIRECTORS



Paolo Fedeli
ADMINISTRATOR



Luca Pierfelice
ADMINISTRATOR



Giacomo Fossataro
ADMINISTRATOR

The legal representation of the Company is conferred to the Chairman of the Board of Directors Mr. Luca Tosto and to the Managing Director Mr. Paolo Fedeli. The BoD is responsible for carrying out the activities of direction, management, general management and coordination of strategic activities for the company. It approves investments in tangible and intangible assets, defines commercial policies and provides the final approval of the projects in which the company intends to participate.

On 9 July 2019, furthermore, the Shareholders' Meeting renewed the appointments of the members of the Board of Statutory Auditors of Belleli Energy CPE Mr. Sandro Marcucci (Chairman of the Board of Statutory Auditors), Mr. Massimo Centritto, Mr. Dario Di Matteo, Mr. Renato Marsili and Mr. Giancarlo Todisco. The members of the Board of Statutory Auditors of Belleli Energy CPE remain in office for three (3) years and therefore their term of office will expire on the date of approval of the financial statements as at 31/12/2021. Currently, on today's date, the mandate has already been renewed for a further three years.

The Chairman of the Board of Directors is Mr. Luca Tosto.

Auditing firm:

PricewaterhouseCoopers S.p.A.

Sustainability Governance Structure.

(GRI 102-18)

A single Sustainability Governance, shared by all Group companies, is the starting point for creating paths aimed at fostering the culture of risks linked to the context of sustainability. When the Board of Directors' Meeting and/or Senior Management become aware of the importance of positively orienting the company strategies towards the creation of long-term value, a cascading effect is created within the organisation as a whole.

In any case, a key role will increasingly be played by the stakeholders who can influence, even strongly, the entrepreneurial initiatives and the dissemination of sustainable culture. Their involvement in the decision-making process is the real challenge for the company that wants to call itself truly "sustainable".

“

It is what
difference we have
made to the lives
of others
that will
determine the
significance of the
life we lead

”

Nelson Mandela

Commitment

The Stakeholders.

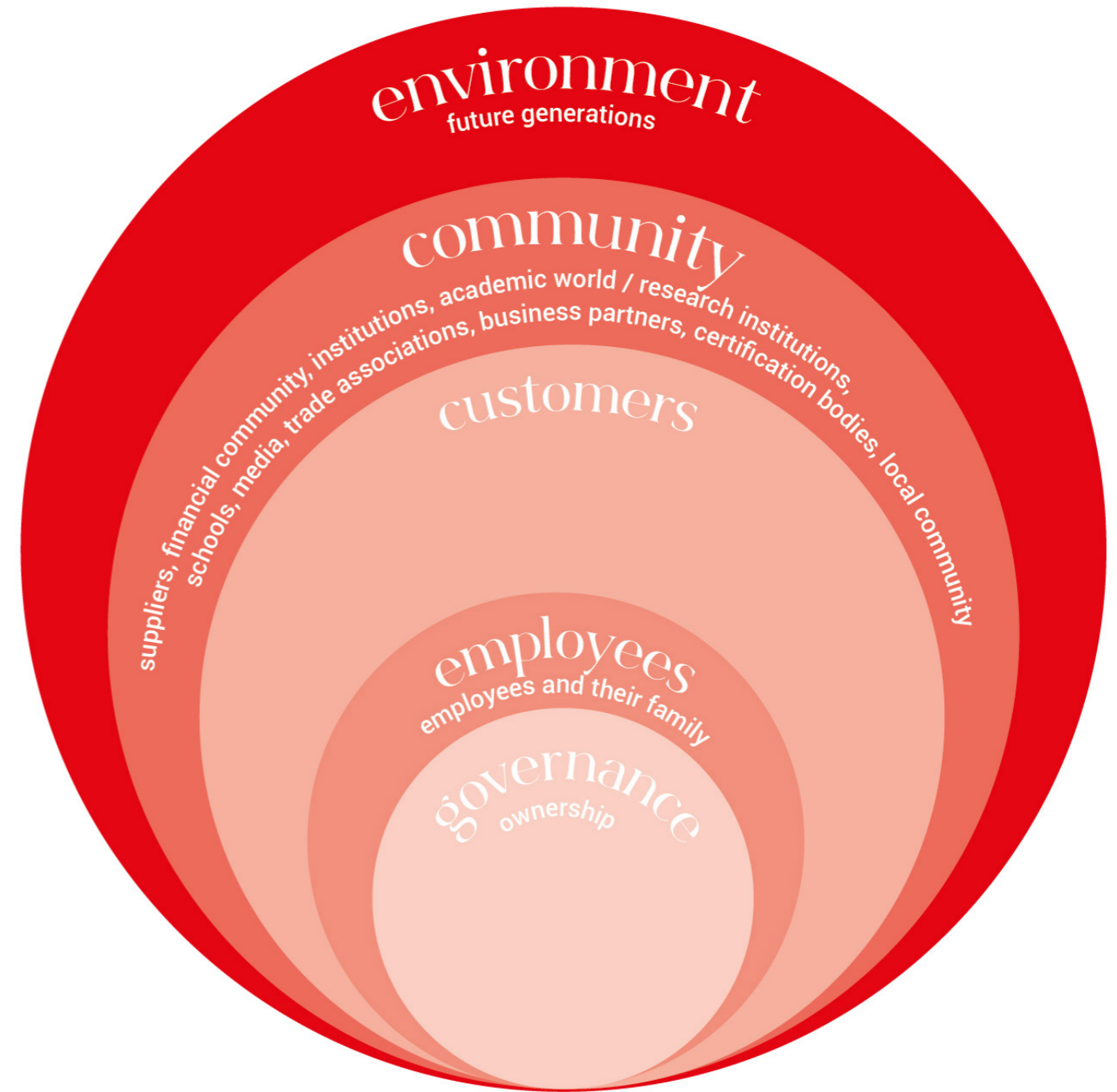
(GRI 102-40) (GRI 102-42)

The GRI Standards define stakeholders as those entities or individuals that can have a significant impact on the activities, products and services of an organisation and whose actions can affect the organisation’s ability to successfully implement its strategies and achieve its objectives.

To find stakeholders, the company has involved senior management and the heads of internal functions (administrative and operational) who, based on the criteria of relevance, responsibility, dependence, influence and level of impact, have identified the groups of stakeholders.

As a starting point, the Company has carefully mapped the categories of stakeholders with whom it interacts in the course of carrying out its activities, identifying those stakeholders that can affect the achievement of the strategic objectives and those that can be significantly influenced. This mapping was carried out following the indications of the International Standard AA1000-Stakeholder Engagement Standard (SES) developed by Accountability to methodologically support stakeholder engagement.

Stakeholders were divided into five categories:

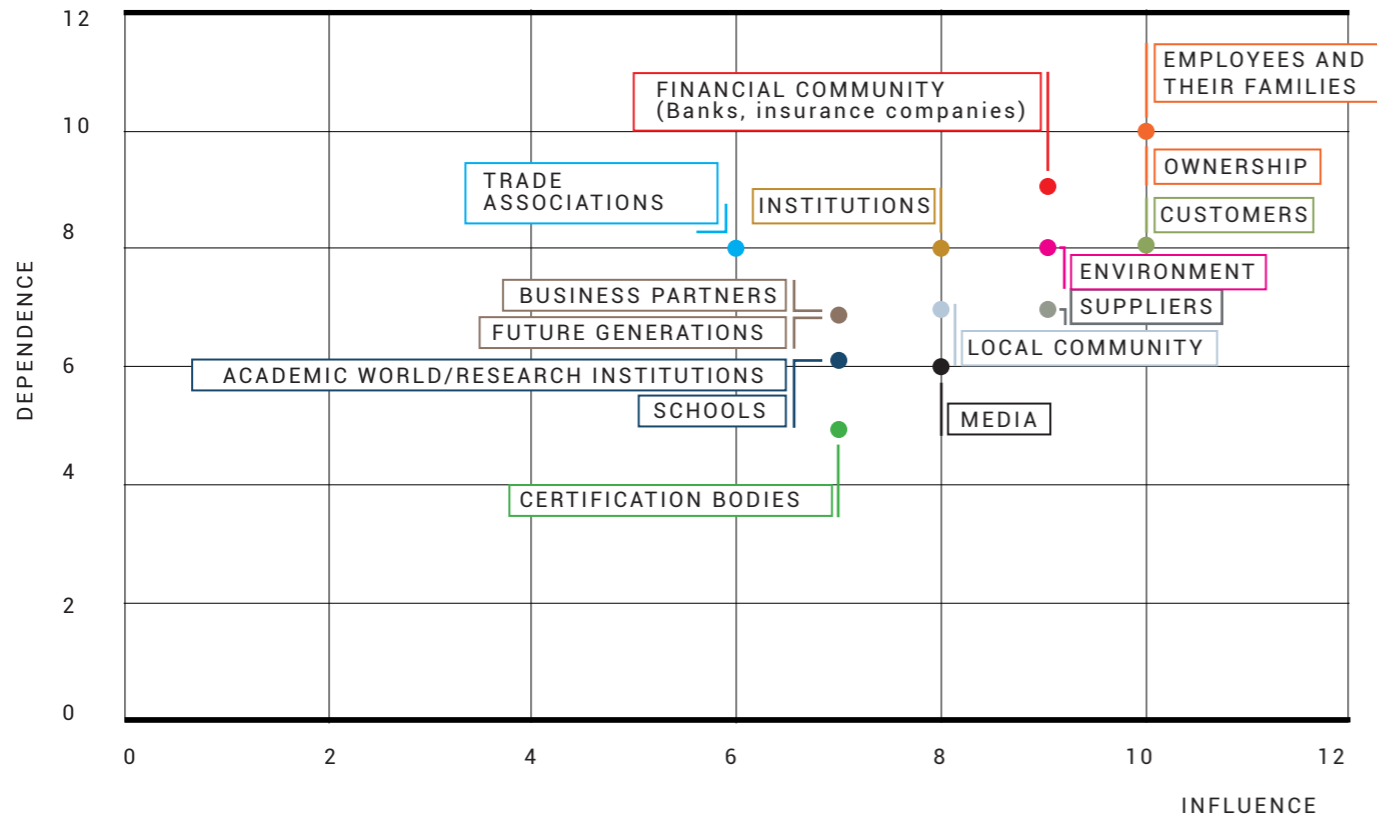


¹ In the drafting of the Model, the AA1000SES standard was considered in the 2015 version.

The next step was dictated by the awareness that not all stakeholders have the same relationship with Belleli Energy CPE and, consequently, it was necessary to carry out a prioritisation process based on two parameters:

- a) Dependence of the stakeholder on the company;
 - b) Stakeholder influence on the company;
- An influence and dependency matrix has been thus defined:

STAKEHOLDER INFLUENCE AND DEPENDENCE MATRIX



This shows that the Company prioritises dialogue with stakeholders who have a strong influence on the company’s business, social or environmental performance and the regulatory framework governing its activities. Belleli Energy CPE, applying a multi-stakeholder approach, also seeks an exchange with all stakeholders who depend on its contributions and economic, social or environmental impacts.

Stakeholder Engagement.

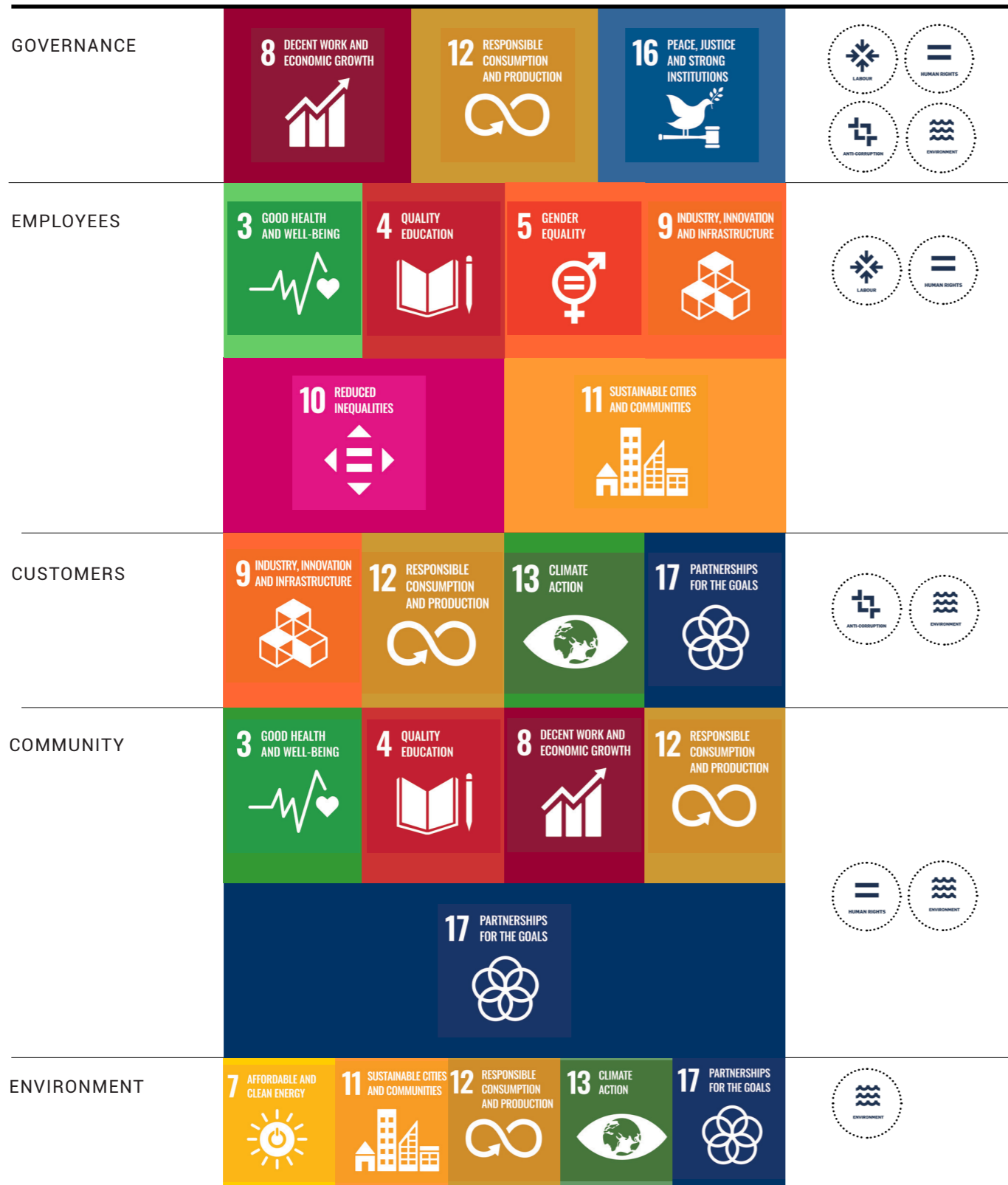
(GRI 102-43) (GRI 102-44)

The GRI reporting principles require a materiality analysis based on a stakeholder engagement process as a strategic and necessary tool for identifying and understanding the needs and concerns of its interlocutors regarding sustainability. All stakeholder involvement methods – from collaborations in the field of R&D to face-to-face meetings, from participation in international events to territorial development initiatives – enhance relationships with the social, economic and industrial context and generate new business opportunities. With each of the stakeholders, Belleli Energy CPE has a different way of dialogue, in relation to the purpose of involvement:

CATEGORY	STAKEHOLDERS	METHOD OF ENGAGEMENT
Governance	Ownership	Corporate documents; Corporate meetings; events
Employees	Employees and their families	Direct relationship; Department meetings; Bulletin board communications; results sharing meetings; Website; social media; internal initiatives; performance evaluation
Customers	Customers	Business meetings; trade fairs; Customer satisfaction surveys; qualifications; Website; social media
Community	Suppliers	Meetings; Website; Contractual documents
	Financial community	Financial reports; meetings; Website
	Institutions	Official relations; monitoring and analysis of the legislative landscape
	Academic world/research institutions	Meetings, R&D projects; Website; social media; Partnerships and PhDs
	Schools	Training courses
	Media	Press releases; Website; social media; daily press review
	Trade Associations	Meetings, periodic meetings, events
	Business partners	Meetings, Partnership, website.
Environment	Local community	Social responsibility initiatives; daily press review of the local press
	Certification bodies	Maintenance / renewal visits
	Future generations Environment	Website; Collaborations

By taking care of the relationships with these categories, listening to the needs and giving them the correct feedback with concrete actions, Belleli Energy CPE is also able to give its contribution to the Sustainable Development Goals (SDGs)

THE SDGS AND THE TEN PRINCIPLES OF THE GLOBAL COMPACT IMPACTED THANKS TO THE ACTIVITIES CARRIED OUT FOR THE STAKEHOLDERS



Materiality Matrix

(GRI 102-46) (GRI 102-47)

During 2022, Belleli Energy CPE intends both to make the involvement of stakeholders more continuous and solid, keeping the relationship channels open, and to co-design to create shared value.

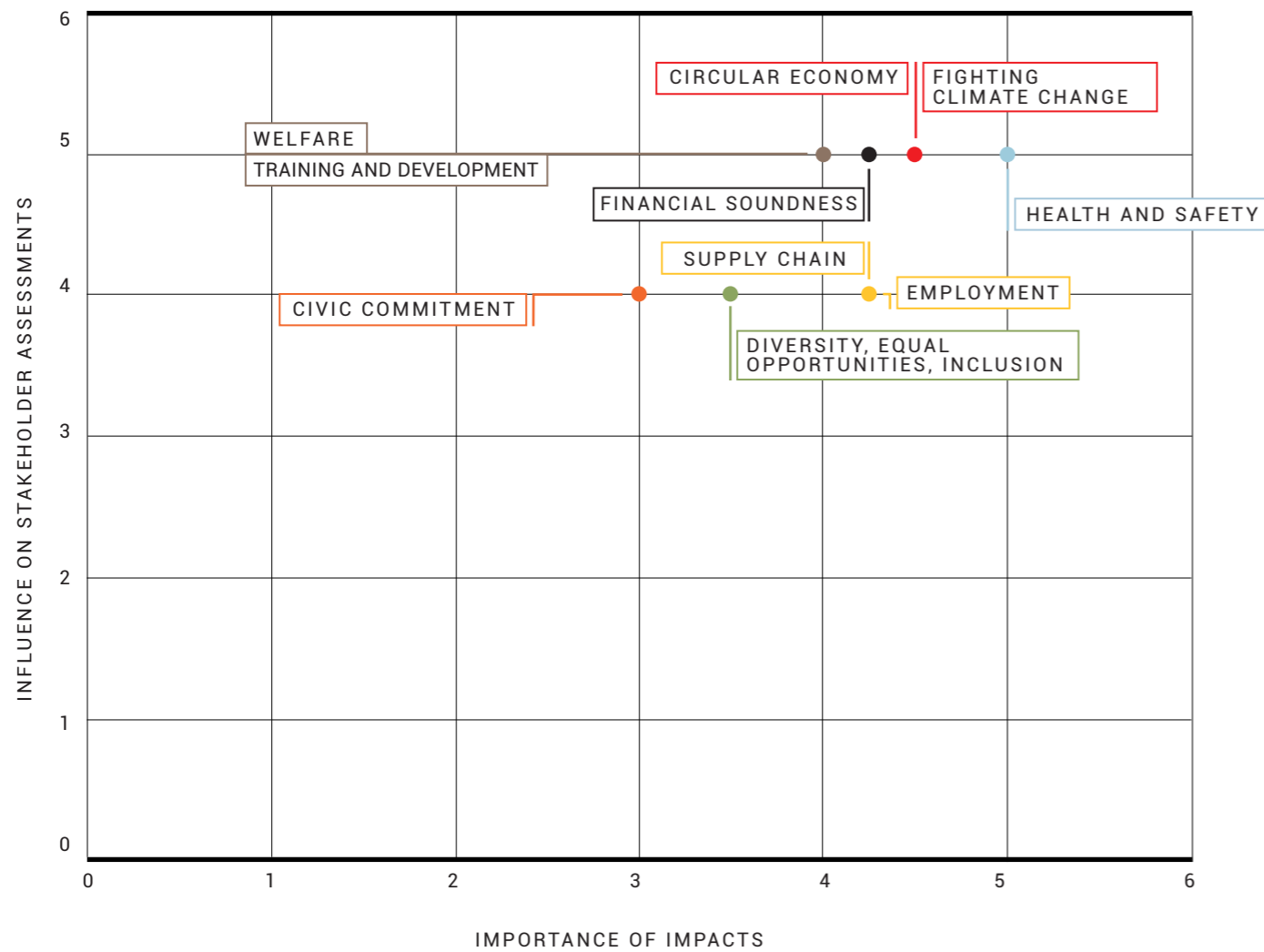
At the end of the stakeholder engagement process, the materiality analysis was carried out according to the GRI reporting principles, which provide a perspective that exceeds the internal point of view to fully project itself towards the expectations of its stakeholders and the responsibility generated by its impacts.

The themes emerged from the discussion with stakeholders:

	Financial soundness	Health and safety	Welfare	Training and development	Supply Chain	Fighting climate change	Circular Economy	Diversity, equal opportunities, inclusion	Employment	Civic commitment
Customers	●	●	●	●	●	●	●	●		
Suppliers	●					●	●			
Ownership	●	●								
Employees and their families	●	●	●	●				●	●	
Financial community	●									
Institutions						●	●	●		
Academic world/ research institutions				●		●	●			
Schools				●				●	●	
Future generations					●	●	●	●	●	
Media						●		●		●
Trade Associations					●	●	●			
Business partner	●					●				
Local community						●	●		●	●
Environment						●	●			
Certification bodies				●	●	●	●			

The analysis could not fail to take into account the impact of the Covid-19 pandemic on material issues in 2021:

MATERIALITY MATRIX



The validation of the subjects and the entire materiality analysis process was carried out within the Company, with the contribution of a Department dedicated to sustainability reporting and management.

The review phase is expected to be carried out as a preparatory activity for the next reporting cycle, also with the aim of subjecting the results of the analyses carried out, updated in the following year, to specific consultation activities and stakeholder involvement. The materiality analysis is updated following the guidelines that transpose the GRI standards.

The contribution to the achievement of the SDGs and respect of principles UN Global Compact.

(GRI 102-47)

On 1 January 2016, the 17 SDGs² - Sustainable Development Goals of the 2030 Agenda - officially entered into force³, divided into 169 targets to be achieved by 2030 to end all forms of poverty, combat inequalities and address climate change, while ensuring that no one is left behind. These objectives are integrated and indivisible and follow a triple bottom line approach, including the three dimensions of sustainable development: the economic, social and environmental dimensions.

Since everyone is invited to participate in their achievement, companies with their own resources and skills are also called upon to contribute to the achievement of the global objectives.

The Tosto Group believes that the SDGs represent an opportunity and a way to direct the future development of Belleli Energy CPE and has identified the links between the priorities defined within the materiality matrix and their impact on the 17 objectives (SDGs).

² <https://asvis.it/goal-e-target-obiettivi-e-traguardi-per-il-2030/#>

³ <https://asvis.it/l-agenda-2030-dell-onu-per-lo-sviluppo-sostenibile/>

MATERIAL TOPICS	SDGs	UNGC GOALS
EMPLOYMENT	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES	LABOUR, HUMAN RIGHTS
HEALTH AND SAFETY	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	HUMAN RIGHTS
SUPPLY CHAIN	1 NO POVERTY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	LABOUR, HUMAN RIGHTS
FIGHTING CLIMATE CHANGE	3 GOOD HEALTH AND WELL-BEING, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	ANTI-CORRUPTION, ENVIRONMENT
CIRCULAR ECONOMY	3 GOOD HEALTH AND WELL-BEING, 6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	ENVIRONMENT
FINANCIAL SOUNDNESS	1 NO POVERTY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	ENVIRONMENT
WELFARE	3 GOOD HEALTH AND WELL-BEING, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES	ANTI-CORRUPTION
TRAINING AND DEVELOPMENT	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS	HUMAN RIGHTS, LABOUR
CIVIC COMMITMENT	2 ZERO HUNGER, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS	ENVIRONMENT
DIVERSITY, EQUAL OPPORTUNITIES, INCLUSION	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES	HUMAN RIGHTS, LABOUR

As shown in the table, each theme also refers to several Global Objectives, demonstrating the numerous impacts the company’s business manages with a view to responsible growth.


Below are some of the SDGs shared by Belleli Energy CPE and on which it is believed to be able to make a greater contribution because they are closer to the mission and activities of the Company. On these six goals the company has defined their short and long term objectives (see paragraph objectives) with a view to continuous improvement.

Taking into account that 2021 was still marked by the pandemic emergency, Belleli Energy CPE has expanded the SDGs to which it also channel

its commitment to SDG 3, which represents the global objective that unites the company initiatives.

Finally, transversal to the Priority Goals and indispensable for their achievement, is the “Goal 17 – Partnership for the Goals” – a tool to strengthen sustainable development programmes.

Since each of the 17 SDGs can be associated to one of the ESG components, it follows that the Group’s attention is distributed as follows on the three components Environment, Social, Governance:

3 GOOD HEALTH AND WELL-BEING	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Ensure healthy lives and promote well-being for all at all ages	Ensure access to affordable, reliable, sustainable and modern energy for all	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Ensure sustainable consumption and production patterns	Take urgent action to combat climate change and its impacts
 17 PARTNERSHIPS FOR THE GOALS					

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

As evidence of the commitment made so far and the importance of increasing the integration of sustainability in the strategic choices of the company, the Tosto Group has joined the United Nations Global Compact, the largest global initiative for the sustainability of the business.

For this reason, the industrial strategy has accompanied the pursuit of the Sustainable Development Goals (SGDs), also the respect of the Ten principles of the United Nations Global Compact through political actions, business practices, social and civil behaviours in a path of growth and improvement in the name of sustainability.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Economic impacts

“

Capital as such is not evil, it is its wrong use that is evil. Capital in some form or other will always be needed

”

M.K. Gandhi

Results and performance.

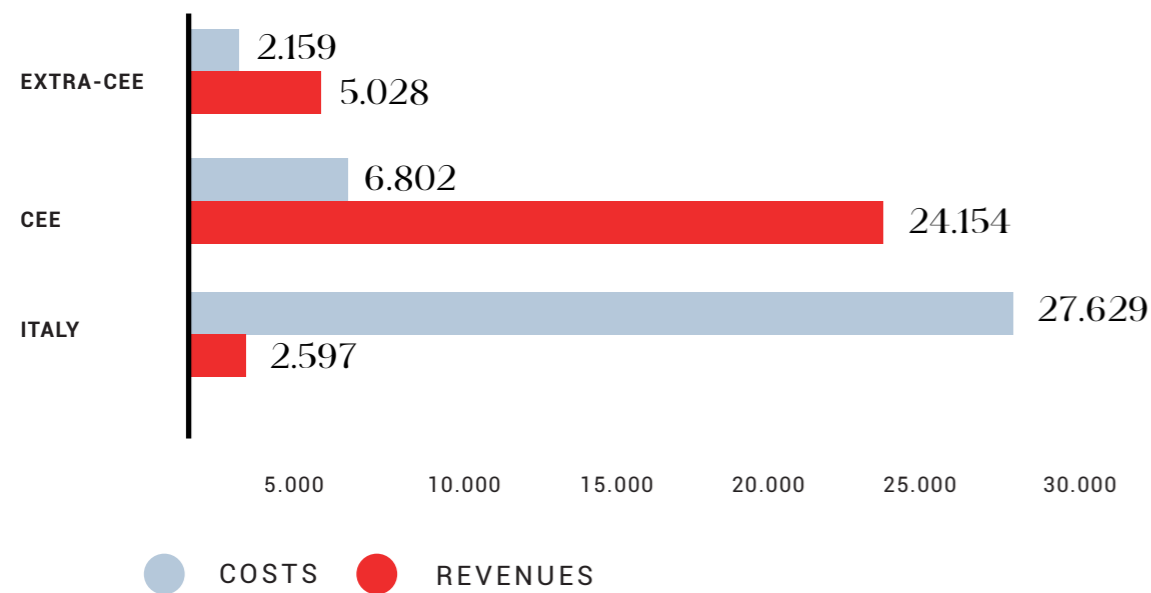
MATERIAL TOPICS	GRI	SDGs	UNGC GOAL
Financial soundness	(103-1) (102-7) (201-1) (201-4)	 1 NO POVERTY	 ANTI-CORRUPTION

Integrating economic choices with social and environmental choices is a key commitment to value creation in the long term. The creation of economic value is essential to ensure the safeguarding of the Group over time and, therefore, its sustainability. BelleliEnergyCPEcarefullymonitorsthevalue production process and gives transparent, timely and comprehensive communication of this in the **2021 Management Report**, to which reference should be made for any further details.

EURO	2019	2020	2021	2021 VS 2020
REVENUE	51.833.455	102.649.133	31.778.391	-69,0%
VALUE OF PRODUCTION	81.900.495	71.094.776	62.322.384	-12,3%
EBITA	3.153.497	4.626.933	4.426.863	-4,3%
NET OPERATING RESULT	678.733	495.522	538.679	+9%
NET BORROWING	-10.129.632	-5.482.854	-8.767.254	+59,9%
FREE OPERATING CASH FLOW (FOCF)	-6.197.651	10.239.682	5.140.647	-49,8%
PAYABLES	85.486.960,01	75.146.915,07	79.522.639	+5,8%
EQUITY	50.088.788	53.790.330	53.001.729	-1,5%
TOTAL ASSETS	139.932.682,90	132.938.267,59	136.826.605	+2,9%

Revenues from sales and services recorded a decrease compared to the previous year, due to the reduction in the number of orders delivered by the Company during the year. This change, however, is offset by the increase in the value of Inventories of Finished Products and Contract Work in Progress.

Costs and Revenues by geographical area - 2021 (k€)



The global spread of Covid-19 has put restrictions not only on private life but also on industrial activities, posing new challenges for the Group: in a short time everyone has been called upon to reorganise their activities, habits and daily life.

All company decisions were based on the protection of the health and safety of employees and partners, but also on the firm belief that we can continue to provide our customers with products and services on time. The measures provided for by the Ministerial Decrees on health and safety have been implemented in all production departments, and, where possible, smart working has been activated or holidays have been encouraged. Despite the difficult situation, the aforementioned measures ensured that all Group sites remained regularly operational with the usual professionalism. Employees have worked hard in every department of the company and are committed to ensuring the punctuality of supplies in the highest quality and in compliance with the wishes of customers.

It was possible to meet the contractually agreed delivery terms by relying on the usual workforce and transport. That said, the company has neither benefited from nor applied for any measure put in place by the government such as extraordinary finance instruments or aid in the generic form. In this way Belleli Energy CPE has made its contribution in a delicate situation by ensuring delivery and regular work for employees.

Distribution of Value Added.

Belleli Energy CPE's Values and Code of Ethics confirm the Company's commitment to work to ensure long-term responsible development, being aware of the links and interactions between the economic, social and environmental dimensions. This is to combine value creation, social progress, attention to Stakeholders, raising living standards and environmental quality.

The Value Added represents the wealth produced by Belleli Energy CPE which, in different forms, is distributed to the different stakeholders, thus expressing in monetary terms the relationships between the companies and the main stakeholders. The calculation is carried out with reference to the values taken from the legal layout of the Income Statement, thus becoming a useful tool for all stakeholders to understand the economic impacts that the Company itself produces.

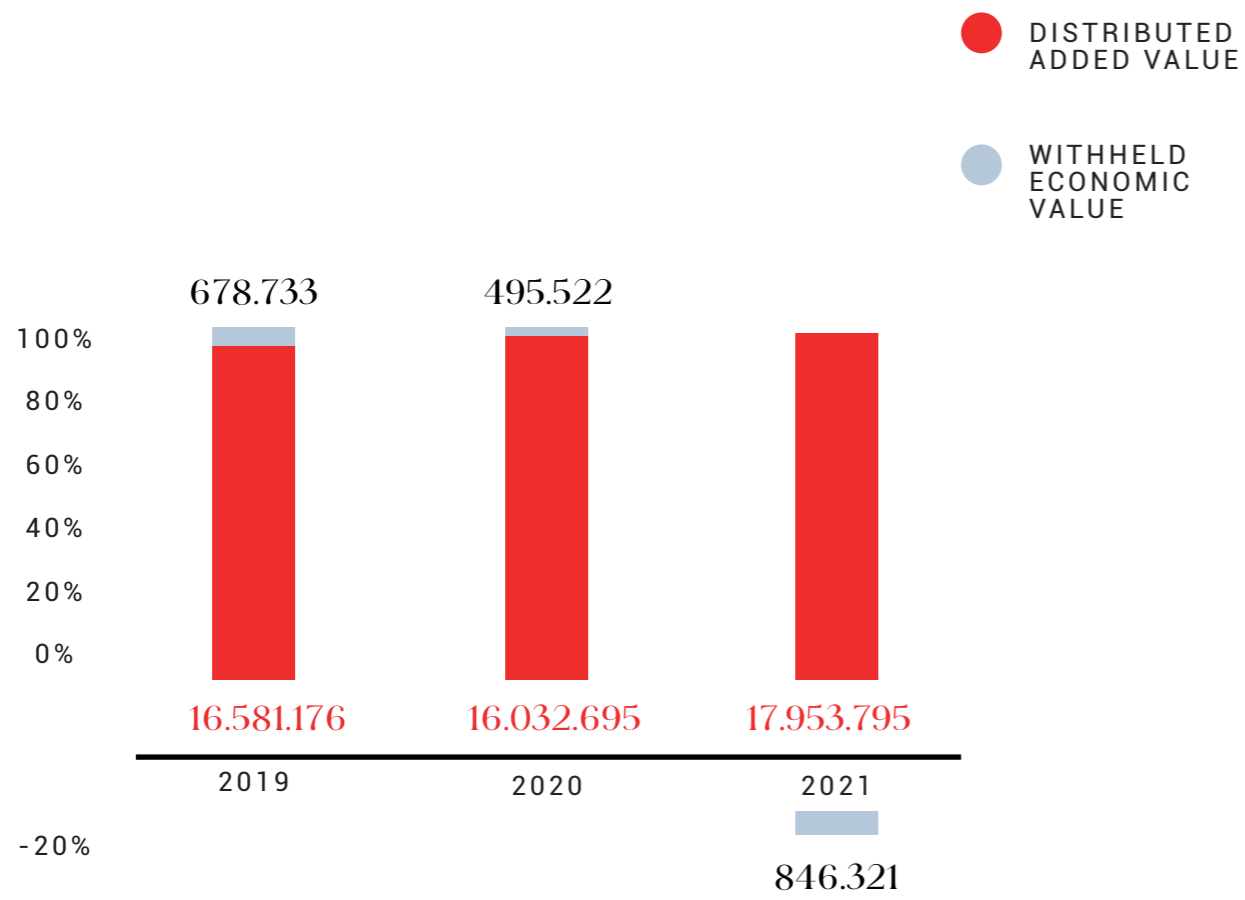
The Net Added Value generated by the company in 2021 amounts to €17,107,474, therefore, equal to 52% of the economic value generated.

The Net Added Value is broken down as follows among the various stakeholders: remuneration of human resources (direct remuneration consisting of salaries, wages, severance pay and indirect remuneration consisting of social security contributions), remuneration of financiers (interest expense), remuneration of shareholders (distributed

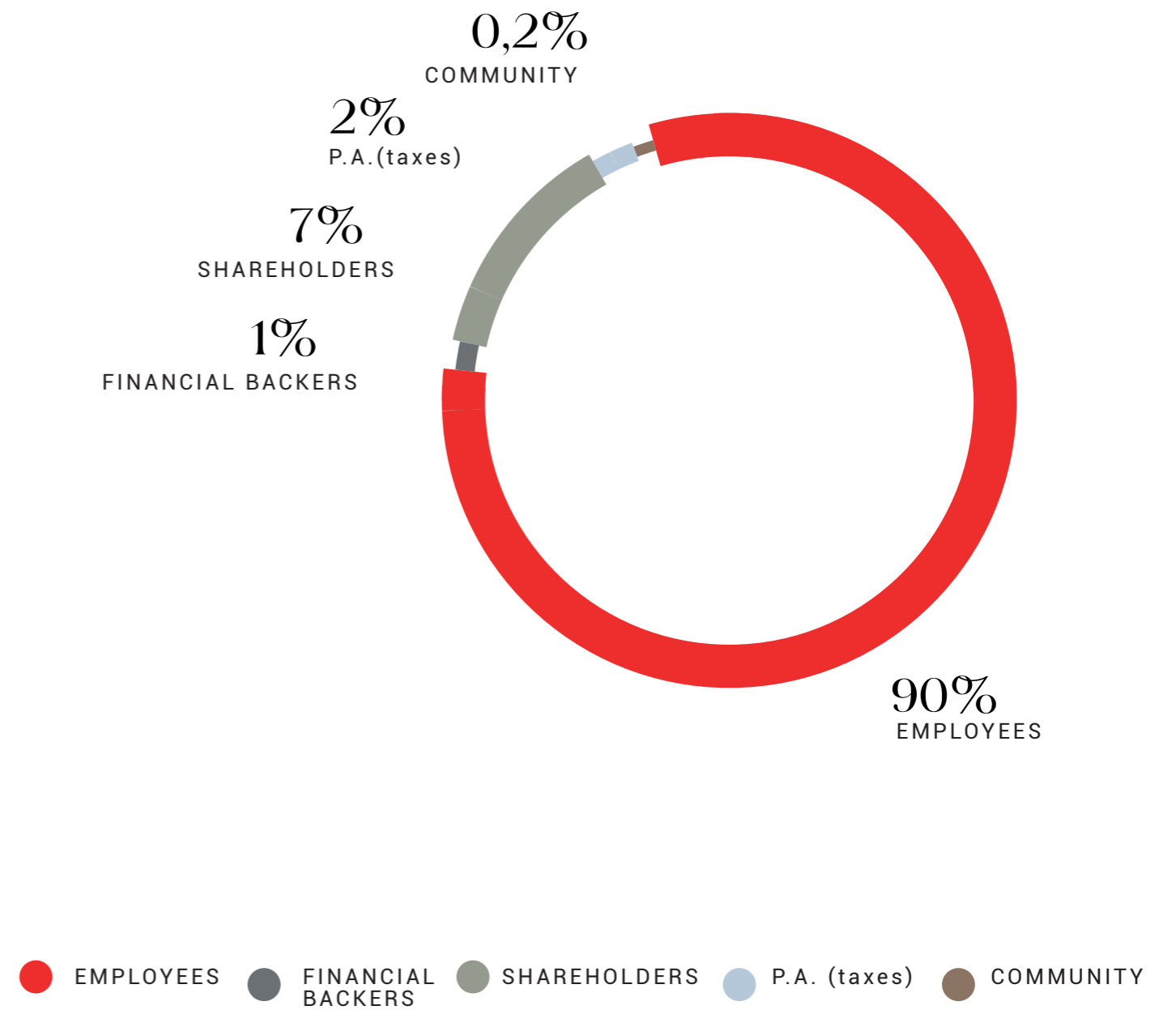
dividends), remuneration of the Public Administration (all taxes paid), external donations and donations to the community. As can be seen from the table, most of this value is represented by the remuneration of human resources, followed by the distribution of profits set aside in previous years. The economic value retained by Belleli Energy CPE therefore increased in 2021.

	EURO	2019	2020	2021
NET REVENUES		51.833.455	102.649.133	31.778.391
FINANCIAL INCOME		145.664	682	121
OTHER INCOME		569.846	2.956.184	963.940
ECONOMIC VALUE GENERATED		52.548.964	105.605.999	32.742.452
OPERATING COSTS		(32.663.080)	(85.978.350,0)	(11.612.940,00)
AMORTISATIONS/DEPRECIATIONS, WRITE-DOWNS AND OTHER PROVISIONS		(2.625.975)	(3.099.432)	(4.022.038)
ADDED VALUE PRODUCT		17.259.909	16.528.217	17.107.474
EMPLOYEES		15.832.270	15.839.637	16.161.036
FINANCIAL BACKERS		211.680	112.911	96.340
SHAREHOLDERS		0	0	1.350.000
P.A. (taxes)		521.682	54.647	306.419
COMMUNITY		15.544	25.500	40.000
DISTRIBUTED ADDED VALUE		16.581.176	16.032.695	17.953.795
ADDED VALUE RETAINED		678.733	495.522	(846.321)

The added value (€)



Value added composition - 2021



Public contributions and tax concessions.

During 2021, Belleli Energy CPE benefited from contributions from the Public Administration for €360,001.00.

The Company collected R&D contributions amounting to €79,080.00, against a project financed by the ROP Abruzzo 2014-2020 and concluded in 2020; it also benefited from a refund for export rights amounting to €280,921.00.

CONTRIBUTIONS RECEIVED

	2019	2020	2021
CONTRIBUTIONS FOR R&D ACTIVITIES	0	158.160,00 €	79.080,00 €
EXPORT SUBSIDIES	26.436,00 €	2.661,00 €	280.921,00 €
INVITALIA CONTRIBUTIONS - SECURE COMPANY	0	59.445,89 €	0
TOTAL	26.436,00 €	220.266,89 €	360.001,00 €

The tax benefits that Belleli Energy CPE accrued in 2021 include R&D tax credits, 4.0 tax credits and ordinary goods, for a total of €452,129.15.

TAX CONCESSIONS

	2019	2020	2021
TAX EXEMPTIONS	46.358,39 €	42.483,46 €	22.212,53 €
TAX CREDIT	288.897,31 €	101.073,97 €	429.915,62 €
TOTAL	335.255,70 €	143.557,43 €	452.128,15 €



Social impacts

“

Everyone has the right to a standard of living sufficient to ensure the health and well-being of himself and his family

”

Article 25 of the Universal Declaration of Human Rights

Personnel.

MATERIAL TOPICS	GRI	SDGs	UNGC GOALS
Employment	(103-1) (102-7) (102-8) (102-41) (401-1)	 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES	 LABOUR HUMAN RIGHTS

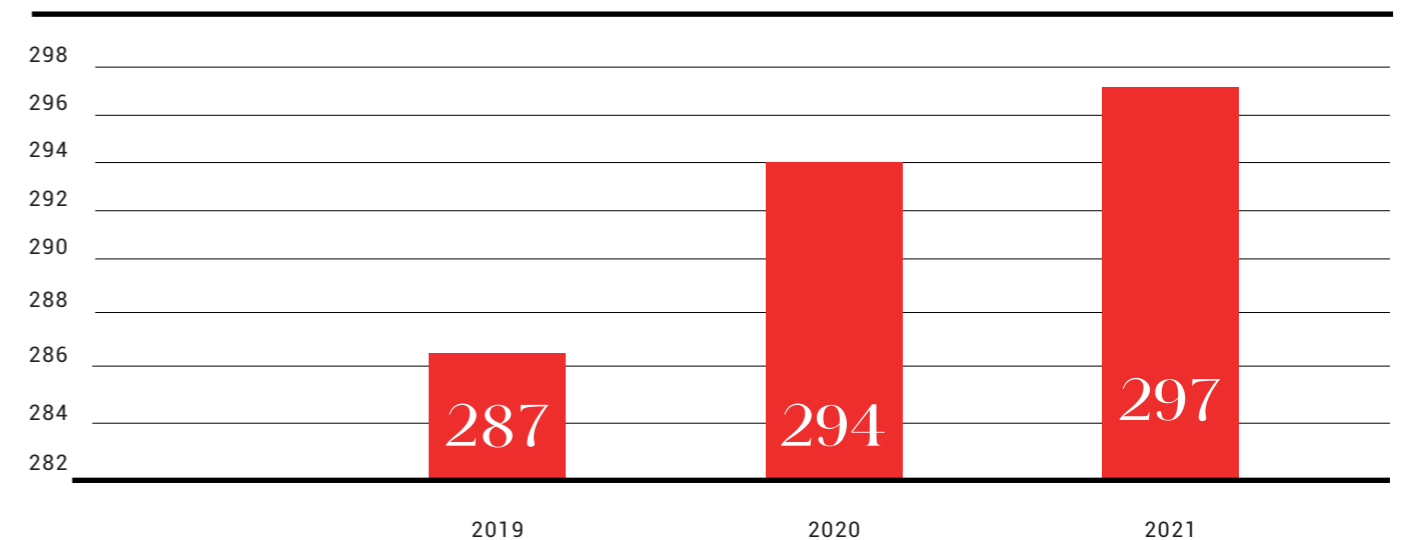
Human resources, with their skills, abilities and passion, are the cornerstone of any successful initiative. For Belleli Energy CPE, people represent the greatest resource, the fundamental element that allows us to face the challenges in an increasingly dynamic and competitive international scenario and to design a sustainable future.

For these reasons, Belleli Energy CPE puts people at the centre of its organisation, ensuring respect and protection as in every Company of the Group.

As at **31 December 2021**, Belleli Energy CPE staff numbered **297**, registering continuous growth compared to the staff of previous years.

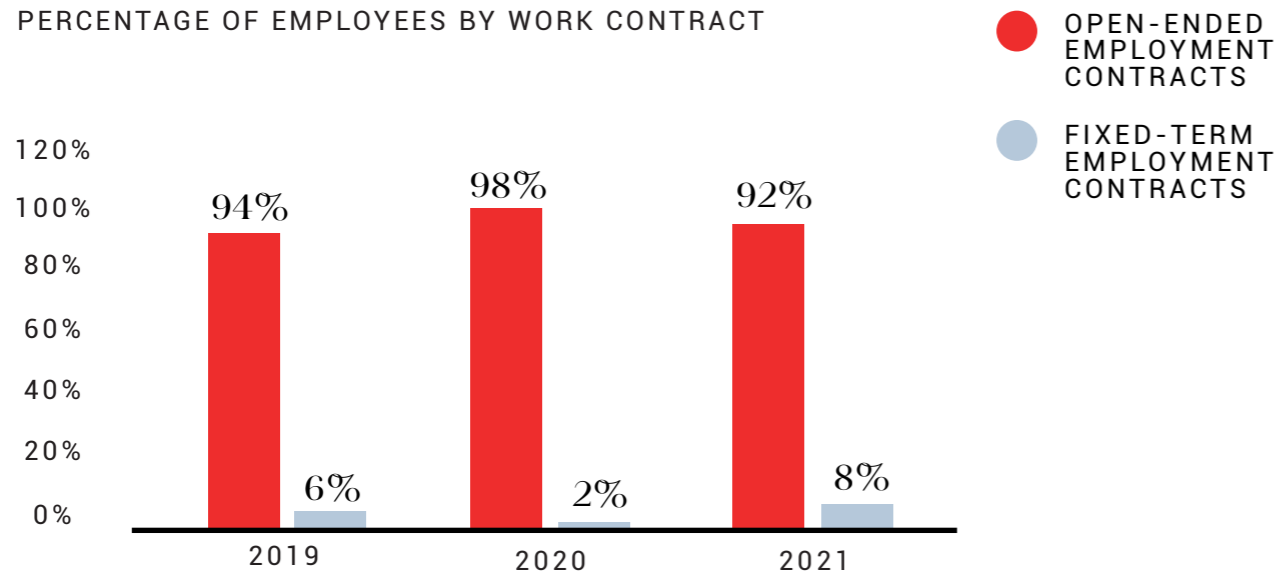
NUMBER OF EMPLOYEES BY COMPANY

BELLELI ENERGY CPE



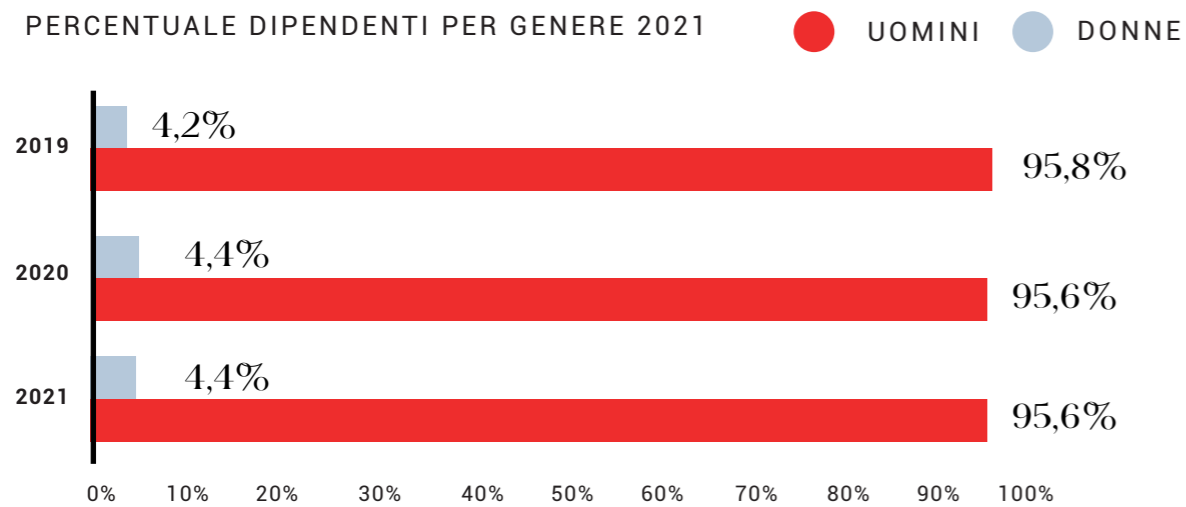
The figures for the three-year reference period show the attention of the companies to the stability of employment contracts (92% of people have an open-ended employment contract). At the end of 2021, 3 part-time employment contracts and 3 coordinated and continuous collaborations were active, while during the year 13 workers with administration contracts were employed (16 in 2020).

PERCENTAGE OF EMPLOYEES BY WORK CONTRACT



The distribution of the staff by gender indicates a male predominance of employees, typical of the industrial sector in which the companies operate (for details on the female presence please refer to the in-depth analysis in the section Diversity – Gender diversity).

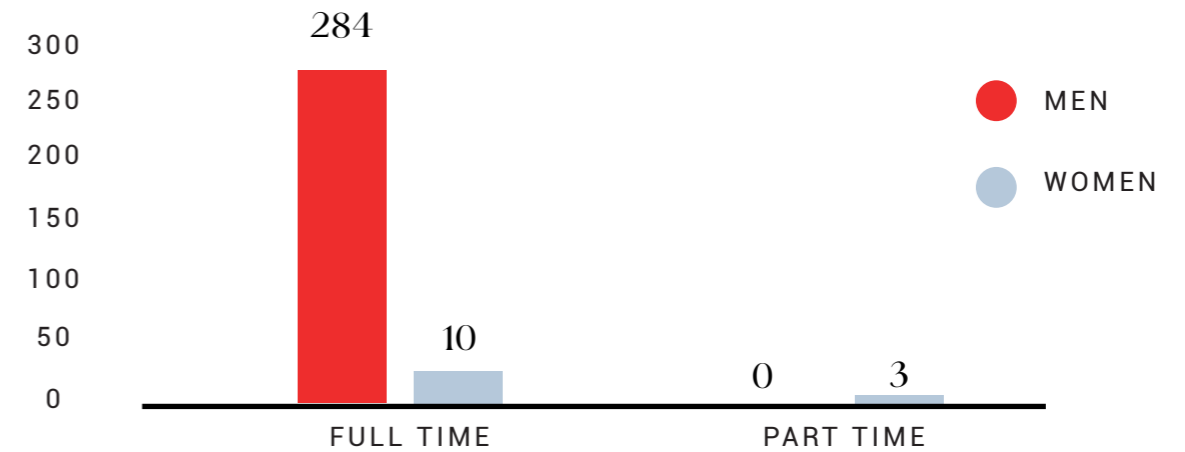
PERCENTUALE DIPENDENTI PER GENERE 2021



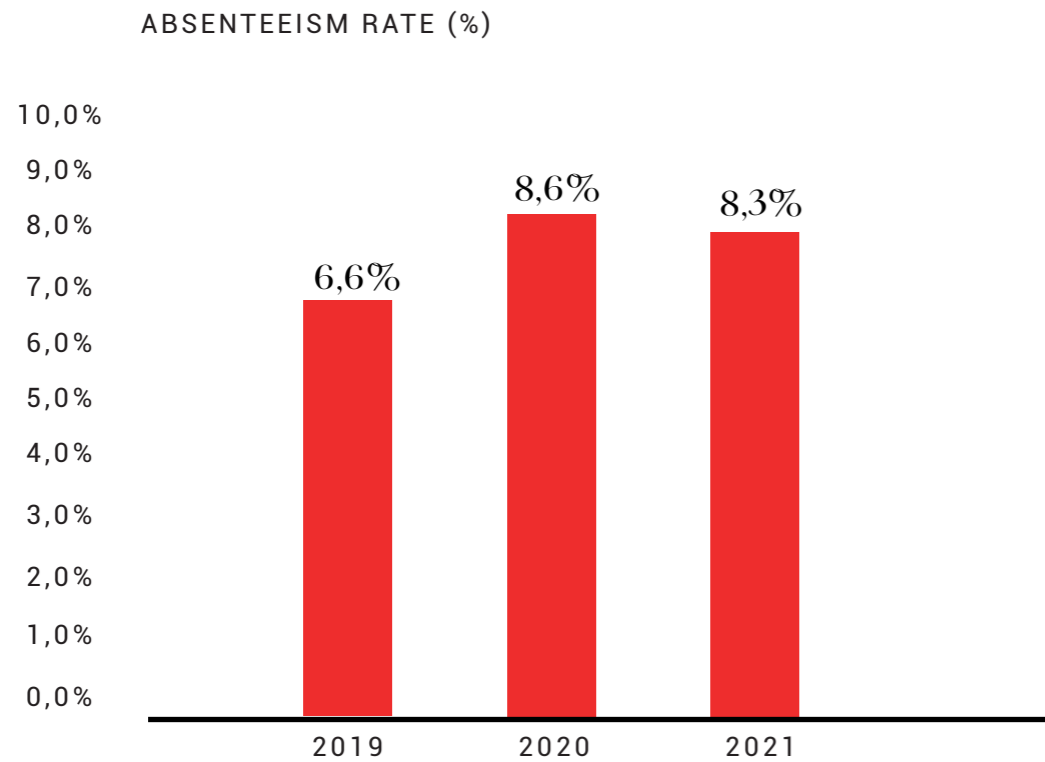
NUMBER OF EMPLOYEES BY TYPE OF CONTRACT, BY GENDER - 2021



NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT, BY GENDER - 2021



The absenteeism rate, which in 2021 amounts to 8.3%, is slightly lower than that of the previous year: the pandemic emergency has increased the rate recorded in 2019 by more than one percentage point.



The calculation included hours of absence due to illness, accident, COVID leave, blood donation, Law 104, INPS special leave and paid leave for serious family reasons.

All Belleli Energy CPE employees are covered by the National Collective Bargaining Agreement (CCNL) valid throughout the national territory. In the event of significant organisational changes, the indications of the law and the relevant collective bargaining are respected.

Specifically, the reference company contract is CCNL Industria Metallmeccanica and the installation of plants that is applied to the

majority of the company population. At the same time, the following CCNLs are also applied in the company: Executives Industry for executive staff.

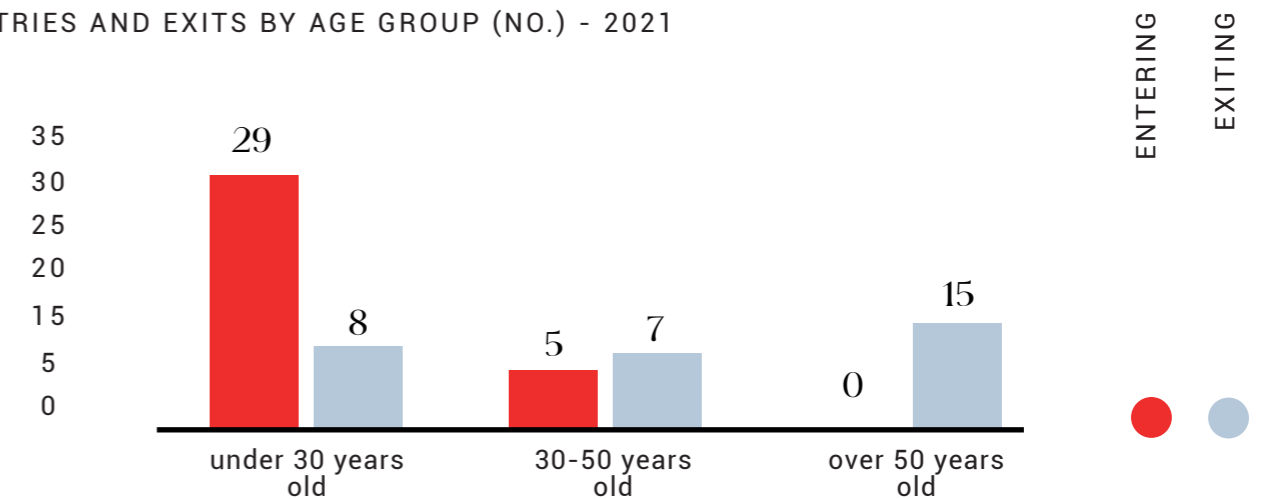
During 2021, Belleli Energy CPE maintained a constant relationship with the internal Trade Union Organisations (RSU) through over 5 in-person meetings in compliance with government provisions and with the specific company policies aimed at containing the Covid-19 contagion, on the occasion of which the Parties discussed various company issues, specifically, workload, hiring plan, welfare and many other issues.

New Employment.

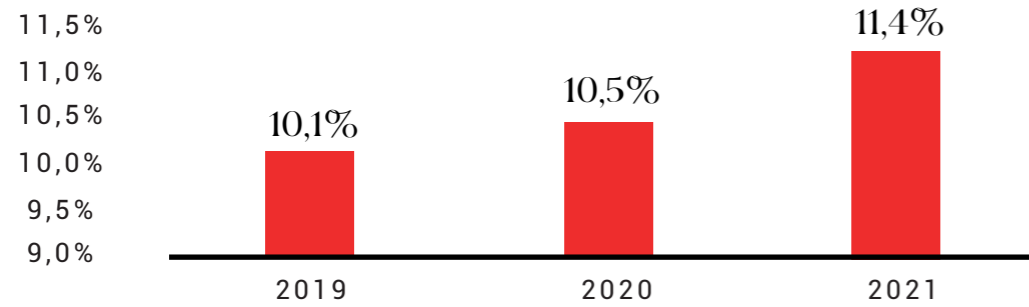
During 2021, **34 new hires and 30 exits were recorded.**

The following data refers to the entry and exit of employees only, from and to the outside. Entry and exit rates are calculated by comparing the number of entries and exits of each category to the total number of employees in that category as at 31 December. Entries and exits of employees in 2021 are distributed by age groups as follows:

ENTRIES AND EXITS BY AGE GROUP (NO.) - 2021

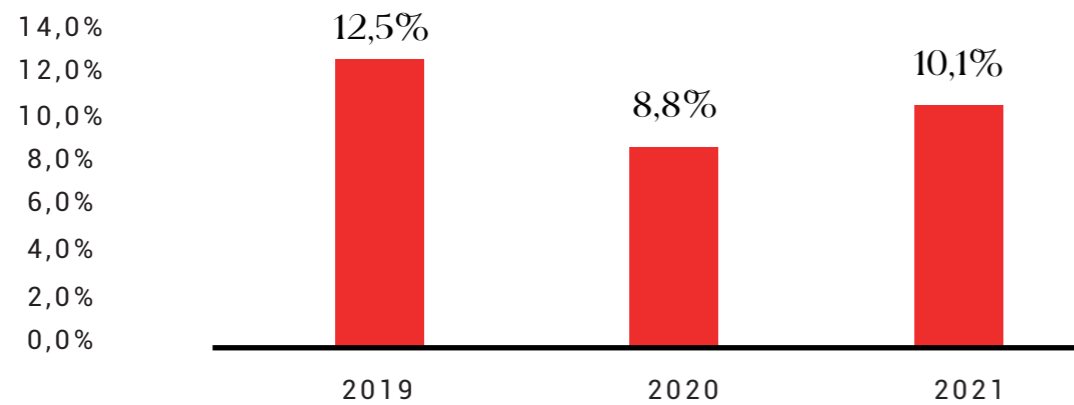


ENTRY RATE * (%)



*Entry rate = (entrances/total number of employees at 31/12) x 100

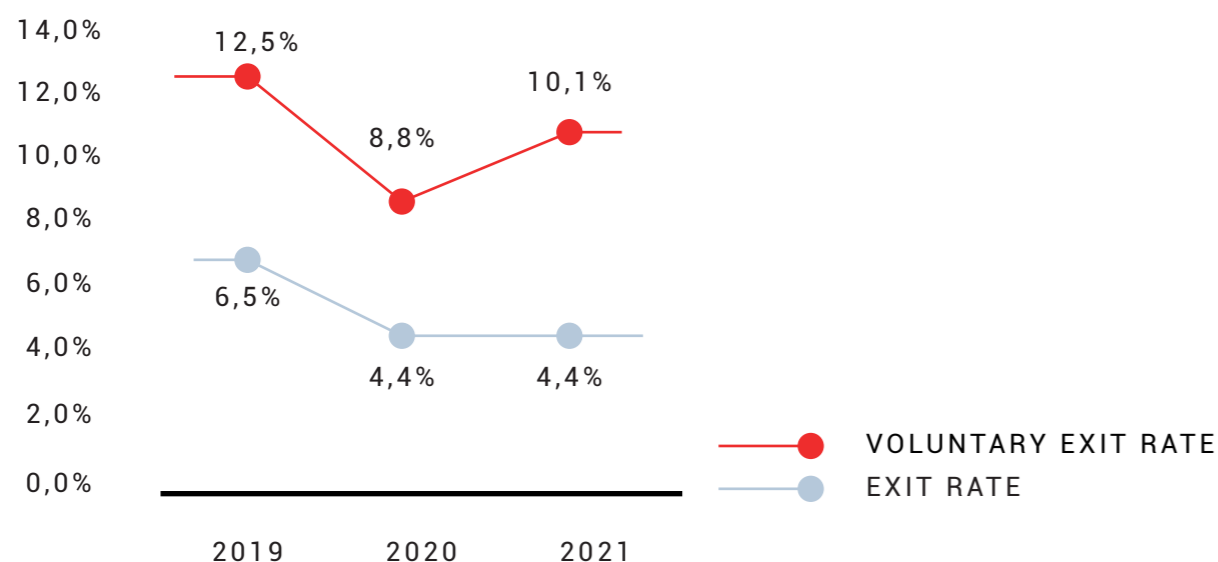
EXIT RATE * (%)



*Exit rate = (exits/total number of employees at 31/12) x 100

Of the 30 outings, 13 are due to voluntary causes, 9 to the achievement of pension requirements and the remaining 8 to other reasons:

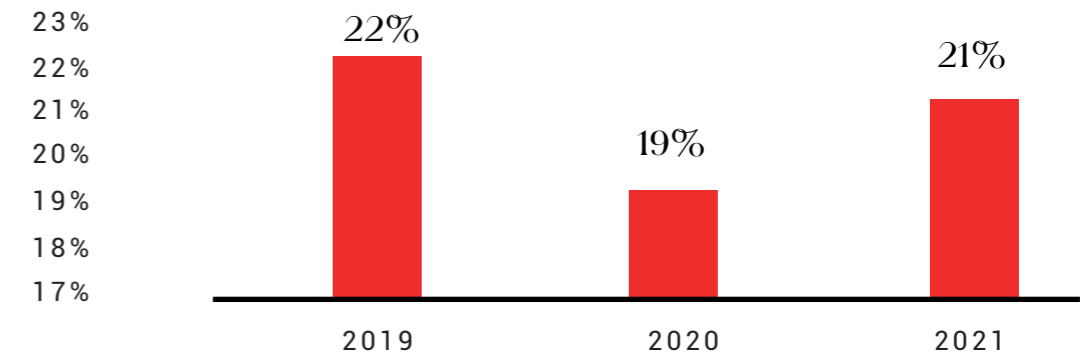
EXIT RATE (%)



BELLELI ENERGY CPE

BELLELI ENERGY CPE

EMPLOYEES TURNOVER RATE (%)*



*Turnover rate = (Inputs + Outputs) / Average headcount

The value of diversity.

MATERIAL TOPICS	GRI	SDGs	UNGC GOAL
Diversity, equal opportunities, inclusion	(103-1) (401-3) (405-1) (405-2)	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	LABOUR

In line with the broad human rights framework outlined in the Global Compact, Belleli Energy CPE recognises diversity as a strategic element for corporate competitiveness and the development of its people. Any form of discrimination based on gender, age, ethnic or national affiliation, skin colour, health status and various physical or mental abilities, marital status, sexual orientation, religious beliefs, political opinions and social origin is rejected. Belleli Energy CPE is committed to developing and maintaining an inclusive work environment, free from all forms of violence or harassment.

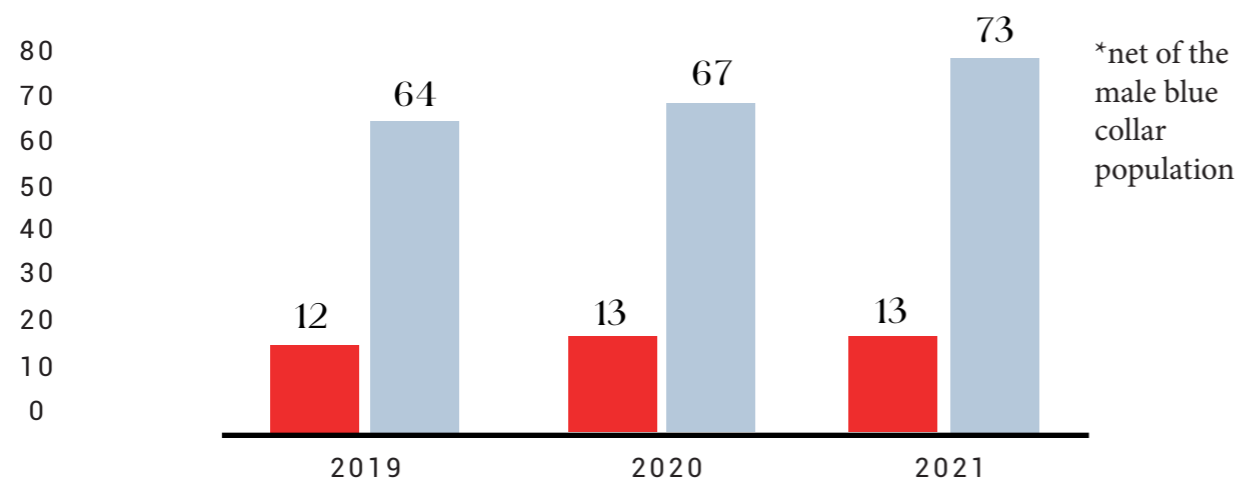
Gender diversity.

The vast majority of employees are men, as a result of a traditional shortage of female employment in the most operational professions typical of the company's business. For this reason, we analyse the presence of women net of the company population called *blue collars*.

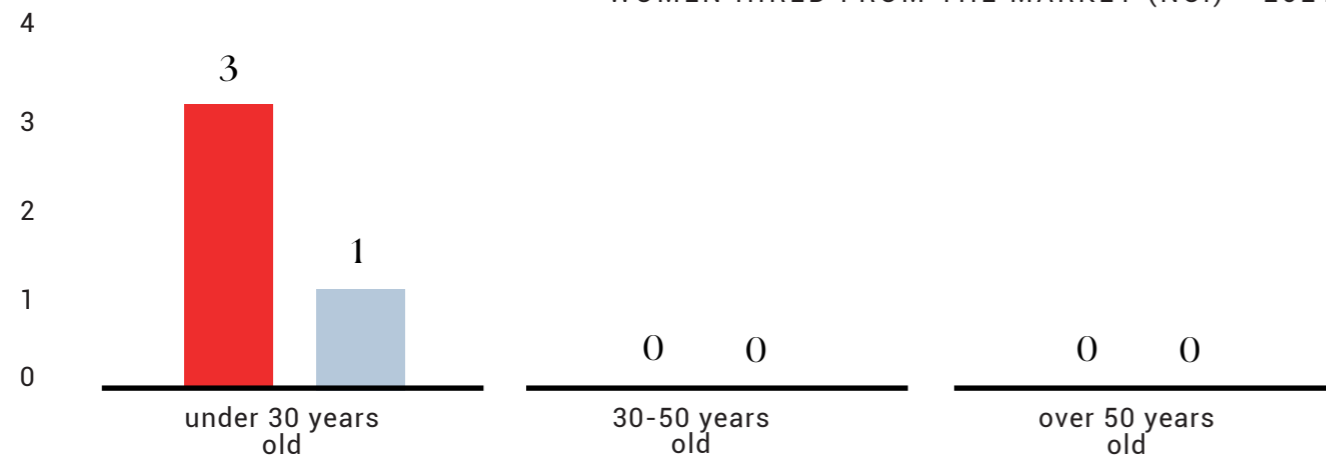
The female presence consists of 13 resources (stable compared to 2020) equal to 15% of the company staff taken into consideration.

The female population benefits from 100% of active part-time contracts.

EMPLOYEES BY GENDER* (NO.) ● WOMEN ● MEN



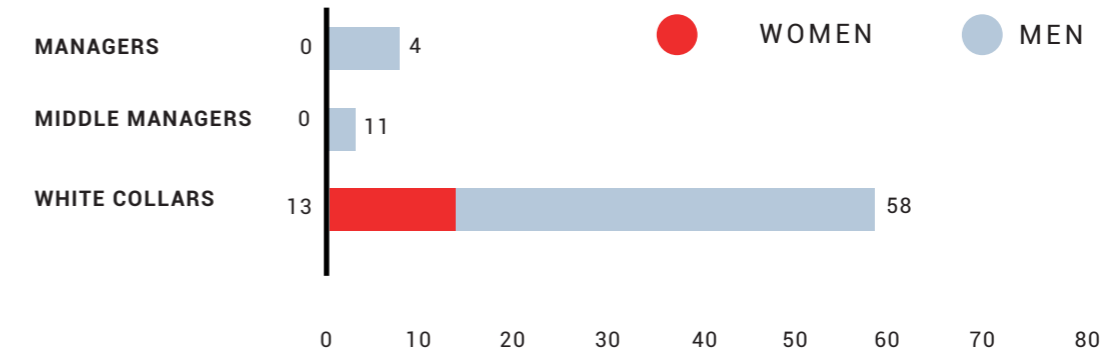
WOMEN HIRED FROM THE MARKET (NO.) - 2021



Women are under-represented at the managerial level.

● ENTERING ● EXITING

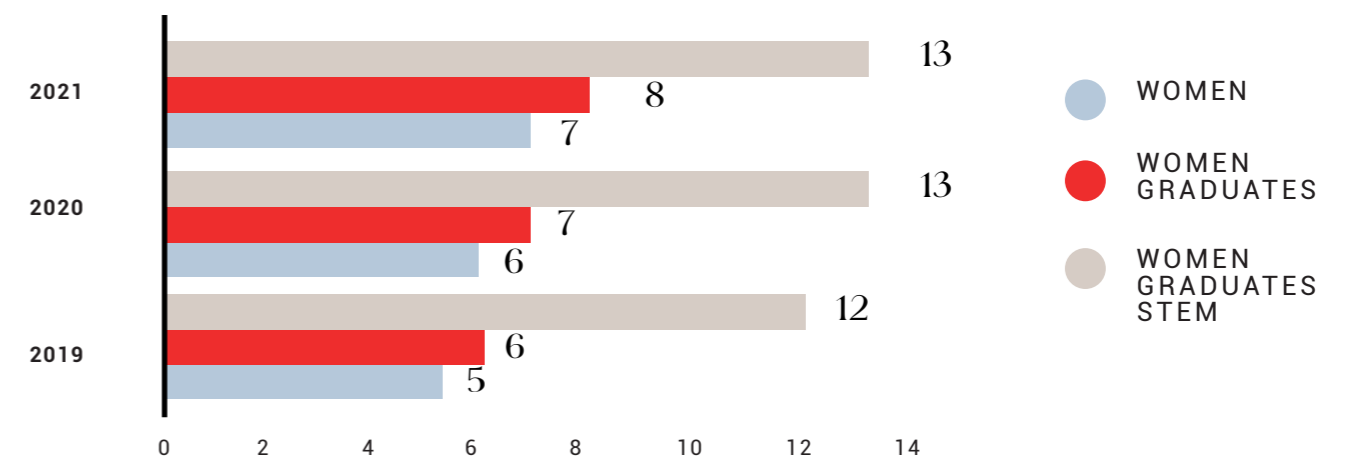
DISTRIBUTION OF EMPLOYEES BY GENDER - 2021 (NO.)



STEM (Science, Technology, Engineering and Mathematics) women

Already at the age of 6, the work aspirations of girls and boys are shaped by gender stereotypes that influence their future choices: the corporate policy for the reduction of the gender gap is aimed at attracting female talent from stem (Science, Technology, Engineering and Mathematics)

STEM WOMEN



Belleli Energy CPE intends to work on guidance by allowing girls leaving upper secondary school to live a concrete experience of the scientific/technological and engineering professions through company visits led by female tutors. Stimulating curiosity towards certain issues and making girls aware of the new job opportunities linked to the 4.0 revolution and the energy transition represent the Group's contribution to increasing female and youth employment.

Paternity leave / Maternity leave

Belleli Energy CPE as well as all the companies belonging to the Tosto Group apply the legal regulations dictated by the national laws on the matter. In Italy, all employees who are parents (natural, adoptive or foster) of a child up to 12 years of age are entitled to an additional period of absence from work.

Strongly convinced of the interchangeability of roles, those who have taken maternity leave or paternity leave are not discriminated against in any way. As proof of this, the following information is provided on the number of employees and the hours used for the care of children:

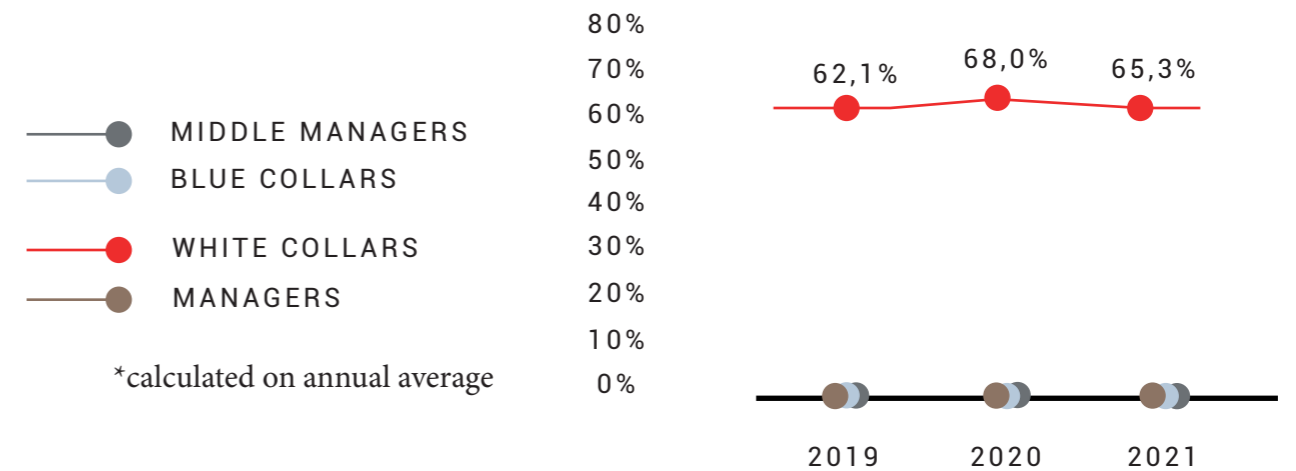
2021	MEN	HOURS	WOMEN	HOURS
MANDATORY PATERNITY LEAVE	12	776	0	0
OPTIONAL PATERNITY LEAVE	0	0	0	0
MANDATORY MATERNITY LEAVE	0	0	0	0
MANDATORY MATERNITY LEAVE	0	0	0	0
BREASTFEEDING	3	676	0	0
PNR ILLNESS CHILD > 3 YEARS	0	0	1	24

Gender pay gap

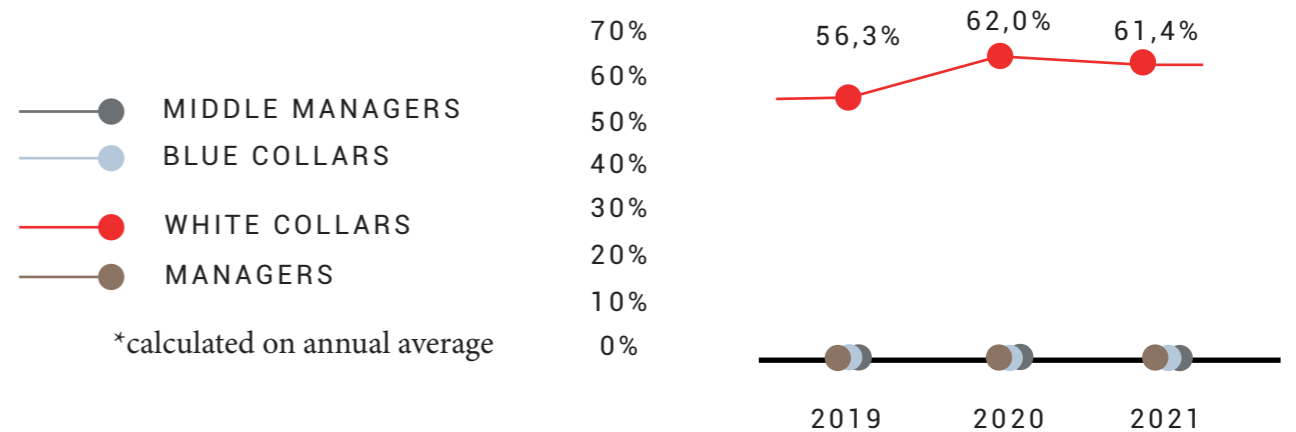
From 2021, Belleli Energy CPE carries out an activity of monitoring the index of the so-called gender pay gap, in order to reduce the pay gap between women and men with the ultimate objective of eliminating them, thus encouraging effective gender equality.

On the basis of the data, during the three-year period in question, the wage differential has recorded an improvement in the category of employees, which is representative of the female component.

GENDER PAY GAP BY BASE SALARY *



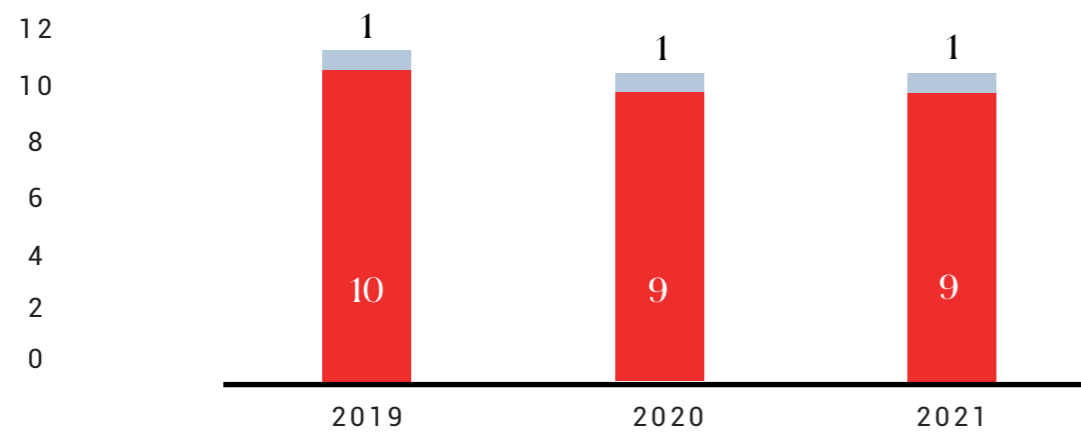
GENDER PAY GAP BY REMUNERATION *



Disability diversity.

Consistent with the characteristics of the activity, the company constantly works to promote the inclusion of people with different skills. As at 31 December 2021, the number of people with disabilities or belonging to protected categories amounted to 10 (3% of the total staff) distributed in white collar (10%) and blue collar (90%) positions.

DISABILITY DIVERSITY (NO.)



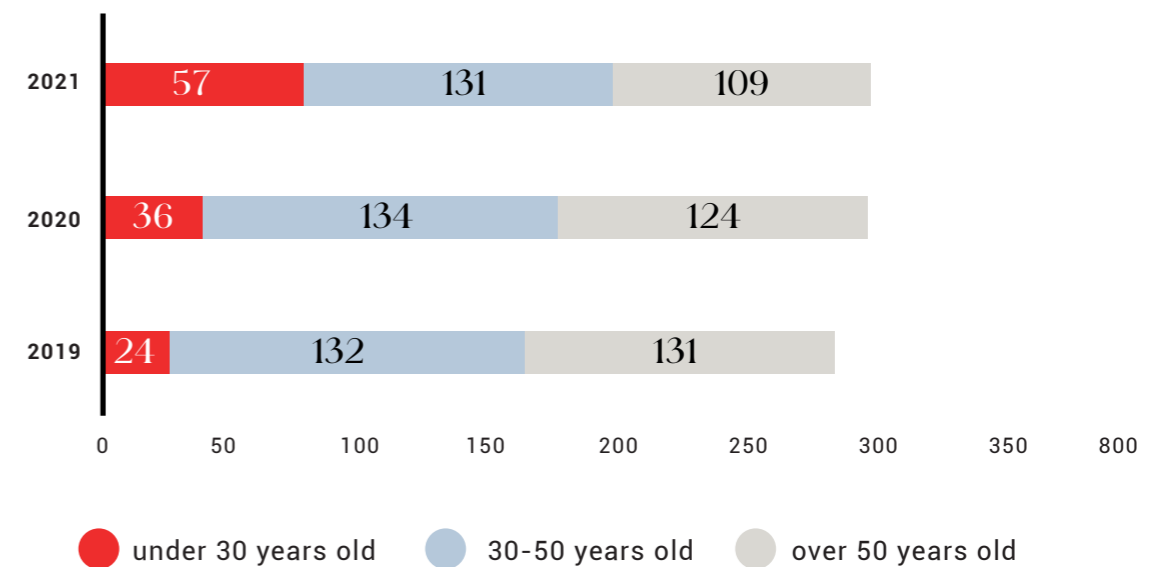
Age diversity.

Belleli Energy CPE operates on a global scale, relying on employees with a wide range of personal data and geographical origin. The diversification of resources is the bearer of values and opportunities deriving from the different ways of pursuing and achieving the highest levels of performance within a single and broader organisational design of the Group.

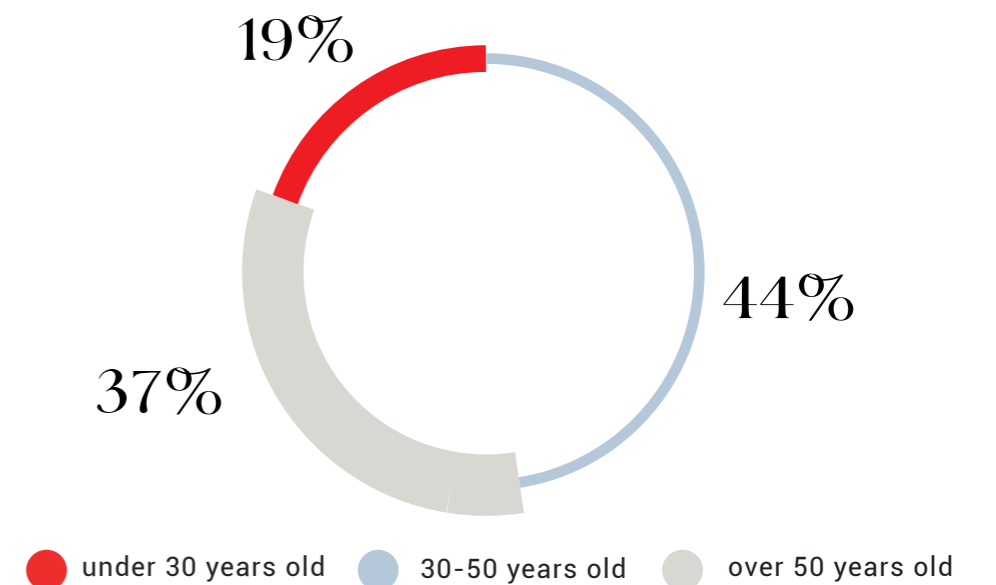
The breakdown of staff over the last three years by age group has remained almost stable, with a higher concentration in the middle range, between 30 and 50 years old (44% of employees in 2021).

The average age is 43. Generational diversity favours the exchange of knowledge and the dissemination of know-how among young people by more experienced workers, able to stand up for example and pass on the skills and abilities learned over time.

EMPLOYEES BY AGE GROUP (NO.)

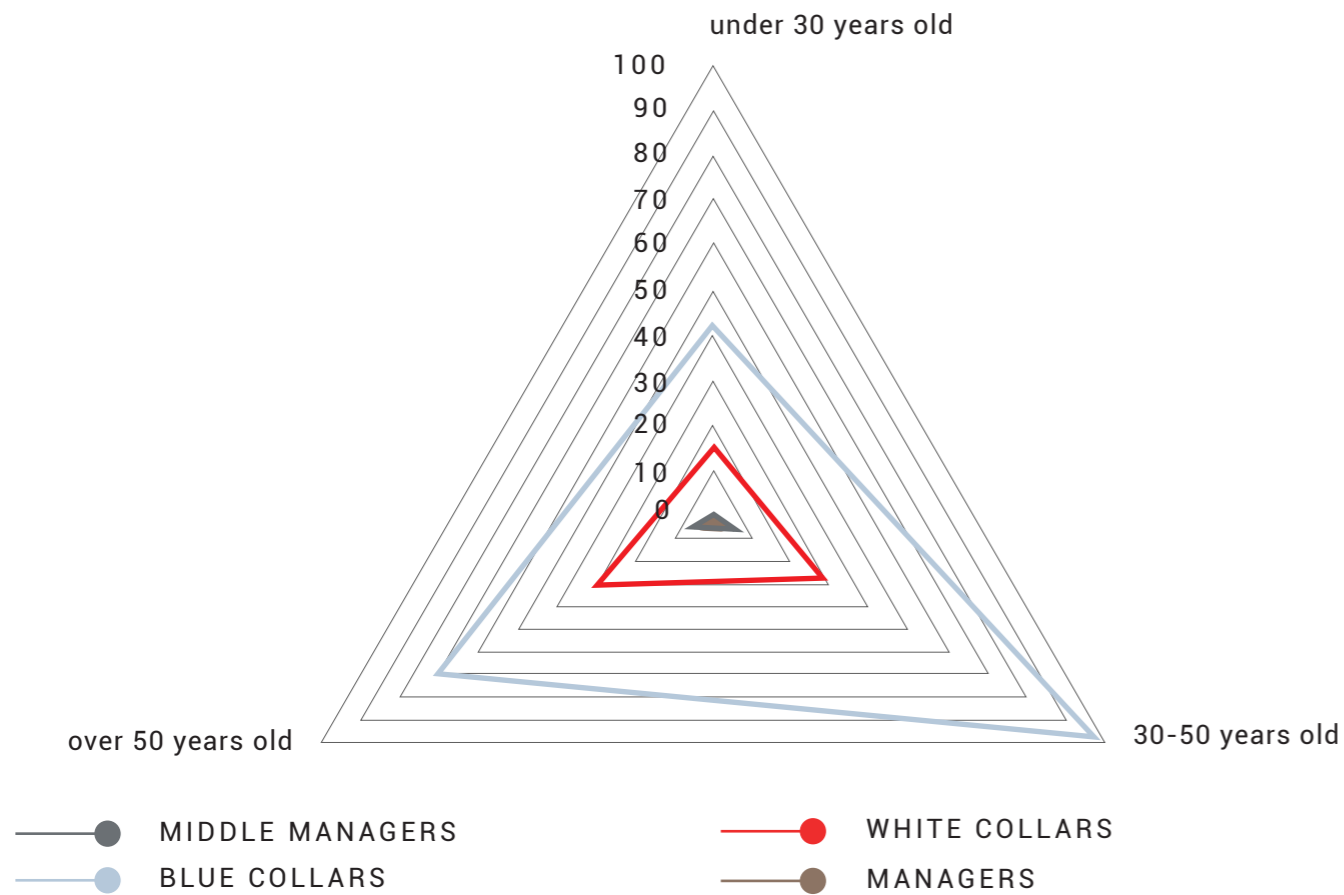


DISTRIBUTION OF EMPLOYEES BY AGE GROUP - 2021 (%)



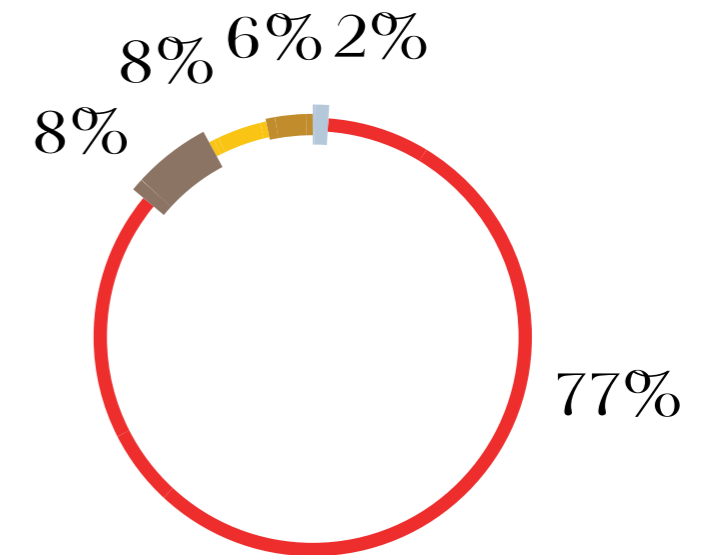
Company population by professional category and age group as of 31 December 2021:

DISTRIBUTION OF EMPLOYEES BY AGE RANGE AND CATEGORY - 2021



EMPLOYEES BY GEOGRAPHICAL DIVERSITY - 2021

- ITALY
- EASTERN EUROPE
- ASIA
- AFRICA
- CENTRAL AND SOUTH AMERICA



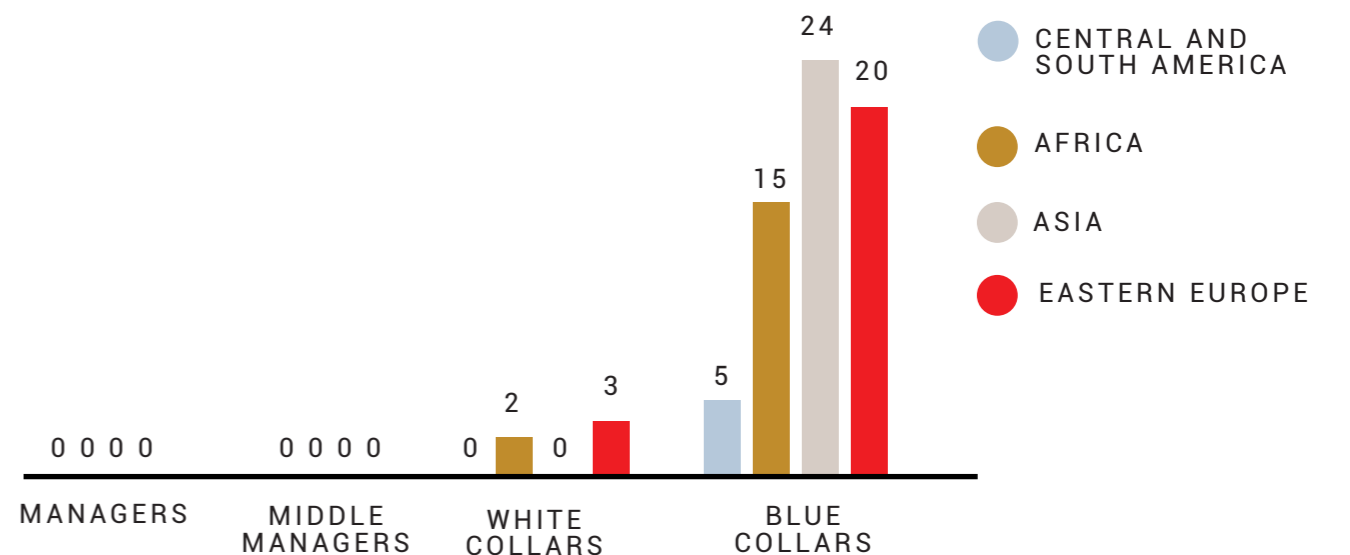
The distribution of staff with a nationality other than Italian, is distributed as follows by professional classification and geographical area:

Cultural diversity.

The companies of the Tosto Group operate in a multinational perimeter with a team formed by employees of the countries in which they are present with their operating entities but also welcoming people of different nationalities who express diversity of religion, language and culture. This contamination represents both a challenge and an enormous wealth to be valued and managed consciously to make it both a competitive advantage and a set of shared human values.

The number of nationality of the employees in 2021 is 21 and is distributed as follows:

DISTRIBUTION OF EMPLOYEES BY NATIONALITY - 2021 (NO.)



Together in Safety.

MATERIAL TOPICS	GRI	SDGs	UNGC GOAL
Health and safety	(103-1) (403-1) (403-2) (403-3) (403-4) (403-6) (403-8) (403-9) (403-10)	 3 GOOD HEALTH AND WELL-BEING	 8 DECENT WORK AND ECONOMIC GROWTH
		 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	 LABOUR

In addition to the primary importance of ensuring productivity, efficiency, and a pleasant and stimulating environment, Belleli Energy CPE cannot help but consider the culture of safety at the base of the organisation.

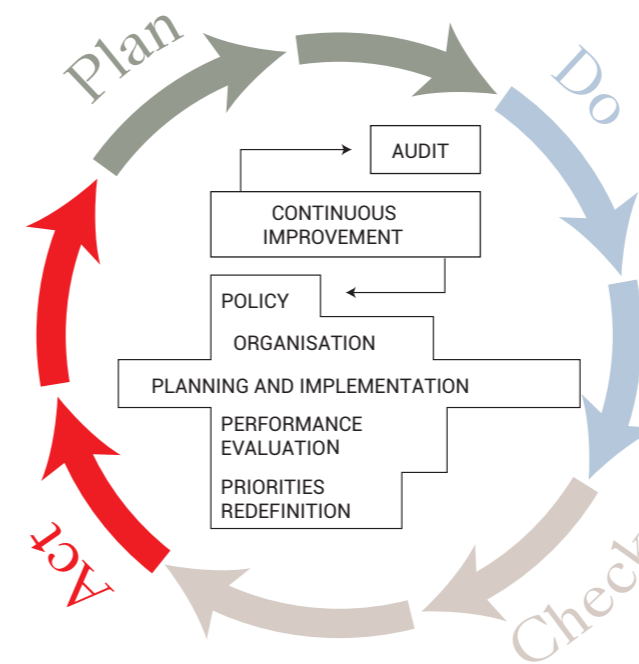
The company invests energy and resources in protecting health and improving safety at the workplace, adopting advanced management practices and systems to safeguard their employees and third parties involved in company activities. The main activities of the HSE “Pillar” can be summarized as follows:

- Analysis of events;
- Identification and assessment of risks;
- Internal audits;
- Technical improvements to machines and the workplace;
- Training and control.

The owner, therefore, believes that the management of health and safety in the workplace does not represent a cost or a mere fulfilment of legal requirements, but an important process for business management, an integral part of the business model.

Occupational health and safety management system

The method of implementation of the HSE Pillar is systemic and takes place through the PDCA logic (Plan, Do, Check, Act).



The organisation of the HSE Pillar is based, like all management systems, on an improvement process that, in order to be efficiently managed, must include the following elements:

- Work Instructions containing the method and instructions for performing the tasks deemed critical
- An Auditing system;
- Standards against which to monitor improvement.

In parallel, the following points must be guaranteed:

- The involvement of all workers: the success of the implementation of the system depends

on the achievement of the awareness that responsibilities are collective;

- and training: security also derives from proper management of communication, training and information;
- Skills: personnel must be adequately trained.

The planning of HSE activities is structured as follows:

- Identification of the main hazards;
- Evaluation of the relevant risks;
- Identification of actions for improvement;
- Identification of KPIs for the continuous monitoring of activities.

The implementation of the planned activities and the adoption of specific work procedures and instructions will, therefore, allow:

- The control of the risks of the workstations, with subsequent elimination or reduction of the residual risk;
- The correct management of Process/Product changes and the consequent application of countermeasures;
- The support and dissemination of the culture of Health and Safety, as well as respect for the Environment.

2021 represents the year in which Belleli Energy CPE started the preparation process for obtaining **ISO 45001**.

Risks at work

The company processes for the identification of hazards and the assessment of risks to health and safety in the workplaces of the organisation are carried out taking into account the standards of good technique represented according to the UNI standards, the legal requirements relating to the laws and decrees of the Italian state, the company experience in terms of frequency, severity and magnitude of the events that occurred in the last 20 years. The expert judgement, linked to the hazard identification and risk assessment process, is drawn up by the HSE function involving all the top management. The organisation adopted a suitable procedure for the investigation of accidents, injuries and near misses, in order to guarantee a continuous improvement through the reduction at the source of the risk. In particular, the following prevention and protection measures are adopted:

- PPE relating to residual risks;
- Collective protection measures;
- Substitution of that which is dangerous with that which is not or is less dangerous.

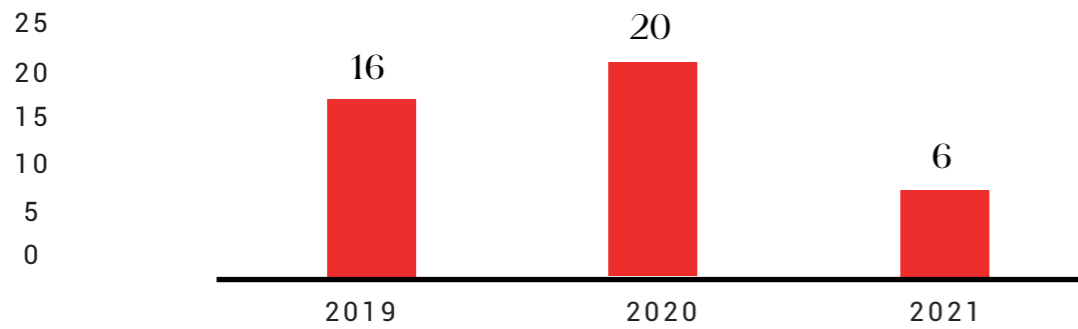
Belleli Energy CPE has also adopted an Organisational, Management and Control Model, pursuant to Italian Legislative Decree 231/01, which provides for quarterly reviews of safety indicators and continuous monitoring of HSE activities.

A total of 6 accidents occurred during 2021 (20 in 2020): this improvement is due to the systemic and timely application of the principles listed above, thus demonstrating, once again, that only a “total” approach and a systemic and permeating monitoring of all activities, can allow a truly effective management of the HSE aspects. There have

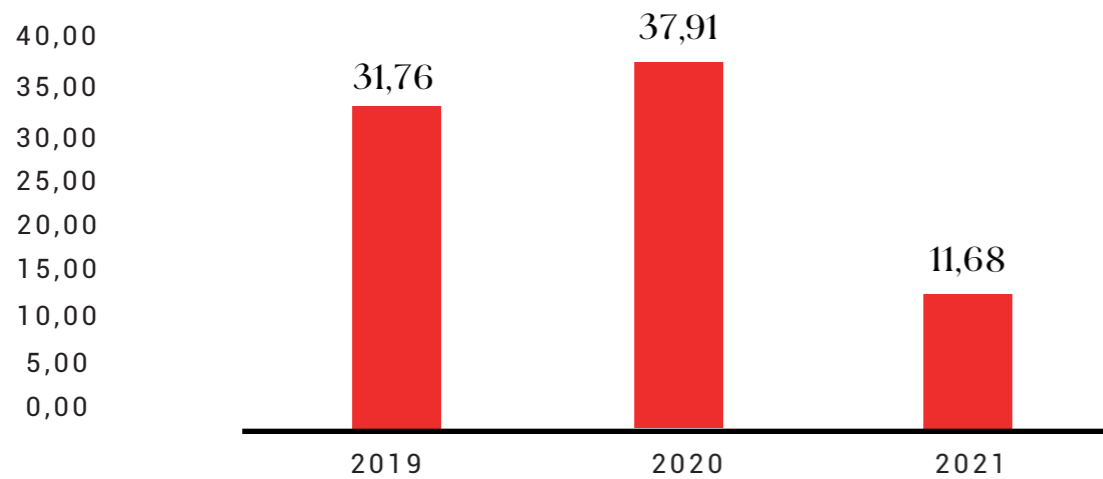
been no accidents related to the workers of external companies operating in the production sites.

It should be noted that there were no fatal accidents in 2021, similar to what happened in 2019 and 2020.

WORK-RELATED INJURIES (NO.)

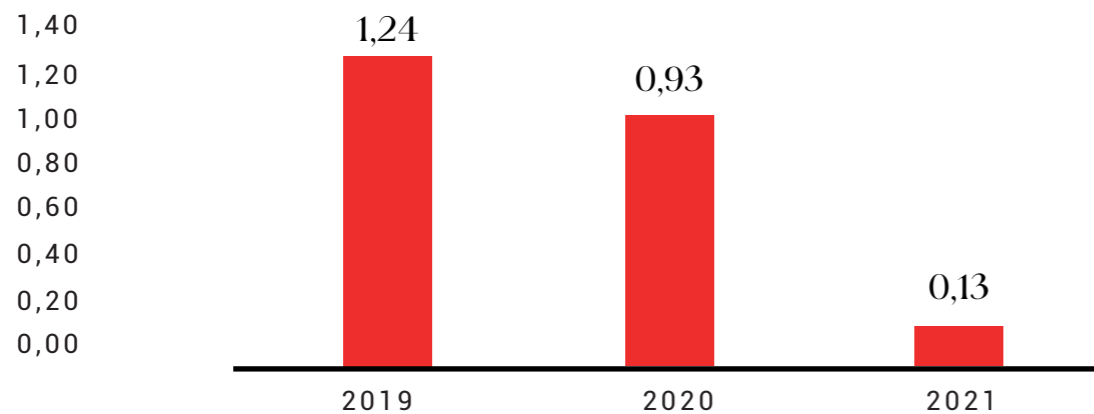


FREQUENCY RATE*



* The Frequency Index is calculated as $I_f = (\text{No. of Injuries} \times 1,000,000) / \text{Hours Worked}$.

SEVERITY RATE*



*The Severity Index is calculated as $I_g = (\text{working days lost due to accident} / \text{hours worked}) \times 1,000$.

OCCUPATIONAL ILLNESSES	2019		2020		2021	
	reported	recognised	reported	recognised	reported	recognised
	1	0	1	0	0	0

Occupational Medicine

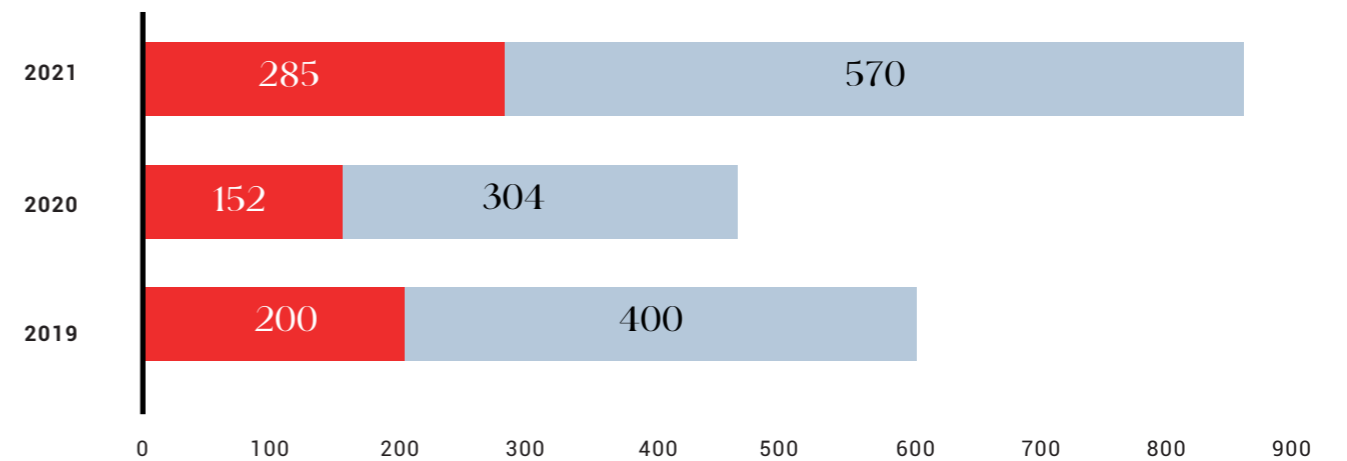
The company has a health protocol prepared by the Occupational Physician according to the risk assessment, through which, on an annual basis, all workers are examined.

Inside the infirmary in closed archives, whose opening is allowed only to the occupational health physician, the medical records are kept in respect of the privacy of the individual workers.

The occupational physician, who also has the status of authorised physician, then reports annually on the outcome of health surveillance to the main players of the SMS, namely the Occupational Health and Safety Department, Workers' Health and Safety Representative, Qualified Expert, Acting Deputy.

HEALTH CHECKS (NO.)

- periodical medical visits
- diagnostic examinations



Finally, it should be noted that Belleli Energy CPE subjects workers to a blood test every two years in compliance with the workload and factors that cannot be postponed for the purpose of protecting health at the workplace.

Listening and dialogue

The participation and consultation of workers takes place both directly through field discussions at the workshops, with their own references and with the prevention and protection service, and representatively through the designated RLS, during official meetings (COVID-19 committee, periodic meeting art. 35 d. leg. decree 81/08, etc.), with the employer, competent doctor and RSPP.

Even during the performance of health surveillance activities, the occupational health physician is a collector of participation and consultation of individual workers.

The company has adopted a suitable procedure for the management of the process of consultation and participation of workers, in order to improve the safety management system and consequently the levels of health and safety in the workplace.

With regard to the method of participation, please refer to the descriptions of the information above, according to which it is possible to report critical issues or others even in an anonymous form.

Promotion of health

Another important aspect of the company is represented by the promotion of health: the years 2020 and 2021 saw the focus on efforts to respond to the Covid-19 emergency.

Belleli Energy CPE has set up a Committee for the application and verification of the rules of the Regulatory Protocol. The main initiatives implemented to prevent the spread of the virus are the following:

- Posting on all company bulletin boards

accessible to all, all the information on the behaviours to be adopted to prevent the spread of the Covid-19 virus;

- Posting on all reception entrances and all workshops entrances the information for all workers on the behaviours to be adopted to prevent the spread of the virus;

- Posting on all reception entrances of the rules of conduct to be adopted by external parties and drivers;

- Posting of signs in common areas about the behaviours to be adopted;

- Measures to ensure social distancing;

- Sanification of workstations and common areas;

- Temperature measurement upon entry;

- Use of specific PPE (e.g. distribution of masks and sanitising gels);

- Swabs on the basis of necessity in the local infirmary;

- Encouraging smart working, (welding offices, technical office, sales office, quality office) and also the possibility of using their vacation days, encouraging them;

- Posting of a notice and text message relating to the possibility of communicating to the occupational physician, in a confidential manner, in respect of privacy, by each company employee, of the existence of particular conditions and previous pathologies that may create vulnerabilities against the Covid-19 virus;

- Respect for privacy for the verification by means of a laser thermometer of the body temperature and possible registration in case of exceeding 37.5°C on all those who enter the company for the first time and on all



the resident inspectors on the first day of entry into the company returning from their residences or domiciles. The Committee then verified what has been achieved with respect to the application of the provisions of the Protocol of 06 April 2021, in relation to the involvement of the Occupational Physicians for the evaluation of situations of particular fragility and the current or previous pathologies of the employees, in order to protect these categories, in full respect of privacy. During 2021, the Group also carried out free serological tests/swabs for all personnel with a frequency that followed the progress of the virus for a total of approximately 376 administrations.



Human resources development.

MATERIAL TOPICS	GRI	SDGs	UNGC GOALS
Training and development	(103-1) (403-5) (404-1) (404-3)		

Investment in training and resource development to cultivate skills and know-how is of strategic importance, creating an organisation that grows at all levels through its achievements.

Investment in human resources, unlike that in machinery, has a theoretically unlimited response potential. Therefore, investing in training can generate a very high return on productivity.

For Belleli Energy CPE it is essential to enhance human resources through meritocracy for the purposes of staff evaluation.

Training.

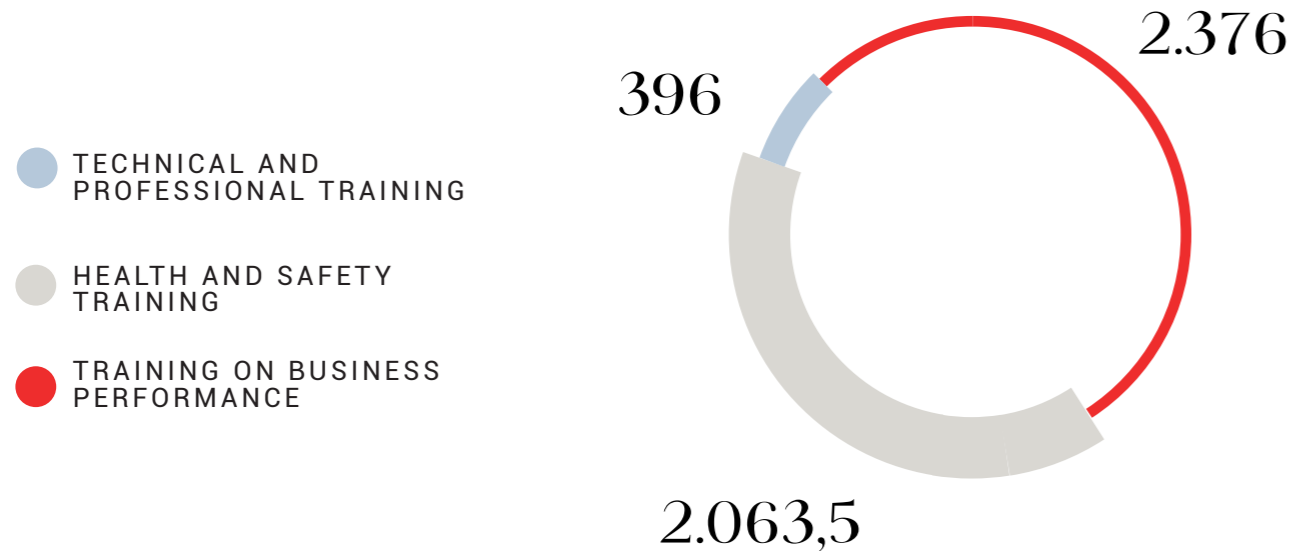
In 2021, 4,836 training hours were provided. On average, 16.3 hours were provided per employee (on average about 9.3 hours of training for men and 10.8 hours for women). The category that benefited most from training activities was that of blue collars (on average approximately 17.7 hours of training for each employee).

HOURS OF TRAINING BY PROFESSIONAL CATEGORY - 2021



The 2021 training plans were less drastically affected by the constraints imposed by the COVID-19 emergency: Health and Safety course activities also had a positive impact on the accidents recorded during the year (see Together in Safety).

HOURS OF TRAINING BY AREAS OF INTERVENTION - 2021



Training for young people

The most difficult profiles to find are those of skilled workers and, due to the strong misalignment between demand and supply, the Group has decided to integrate the

territorial educational offer through the promotion of educational and training programs aimed at the development of young people and the local socio-economic fabric.

Alternanza Scuola Lavoro

For years, Belleli Energy CPE has been welcoming students from technical, professional and high schools in their third, fourth and fifth school years who request it, from the territories of Mantua, for the performance of work-related learning activities. Students are supported by experienced technicians in the various functional areas in the training courses that can continue for up to 400 hours.

Welding school

The welding process represents the heart of Belleli Energy CPE's production activities. The ever-increasing number of orders made to the company has made it necessary to schedule professional courses to train operators specialised in welding.

In this regard, the company, **twice a year**, organises professional training courses for welders lasting 220 hours, divided between practical training (100 hours) and classroom lessons (120 hours).

The course, aimed at inclusion in the company, is aimed at young people between 18 and 26 years of age who have completed compulsory schooling.

Every year, about 80% of the participants successfully complete the course, while 50% are integrated into the company workforce. In 2021, 33 young people participated.

Master

The Group has a long tradition and a vocation for training to respond to the demand of highly qualified professional sector companies that have the skills to enter specialist areas.

In 2020, Belleli Energy CPE organised the master's degree for "Critical process equipment expert". The paid training course, which involved the young people in the months of the pandemic, was born from the collaboration between the company, the University of Studies of Modena and Reggio Emilia and the UniverMantova Foundation. At the end of six months of lessons and internships (for a total of one thousand hours of advanced training) it was planned to include the master participants in the staff: the target areas are mainly Research & Development and in the near future also the planning and planning of the factory, Quality & Welding, proposal and technical office.

Internship

Internship and support to students for degree theses, to promote the osmosis between corporate and university know-how through the stipulation or renewal of agreements with the target universities.

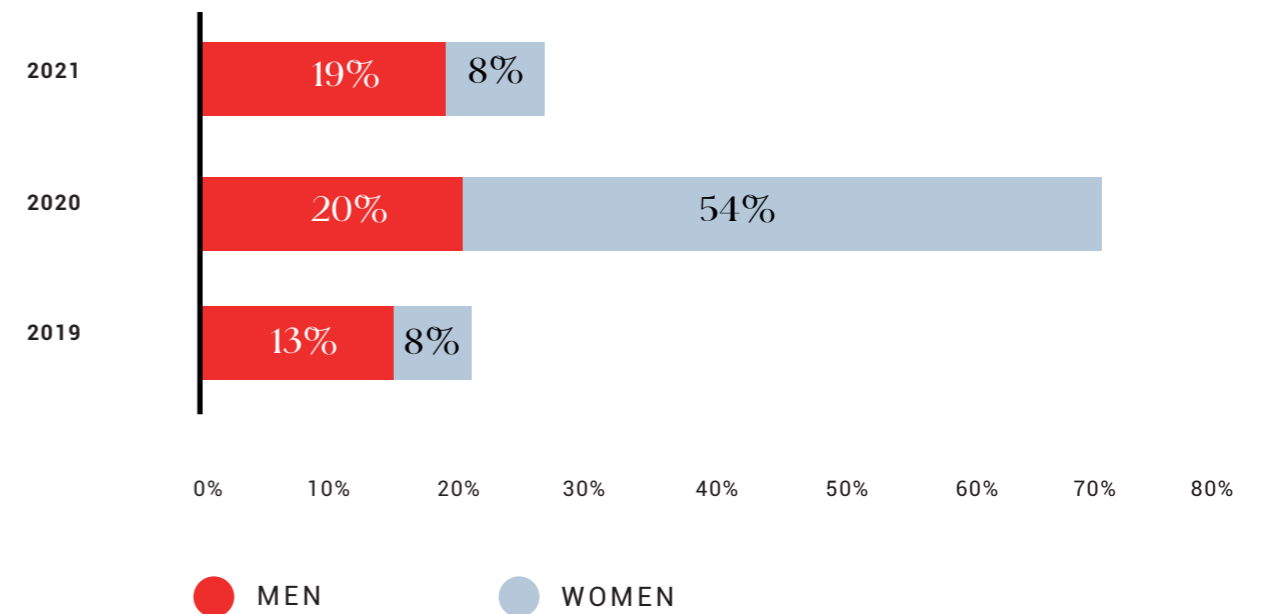
Employees evaluation and development.

In Belleli Energy CPE, merit is the basis for management and rewarding actions both in terms of professional development and career opportunities.

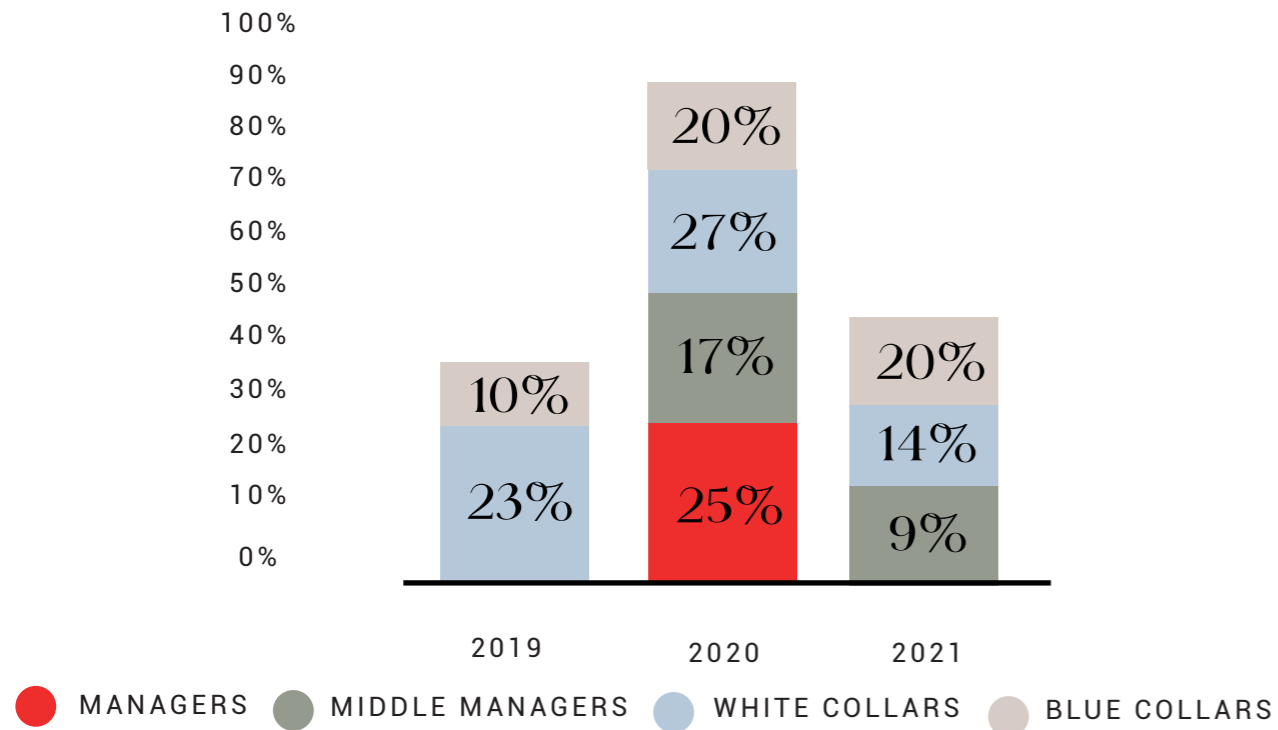
In this regard, the remuneration systems are periodically updated based on the recognition of the results achieved, the quality of the professional contribution provided and the development potential of the person.

During 2021, a total of over 50 people were valued, equal to 18% of employees including executives, employees and workers.

PERCENTAGE OF EMPLOYEES EVALUATED BY GENDER



PERCENTAGE OF EMPLOYEES EVALUATED BY PROFESSIONAL CATEGORY



Welfare.

MATERIAL TOPICS	GRI	SDGs	UNGC GOALS
Welfare	(103-1) (401-2) (401-3)	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;"> <p>5 GENDER EQUALITY</p> </div> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;"> <p>10 REDUCED INEQUALITIES</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>LABOUR</p> </div> <div style="text-align: center;"> <p>HUMAN RIGHTS</p> </div> </div>

The attention to the well-being, health and quality of life of its employees is a decisive factor for Belleli Energy CPE because it reflects the productivity and growth of the business.

The awareness that the company cares about the psychophysical well-being of its employees helps to motivate them and make them feel more appreciated, with a significant decrease in stress levels and a decidedly more collaborative business climate. In this

virtuous circle, the achievement of objectives is easier, generating further recognition.

Not least, the company that implements welfare policies has a greater ability to attract and retain talents: the reduction of turnover, in fact, has as a direct consequence the containment of costs for training and the inclusion of new hires. By virtue of the attention to health and well-being, there is also a decrease in absenteeism.

Belleli Energy CPE promotes and implements a set of welfare initiatives that aim at creating and disseminating well-being, to improve the quality of life of employees and their families through benefits and awards of various kinds.

Welfare initiatives envisaged by the new National Collective Bargaining Agreement for the Metalworking Industry for the year 2021

The employees of Belleli Energy CPE are called every year to express their preference about how to receive the value of €200.00 between gas vouchers, shopping centre/discount vouchers, or destination of the amount to the Comet supplementary pension fund.

Supplementary pension fund

Supplementary pension funds also contributed by the company, as per the National Collective Bargaining Agreement.

Company canteen

Belleli Energy CPE offers a catering service at its company headquarters in Mantua for all

employees who request it at a cost of €0.50 / meal consumed.



Housing for employees on free loan

Belleli Energy CPE is willing to grant the use of guesthouses to employees whose place of residence is significantly distant from the company headquarters: these homes are equipped with all the services, adjacent to the production plants.

Supply chain.

MATERIAL TOPICS	GRI	SDGs	UNGC GOALS
Catena di fornitura	(103-1) (102-9) (102-7) (102-10) (204-1)	 1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS	 LABOUR HUMAN RIGHTS ANTI-CORRUPTION ENVIRONMENT

The Belleli Energy CPE supply chain consists of approximately 900 companies that contribute to the competitiveness of the business on a daily basis, ensuring compliance with the quality and security requirements of supplies and actively collaborating in contract management and open innovation processes, with the sharing of knowledge, skills and technologies.

36.589.347,92 €

TOTAL VALUE OF PURCHASES OF GOODS AND SERVICES IN 2021

59%

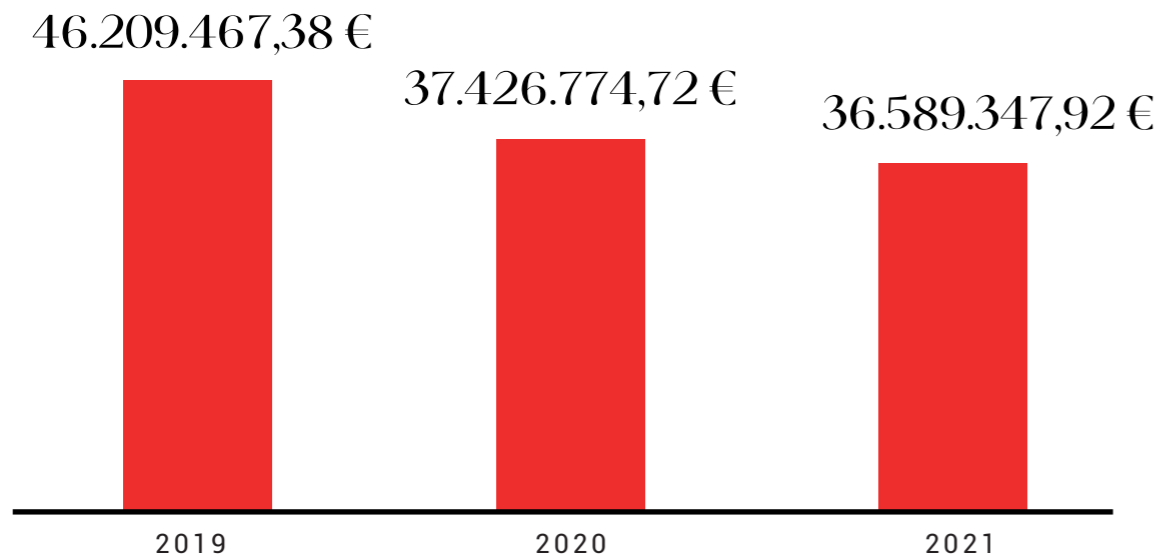
IMPACT OF THE VALUE OF PURCHASES ON REVENUES 2021

76%

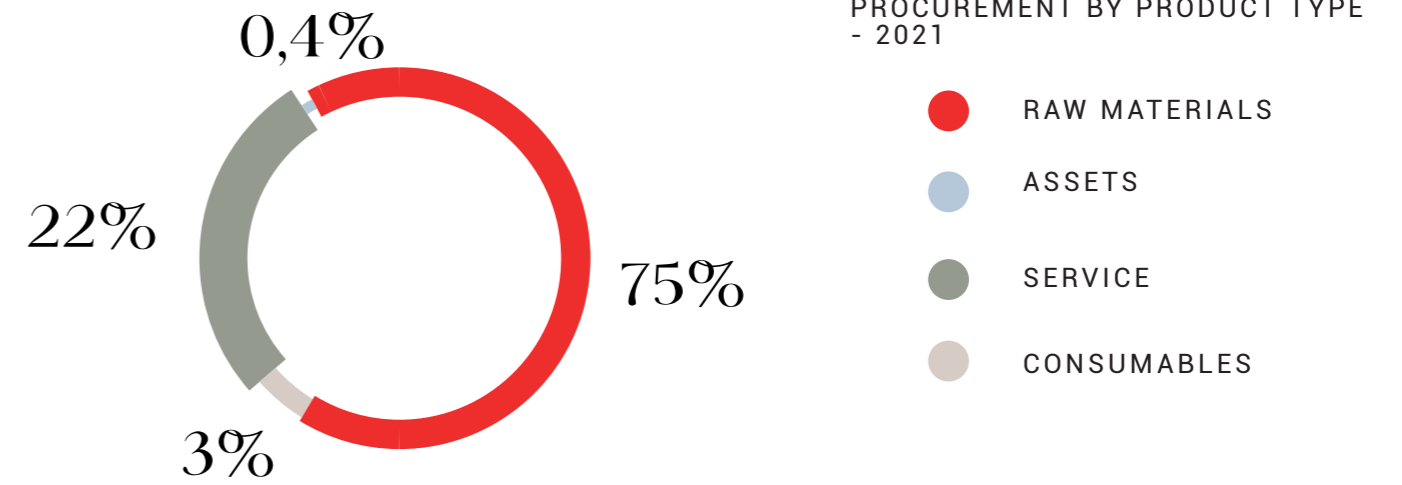
PURCHASES RELATED TO DOMESTIC MARKETS 2021

The value of purchases amounts to €36,589,347.92 (76% of which in domestic markets in Italy), a slight decrease compared to 2020.

PROCUREMENT

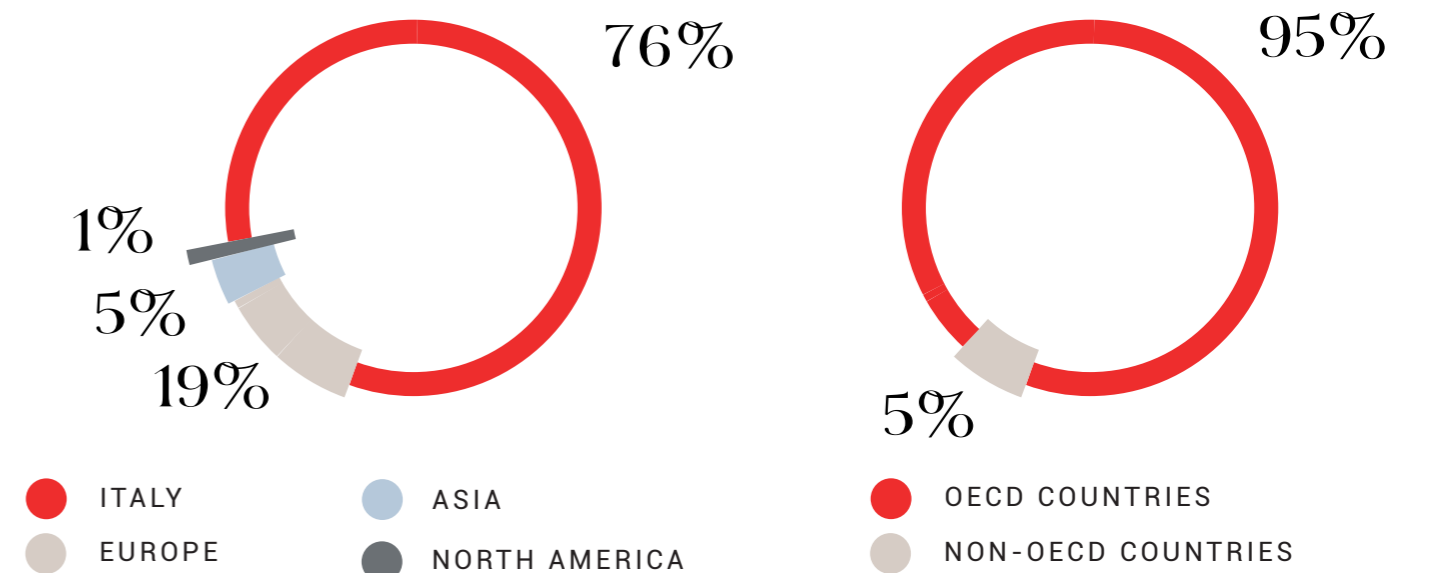


The supplies are qualified in four different product categories: raw materials, services, consumables and assets, which in 2021 represented respectively 75%, 22%, 3% and 0.4% of the total supply.

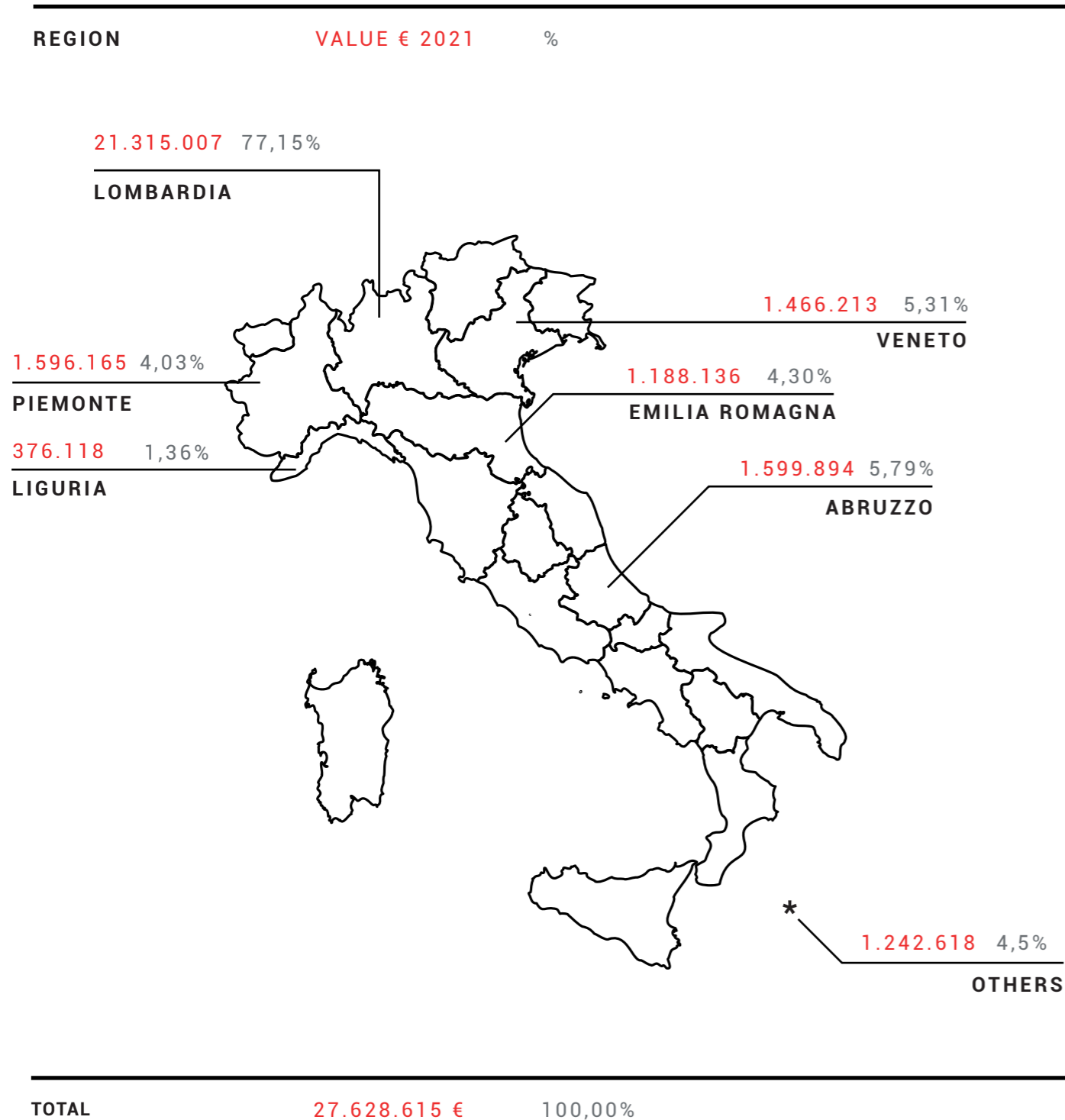


In the main product category, that of raw materials, steel (sheets, forgings, pipes, profiles, etc.) was the most used material. The company is very careful to carry out controls on the areas of origin of certain materials such as those called “Conflict Minerals” (gold, tantalum, tin and tungsten) with the intention of promoting the humanitarian objective of ending the conflicts in some areas of the world partially financed by the trade in these materials. It emerges that tools such as tungsten-bonded drills for gouging are sporadically purchased. The following graph shows the percentage of suppliers by geographic area.

PROCUREMENT BY GEOGRAPHIC AREA -2021



The values relating to purchases in the domestic market describe the interconnection between the Company and the economic fabric in which it operates: 77% of the purchases made in 2021 in Italy are in fact made in the Lombardy Region according to a *local for local* supply logic.



Selection and management of suppliers

Given the importance both in terms of quality and safety of the products manufactured, Belleli Energy CPE has implemented a company procedure aimed at selecting and evaluating its suppliers of strategic materials and services (Supply Chain Analysis and Management).

Strategic materials and services are defined as all those that have a fundamental influence on compliance with the quality, safety and contractual requirements of the final product, and those that represent a significant factor, in terms of cost, in the company's general economy.

Specifically, Belleli Energy CPE relies on the most well-known, respected and internationally recognised suppliers, which have a solid and lasting quality system based on ISO 9001 and periodically evaluated by Third Parties that certify their continuous compliance with the requirements.

When it is not possible to rely on suppliers whose seriousness has already been assessed, qualification audits Belleli Energy CPE organised (using qualified internal staff or external bodies), prior to the issuing of any order, to ascertain the supplier's technical validity and seriousness with regard to both quality and safety in the workplace. Only after the satisfactory outcome of these audits can the supplier be included in the Approved Vendor List and be considered for the provision of strategic materials or services.

In addition, the Purchasing function in collaboration with the Administrative and customs checks for the possible presence of names or company names of potential suppliers on the black lists published on

the website of the Bank of Italy (UN Lists, EU Lists, OFAC Lists, etc.) and the Internal Revenue Service with a view to preventing the involvement of Belleli Energy CPE in potential incidents of receiving stolen goods, money laundering and terrorist financing.

Finally, a further aspect that needs to be investigated is the economic and financial soundness of the supplier. This analysis is very important because it allows to identify anomalies that can cause inefficiencies in the management of relations with suppliers.

The table below shows the main critical success factors with the related indicators that can be used to analyse this dimension in detail.

EXPANDED VALUE CHAIN	SUPPLIER DIMENSION
FCS	KPI
PHYSICAL-TECHNICAL QUALITY	NO.OF DEFECTIVE PIECES/TOTAL PIECES DELIVERED DEFECT RATE PERIOD/DEFECT RATE OF PREVIOUS YEAR NO. OF REWORK
QUALITY OF SERVICE	NO. OF ON-TIME DELIVERIES/TOTAL PERIOD DELIVERIES AVERAGE ORDER FULFILMENT TIME NO. OF DELIVERIES COMPLIANT WITH THE ORDER/TOTAL DELIVERIES PERIOD NO. OF REORDERS
COST OF THE PROCUREMENT PROCESS	SUPPLIER HANDLING COSTS/PURCHASED VALUE NO. OF REMINDERS TO THE SUPPLIER

Belleli Energy CPE’s goal is to become an example and an important reference point throughout the value chain by promoting and encouraging suppliers to engage in actions that go beyond the requirements of efficiency and quality, in order to bring an advantage to the environment and society.

Local content

In recent years, local content requirements have been introduced by developing countries within their regulatory systems. Local content

refers to the added value brought to a nation, region or locality through the empowerment and training of the workforce and investments in the development of local suppliers.

The time and work invested in the development of local content strategies create social and commercial benefits that promote economic growth and contribute to sustainable development.

Belleli Energy CPE has developed a strategy to support its partners aimed at a real transfer of know-how with the aim of training and growing the technical skills of the entire value chain.

“

I have what I have given

”

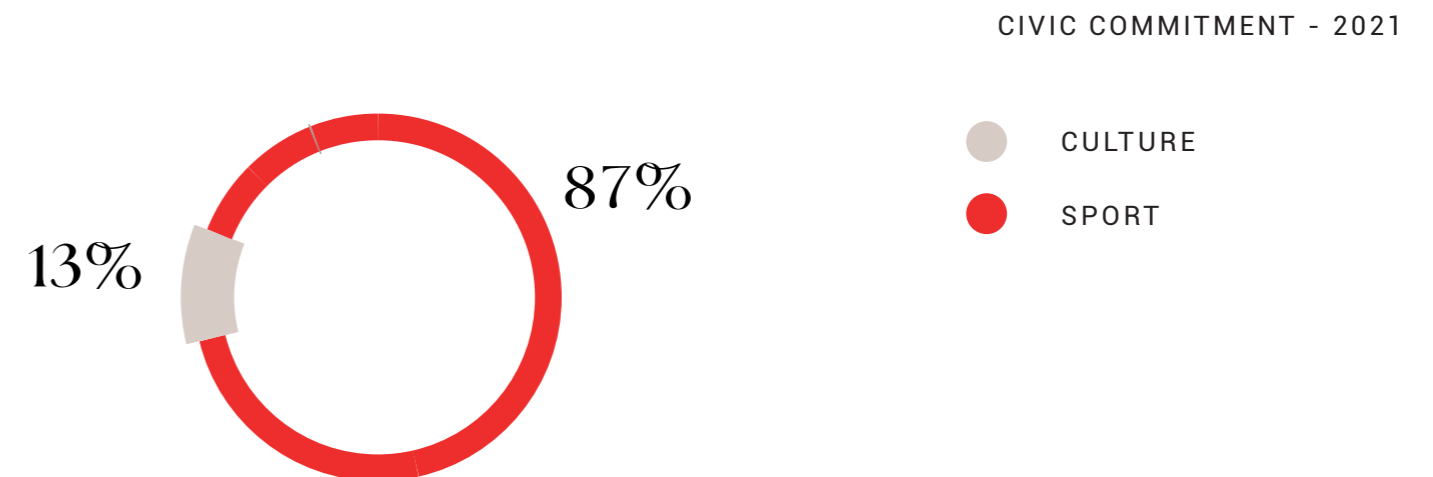
Gabriele d'Annunzio

Commitment to Sport and Culture.

MATERIAL TOPICS	GRI	SDGs	UNGC GOAL		
Civic commitment	(103.1) (102-7) (102-13) (201-1)	 2 ZERO HUNGER	 11 SUSTAINABLE CITIES AND COMMUNITIES	 17 PARTNERSHIPS FOR THE GOALS	 HUMAN RIGHTS

The strong bond with the territory plays a key role in the success of Belleli Energy CPE. This success is shared with people, initiatives, projects and associations close to the corporate sensibilities thanks to charitable donations and sponsorship activities aimed at the enhancement and promotion of the territory of Lombardy.

TOTAL VALUE OF DONATIONS AND SPONSORSHIPS 2021 - COMPOSITION FOR A PURPOSE	
SPORT	35.000 €
CULTURE	5.000 €



2021 was also characterised by a drive towards the support of sport as a tool for inclusion, growth and emancipation of its territory.



For 2021, Belleli Energy CPE confirmed the sponsorship of Mantovana Basketball, a sports club whose first team is enrolled in the A2 Old Wild West Green Group championship of the National Basketball League.

Mantovana Basketball, also known as Stings, plays the league matches at the Grana Padano Arena in Mantua, one of the largest sports facilities in the championship counting almost 4500 seats.

Finally, Belleli Energy CPE has supported the Mantua Chamber Orchestra Association, which has always been committed to promoting and spreading knowledge of art music and the passion for excellence in this area, both in its territory of reference and internationally. During its thirty years of artistic life, the Orchestra collaborates with some of the most appreciated conductors and soloists on the international scene. Starring in countless concerts in Italy and abroad, she

performs in the main theatres and concert halls in Europe, the United States, Central and South America, Asia.



“

Homo homini
natura amicus

”

Environmental
impacts

Antonio Genovesi

Environmental management.

The scarcity of resources and climate change are issues that affect society and force companies to adopt new approaches. It is impossible today not to have a strategy that includes climate change in development plans. Europe is geared towards the energy transition, thanks to increasing investment in **renewable energy** and **circular economy**.

The main long-term risk remains the lack of action on climate change. Since there is no vaccine against climate risk, plans for post-pandemic economic recovery must aim at aligning growth with sustainability programmes to “rebuild” society in a better way.

Not only is Belleli Energy CPE collaborating in the construction of the nuclear fusion reactor, carrying out a pioneering project aimed at overcoming the structural limits of the scarcity of energy from traditional sources, but it is continuously studying the reference market and intercepting, also simply as a stakeholder or investor partner, those initiatives that appear more focused on **energy efficiency, the circular economy and the reduction of CO2**.

Particularly sensitive to the development of skills in the new generations, the company works in partnership with universities, laboratories and spin-off research facilities for specialised training on welding, new materials, and even recovered materials.

In terms of attention to both system and product compliance, Belleli Energy CPE has adhered to the main international certification standards, in the field of System Quality and Product Quality, which have allowed it to establish itself in national and international markets. The Company adopts an environmental policy that is inspired by the principles of international standards and is followed with the utmost attention as it is central to the carrying out of daily operations: the procedures are equally standardised and we are committed to continuous improvement.

The purpose of the environmental management of Belleli Energy CPE is to guarantee the protection of the environment, pursue the principle of sustainable development, the continuous improvement of environmental performance and provide, to all stakeholders in the environmental field, the broadest guarantees in terms of environmental efficiency, transparency in communications, reliability of monitoring activities. This commitment is reflected in the pursuit of the following objectives:

- Apply and constantly improve the adopted Environmental Management System, which provides for the positioning and achievement of objectives in terms of environmental performance, the identification and management of risks to achieve them, and the ability to take advantage of any opportunities;
- Protect the environment through the

prevention of all forms of pollution and the containment of the environmental impact of processes in terms of emissions into the atmosphere, noise, water discharges, waste management;

- Ensure full legislative compliance in the environmental field, identifying and complying with all applicable legal obligations;
- Identify and adopt measures to pursue energy savings, the saving of raw materials and natural resources, the recovery of waste rather than disposal;
- Identify and adopt measures to prevent possible environmental accidents, such as spillage of pollutants into the soil, out-of-control emissions, and contain any environmental effects, giving priority to the safety and health of stakeholders, from employees to the external population
- Orient production towards environmentally friendly products (where possible);
- Promote employee responsibility and sensitivity through appropriate training programmes;
- Be available for an open and honest dialogue with the public authority and the external community to understand the real environmental aspects of the Company's activity.

The environmental aspects with which the Company is confronted are:

1. Soil consumption: it is necessary to have large, covered spaces and equipped with a high-capacity crane for the positioning and processing of large pieces; it is necessary to have spaces that are large, open, paved and accessible to vehicles for the storage and handling of raw materials, semi-finished and finished products, and for the storage of supports and equipment for the anchoring of workpieces. The need for factory extensions

and adaptations must take into account every day the limits imposed by the state of contamination of the industrialised areas in the 1960s and 1970s in the Chieti units, and address the costs of characterisation, safety and reclamation imposed on the current non-responsible owners.

2. Reduction of the quantity and dangerousness of waste produced in the processes of cutting, forming, welding, testing and surface processing (in particular sandblasting and painting waste): the Company is studying ways of reducing the quantity and dangerousness or preparing for the recovery of dusty, hazardous and non-hazardous waste.

3. Prevention of the pollution of the yard runoff water, with the development of segmentation systems and confinement of areas used for "dirty" processing and the installation of de-oiling and purification systems. Particularly sensitive are the sites close to public waters (Pescara river, the Adriatic of the port of Ortona).

4. Reduction of the amount of energy used to carry out the processes

5. Control and reduction of atmospheric emissions from welding, painting and annealing processes.

The following paragraphs give quantitative feedback on the Group's commitment to mitigating the environmental impacts deriving from the performance of its business.

Fighting climate change.

MATERIAL TOPICS	GRI	SDGs	UNGC GOAL
Fighting climate change	(103-1) (302-1) (302-4) (305-1) (305-2) (305-3) (305-4)	       	

Climate change has gained importance in the minds of stakeholders and is at the centre of the political arena. For example, countries that emit heavy greenhouse gases, such as China, have committed to zero net emissions by 2060, and compliance with the Paris agreement has become one of the issues that prompted voters to vote in the last US presidential elections.

Belleli Energy CPE manages the risks related to climate change, is constantly looking for new methods to improve its practices and minimise the impact of emissions from industrial activities.

Research projects are supported and promoted in collaboration with research institutes/universities on related topics to contribute to a low carbon economy (*see chapter Innovation*).

Energy consumption.

Belleli Energy CPE is a large company and an overall energy company. It falls within the scope of LEGISLATIVE DECREE 102/14 and has therefore started a journey of energy diagnosis and efficiency.

Consumption control and monitoring

Belleli Energy CPE uses a web app developed by the sister company Walter Tosto S.p.A. On this portal it is possible to record all the meters, divided by type of consumption (Electricity, Methane, Fuel, District Heating and Water). You can also geolocate them, associate a category, a name, and the counter code with them.

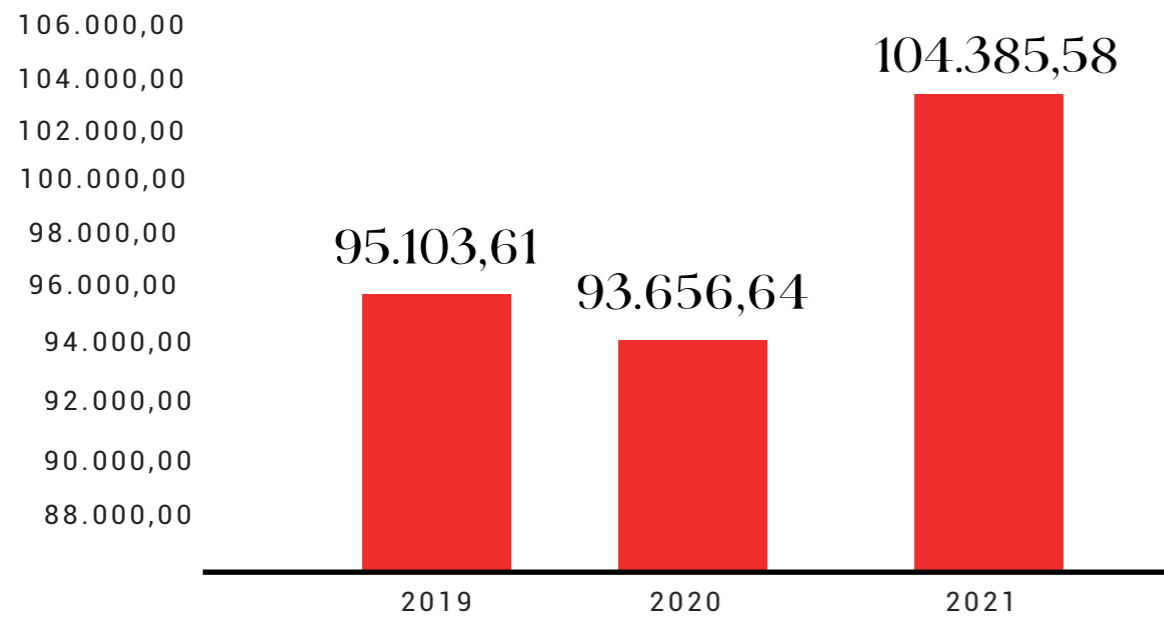
QR codes have been provided on each meter. By opening the web app, it will take advantage of the camera of the device, which by approaching the QR code will recognise the counter. Immediately after, you will be asked to enter the reading value, and clicking on record the app will acquire the value, associate it with the meter, also recording when and by whom the reading was made.

This will allow Belleli Energy CPE to have a database of detected readings always updated, to be able to make real-time analyses, on consumption both for

any faults, but also to monitor consumption compared to the previous months and years. Centralising the readings in a single platform has potentially also started the acquisition of previous data. In this case, the acquisition was more complex because the sources are extremely heterogeneous. Some data, already digitised, were extracted from the website of the various carriers, while others were also acquired from bills.

In 2021, total energy consumption was 104,386 GJ (+11% compared to 2020).

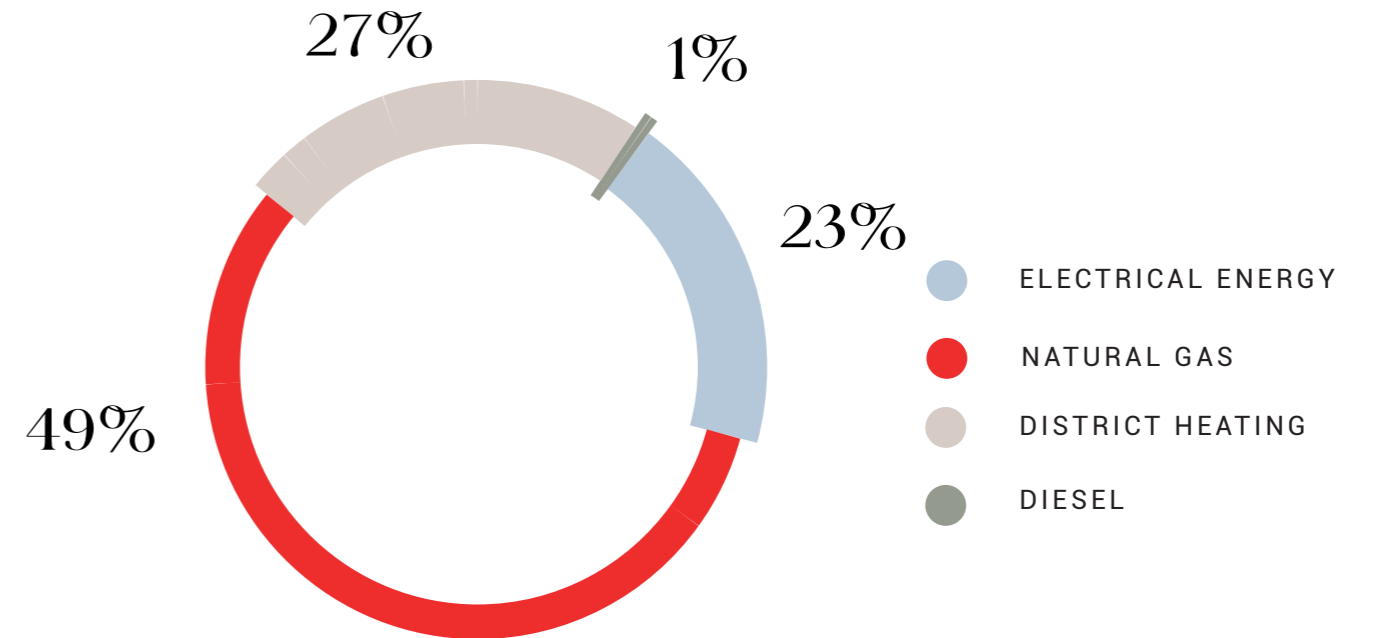
ENERGY CONSUMPTION (GJ)



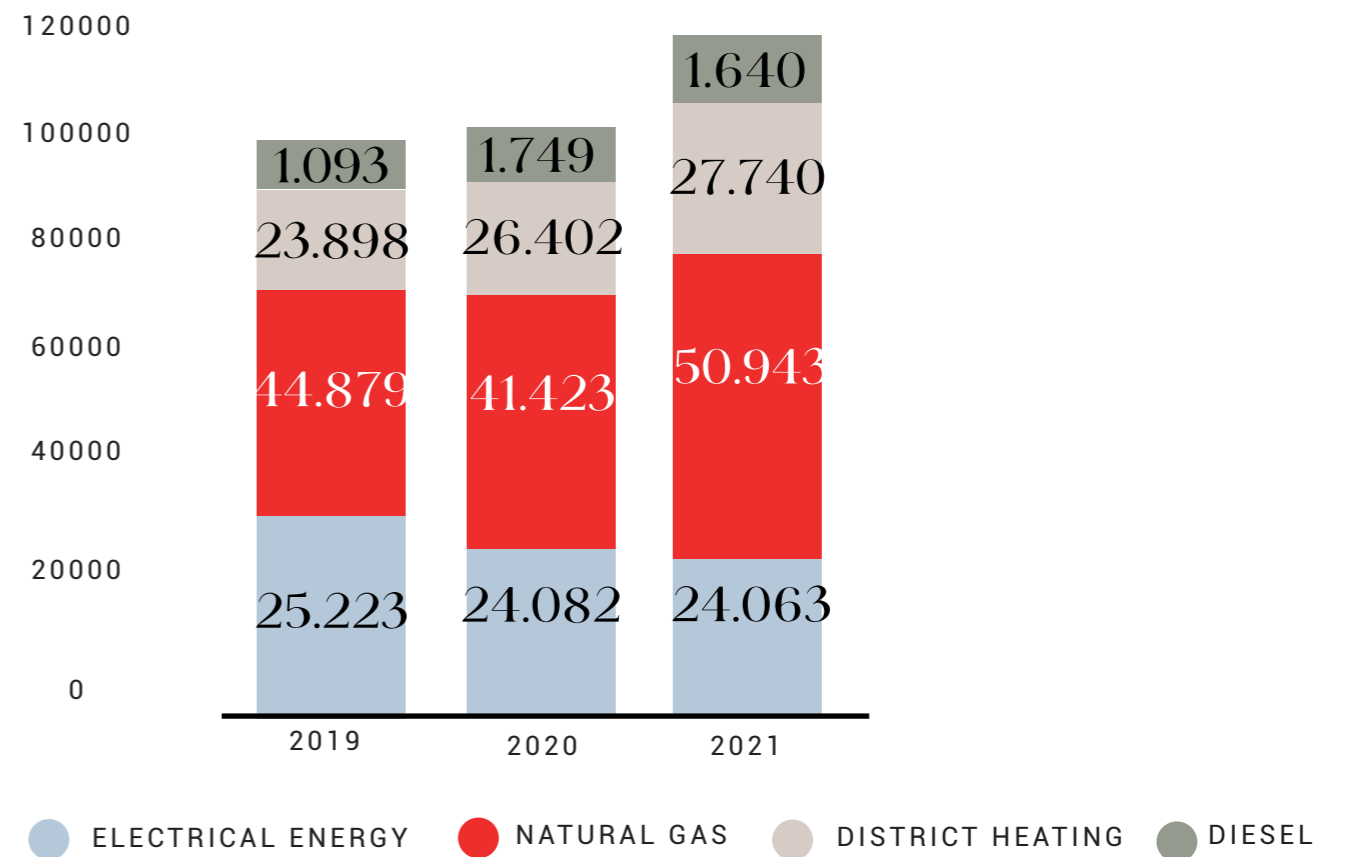
The energy mix used by the Company is mainly composed of Gas (49%), District Heating (27%) and electricity (23%). Urban district heating, compared to traditional heating systems, reduces energy consumption and improves environmental performance.

The last source used is diesel fuel for motor vehicles. The main energy consumption is attributable to the operating machines and systems.

ENERGY CONSUMPTION BY SOURCE OF USE - 2021



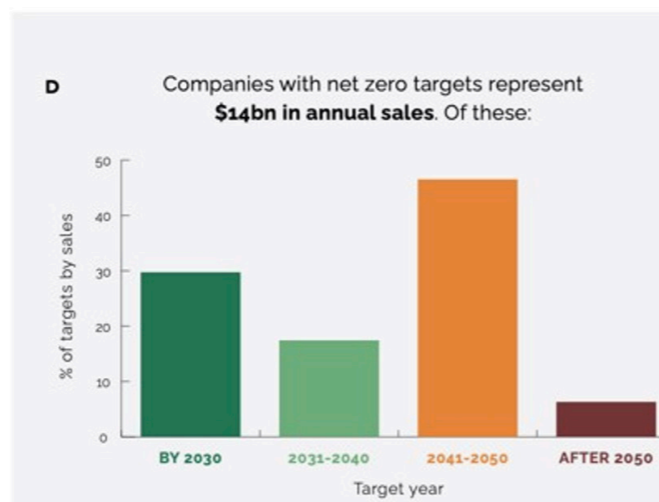
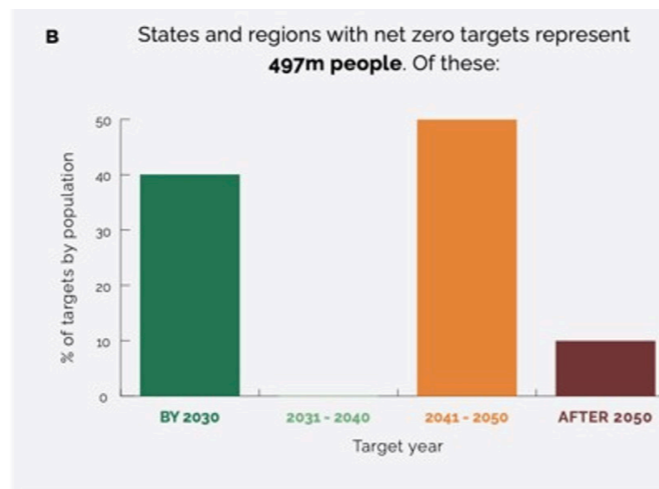
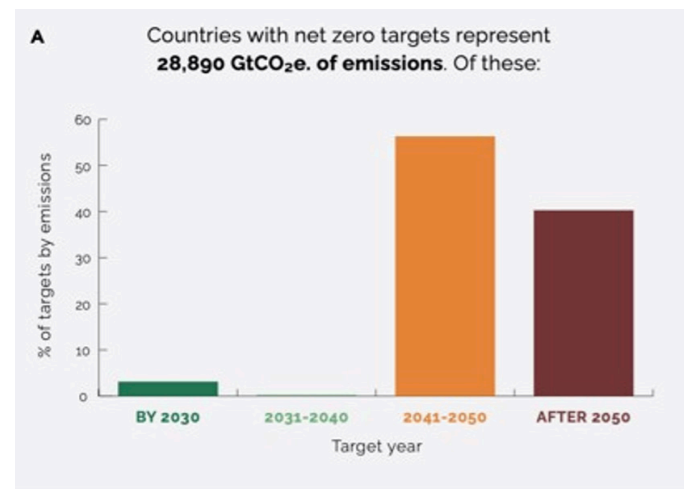
COMPOSITION OF ENERGY MIX (GJ)



Carbon Footprint.

Zero-emission companies are one of the fastest growing sustainable business trends. According to scientists, achieving zero emissions by 2050 is critical to keeping us safe from the catastrophic consequences of climate change. The “Net Zero Stocktake” Report notes that the share of national net zero targets sanctioned by national legislation or policy documents increased significantly from about 10% of total greenhouse gas coverage by all national net zero targets in December 2020 to about 65% in June

2022. 91% of global GDP is now covered by national governments’ net zero targets, compared to 68% in December 2020. 80% of the world’s population (compared to 52%) is now represented by national net-zero targets. More than a third (702) of the world’s largest publicly traded companies now have zero net targets, compared to a fifth (417) in December 2020. But 65% (456/702) of the company objectives still do not meet the minimum standard of reporting procedures.



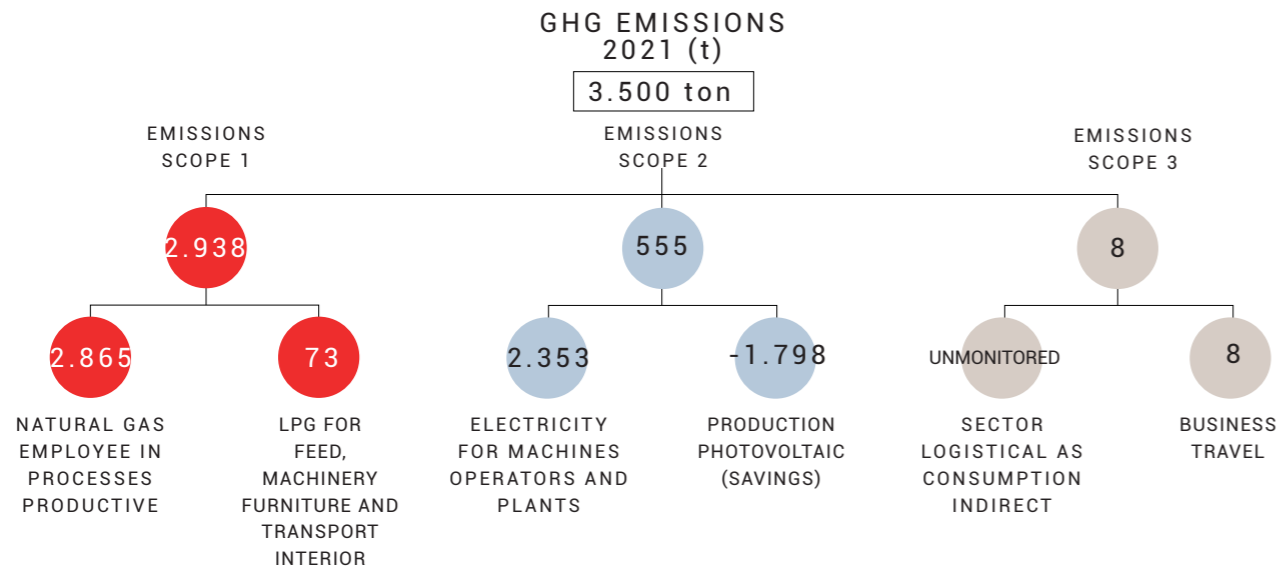
Therefore, companies are accelerating the race to zero emissions because climate science is widely accepted and because zero emissions reduce risks, costs and attract ESG investors and talent. Interestingly, the report’s editors note, the fossil fuel industry has the second highest percentage of net zero targets (49%) with more than 10 companies on the Forbes 2000 list, followed by the greenhouse gas-intensive steel and cement industries and the air transport industry, suggesting that reputational-conscious companies with large emissions footprints are more likely to set net zero targets that are merely symbolic in nature, without the detailed plans needed to achieve them.

The conversion strategy must necessarily be multi-level and tailor-made. From actions on the mix of energy sources (transition to renewables as a policy of purchasing energy on the market or installation of photovoltaic modules for self-consumption or return on the grid) to optimisations of the logistics of raw materials and finished products.

The first step towards the objective of reducing CO₂ emissions for Belleli Energy CPE has been achieved with an accurate mapping of consumption: the Company has set up a data acquisition system for emission reporting based on the principles of relevance, completeness, consistency, transparency and accuracy.

The carbon footprint calculation method followed the ISO 14067 standard but did not take into account the life cycle of the product, limiting itself to directing the data collected at the production site, without considering the CO₂ cost of the logistics of raw materials and finished products. Consumption is monitored and production is calculated with standard coefficients.

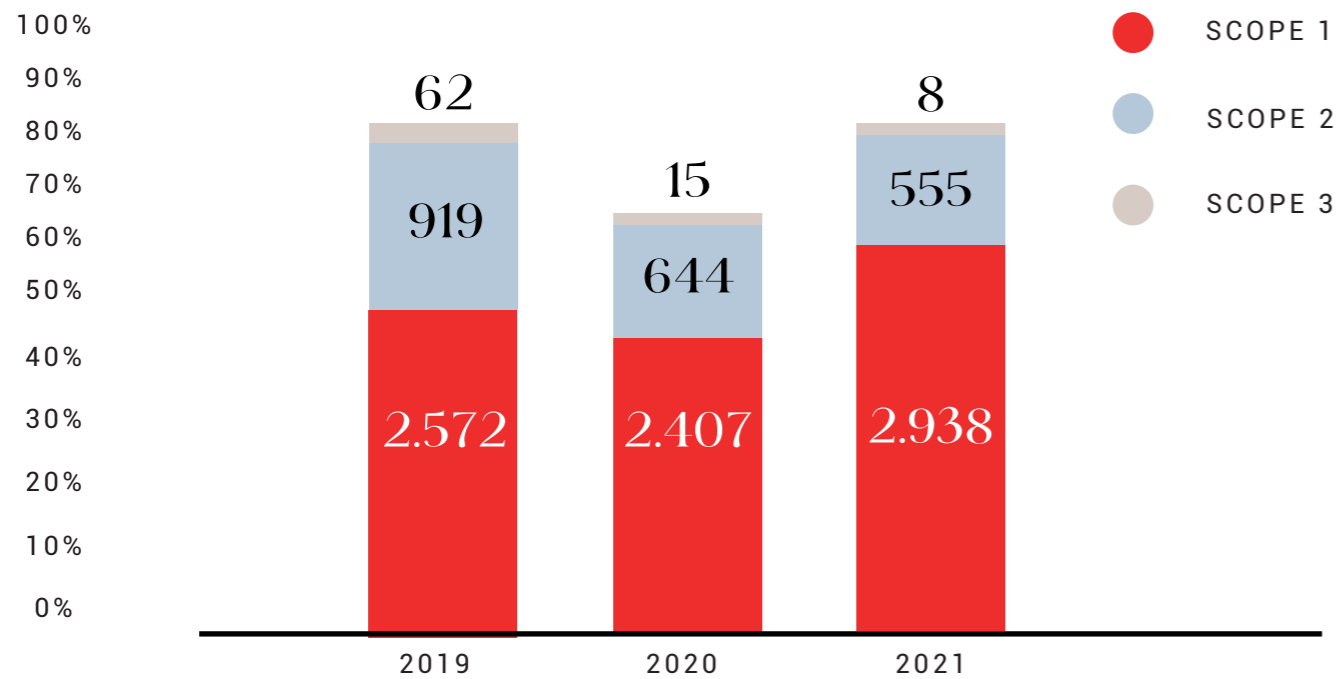
The market does not allow us to influence inbound or outbound logistics. The reporting protocol provides for the distinction of emissions into three categories⁴:



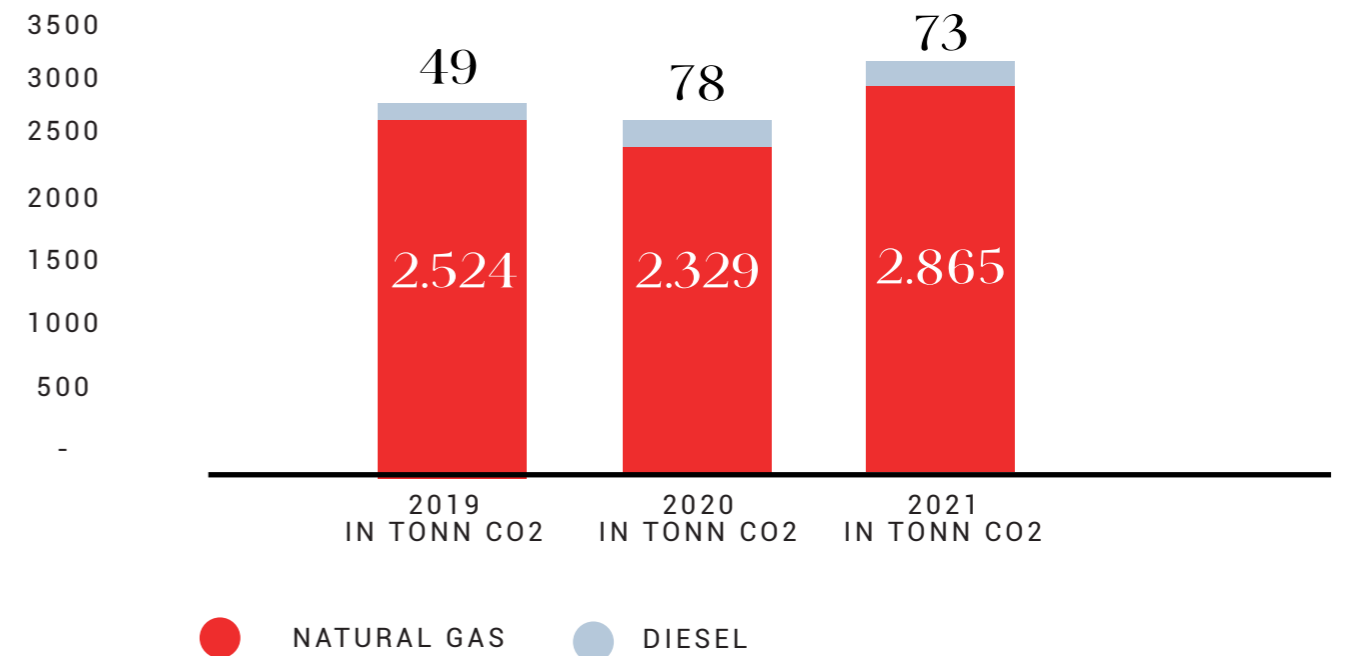
Direct (Scope I) GHG emissions

Scope I - Emissions from the direct combustion of fossil fuels purchased for heating, for the production of electricity and heat, for the supply of transport vehicles; the sources of emissions classified as Scope I are controlled directly by the organisation and therefore are the “easiest to address” in a strategy to reduce its environmental footprint.

GHG EMISSIONS (t CO₂eq)



TOTAL SCOPE I EMISSIONS (t CO₂ eq)



⁴ Direct and indirect GHG emissions were converted into tonnes of CO₂ equivalent (tonnes of CO₂e), with the coefficients used for the ETS legislation.

Energy indirect (Scope II) GHG emissions

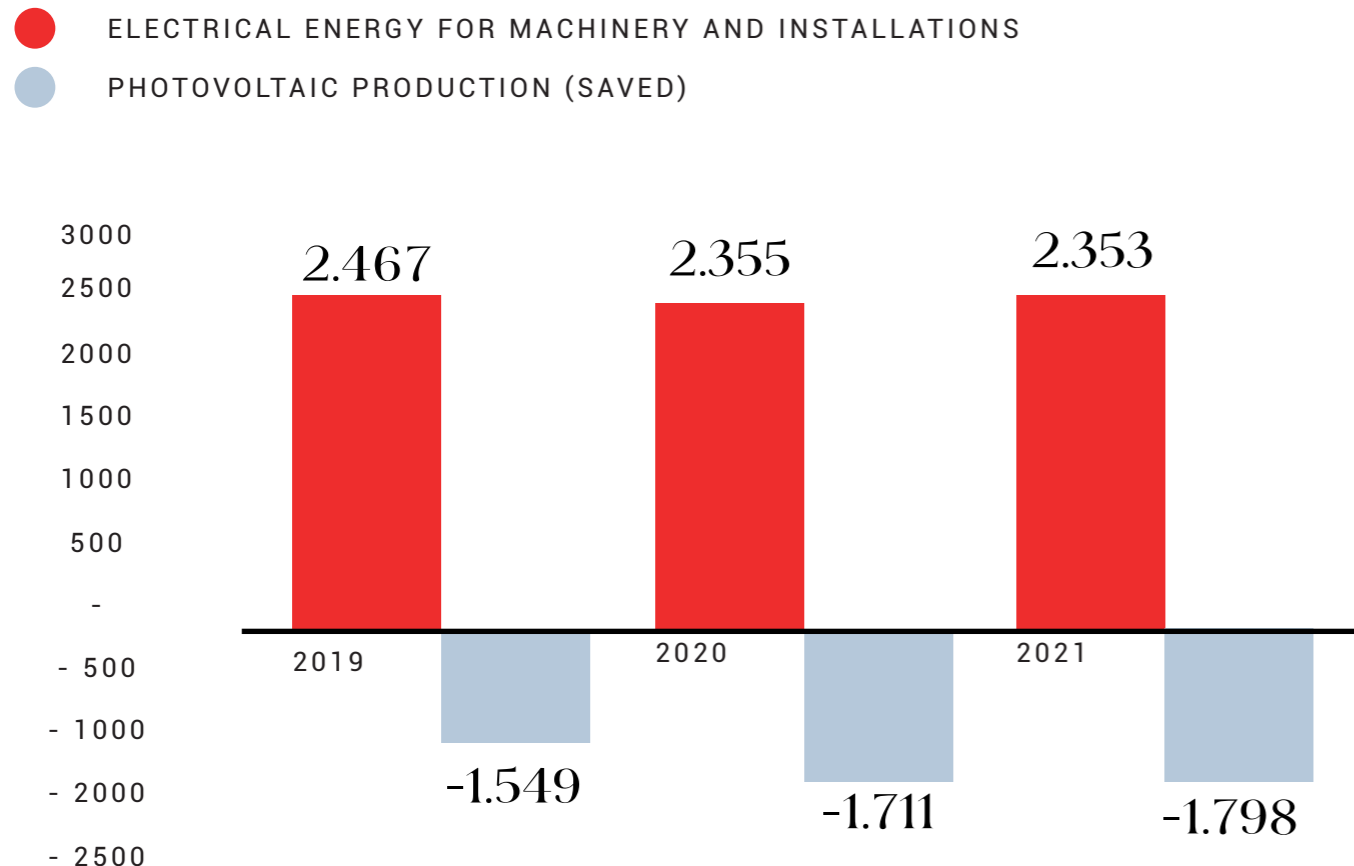
Scope II - Emissions from the production of electricity imported and consumed by the organisation for electrical equipment, heating and lighting inside buildings; there is a more limited form of control on these emissions. It should be specified that the heating for offices and warehouses comes from a source of district heating, therefore intended only for civil purposes: this source allows to recover energy since there is no fuel consumption.

Other indirect (Scope III) GHG emissions

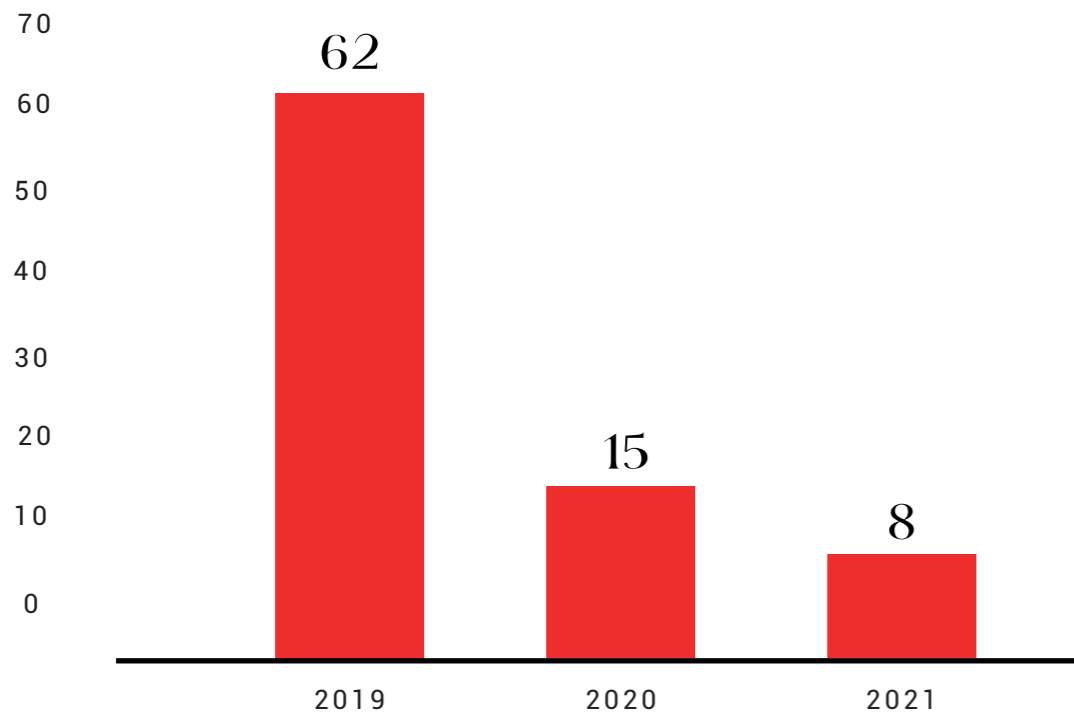
Scope III - Emissions other than indirect emissions of GHG from energy consumption, which are a consequence of the activities of an organisation, but which arise from **greenhouse gas sources owned or controlled by other organisations**; such as emissions related to business travel, goods used, employee mobility, etc. The boundary of the Scope is agreed by the organisation and generally it is necessary to include in Scope III only what the organisation can quantify and influence.

Unlike Scope I and II, which must be counted, Scope III is optional. Belleli Energy CPE has decided to report all three purposes, even if the mapping of the consumption that arise from third party sources is more complex and is being refined for subsequent approximations. In particular, the personnel transport sector - linked to that process of transfer of skills and osmosis, and which is being realised between the Group plants and which is a strategic objective of motivation of human resources - or marketing trips, or the mobility of employees themselves, are sectors still to be decoded in terms of environmental impact on climate-altering emissions. Therefore, a possible underestimation of the Scope III data available to date is not excluded at the moment.

TOTAL SCOPE II EMISSIONS (t CO2 eq)



TOTAL SCOPE III EMISSIONS - BUSINESS TRAVELS (t CO2 EQ)



Travel Policy: status of implementation. Travel policies are generally aimed at optimising travel routes and promoting the use of public transport and more sustainable means such as car sharing. The main expected benefits are not only the environmental impact, but also the satisfaction and well-being of employees, since they reduce costs and transfer times, thus reducing the risk of accidents and stress.



With a view to preventing and containing COVID-19 infections, travel and business trips have been reduced, except for those deemed strictly necessary and unpostponable, penalising the most used means of optimisation that is car sharing. At the same time, however, the use of conference call systems in audio/video mode has been strengthened.

The pandemic in 2021 led to a further reduction in business travel compared to

2019, corresponding to a saving of about 54 t of CO2, equal to the CO2 absorbed on average in a year by about 2.5 hectares of forest⁵.

Emission Intensity

By comparing the volumes of emissions with the activity carried out by Belleli Energy CPE, it is possible to evaluate the efficiency of the emissions produced.

		2019	2020	2021
TOTAL NET WEIGHT OF PRODUCTS MANUFACTURED	METRIC TONNE	7.492	7.485	5.704
GHG EMISSION FACTOR OF PRODUCTS MANUFACTURED	KG OF CO2-EQ / TONNE OF NET WEIGHT	474,2	409,6	613,7
TOTAL GROSS WEIGHT OF PRODUCTS MANUFACTURED (WEIGHT OF PRODUCT + PACKING)	METRIC TONNE	7.642	7.634	5.818
GHG EMISSION FACTOR OF PRODUCT AND PACKING	KG OF CO2-EQ / TONNE OF GROSS WEIGHT	464,9	401,6	601,6

⁵ It has been calculated that one hectare of forest is able to absorb about 22 tons of CO2 per year

Circular Economy.

MATERIAL TOPICS	GRI	SDGs	UNGC GOAL
Circular Economy	(103-1) (301-1) (303-5) (306-1) (306-2) (306-3) (306-4) (306-5)	      	

The transition of our society towards a circular economy is the result of a long-awaited change of thought. In Belleli Energy CPE, this way of thinking is firmly embedded in the business model and has shaped actions for decades prior to sustainability reporting. Each manufacturer, welder and tester, according to an almost non-mediated logic of saving resources, is accustomed to wondering, for each residual material from their work, if there is an opportunity for reuse in the same production cycle, or for adaptation and repair for reuse, or use as auxiliary material in another activity in the same site, before giving the ecological islands temporary storage of special waste.

The company collaborates with universities, research centres and laboratories for the development of projects to reduce production, reuse, reduce prepare for recovery of waste produced in its production process.

Raw materials used in the production cycle

In addition to the wealth of skills and intangible assets for design, development in

order worksheets and construction, the raw materials used in the production process are semi-finished carbon steel/stainless steel of various thickness and additives (from chemicals for welding and surface treatments, to lubricating oils for operating machines and repairs, to solvents for manual cleaning of semi-finished and finished products leaving the operating machines in an emulsion bath). The only material used for the packaging is wood, (PEFC, FSC) of which the crates are made for the shipment of spare parts, small components: given the nature and the considerable size of the products, there are no other materials used for this purpose.

Waste management.

Waste generation and significant waste-related impacts

Waste whose production is quantitatively significant consists of metal waste (pantograph waste of semi-finished steel and steel alloy products, processing shavings, metal construction waste) that is recovered in the foundry. Other significant terms are those related to waste deriving from surface processing (soaked rags, solvent waste, spent sand, contaminated packaging). These types are destined for disposal and in fact constitute, in addition to a significant term of the financial statements, also an environmental cost downstream of the process.

Management of significant waste-related impacts

Impacts from on-site waste storage and impacts from ex situ waste management are considered.

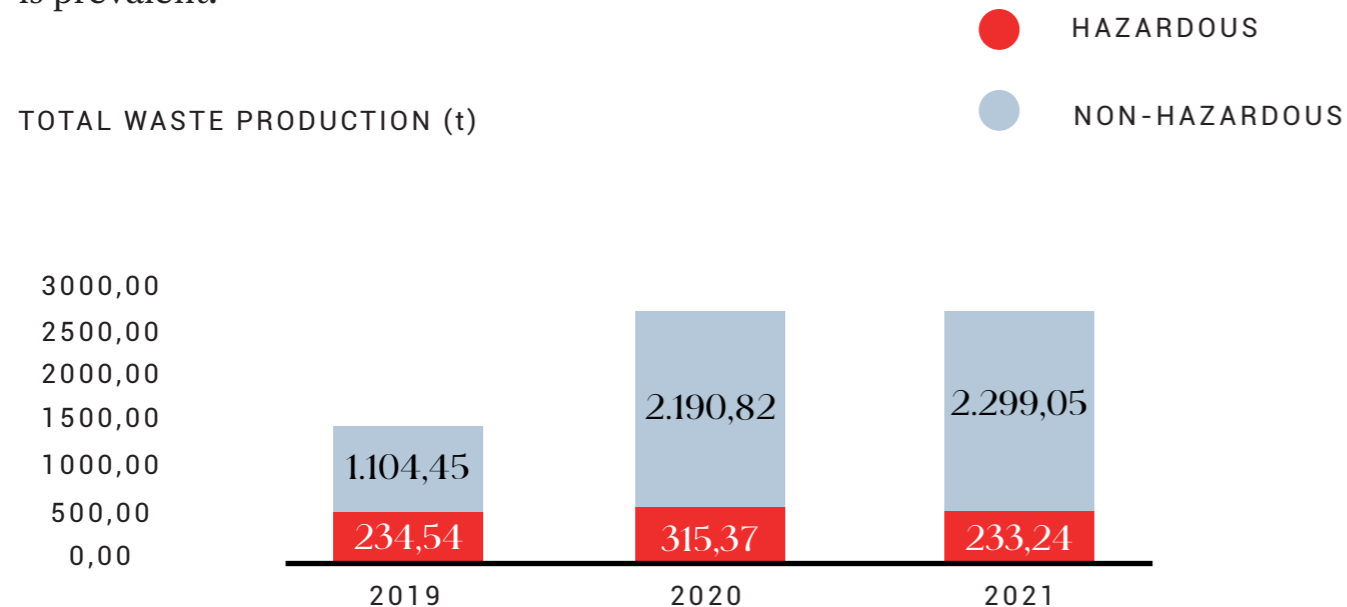
On the impacts within the site, the Company has worked hard, in full compliance with the standards, that is, it has identified contained, paved and generally covered areas for preliminary storage, and has developed and produced special containment systems itself, to allow the correct separation at the end of the line and the correct handling from the production areas to the storage areas. In this regard, it should be noted that Belleli Energy CPE holds the authorization for the recovery of waste, thus resulting in a saving in terms of logistics costs since the handling takes place only at full load and not on a quarterly basis.

The monitoring of environmental impacts downstream of waste production must be improved, giving priority to awareness-raising policies for transport service providers and final management.

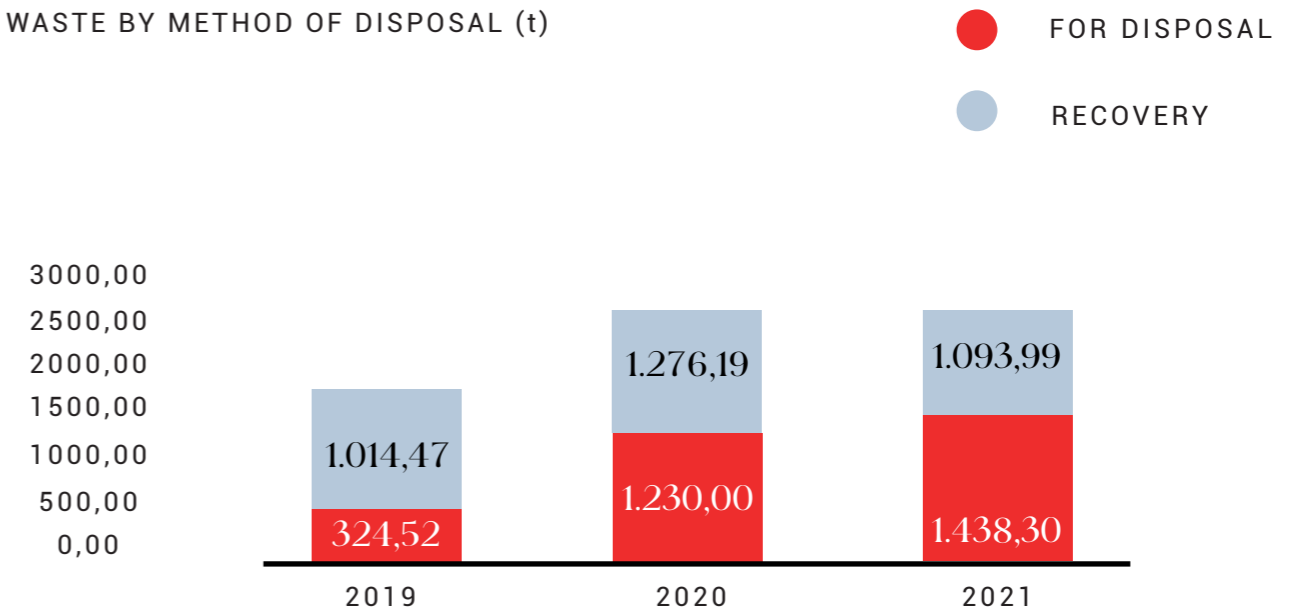
The waste generated in 2021 amounts to 2,532 tons.

Waste generated

Waste arising from the surface processing of parts (sand, paint residues and spent solvents) is hazardous; lubricating oil waste and emulsions are hazardous. Non-hazardous waste is prevalent.

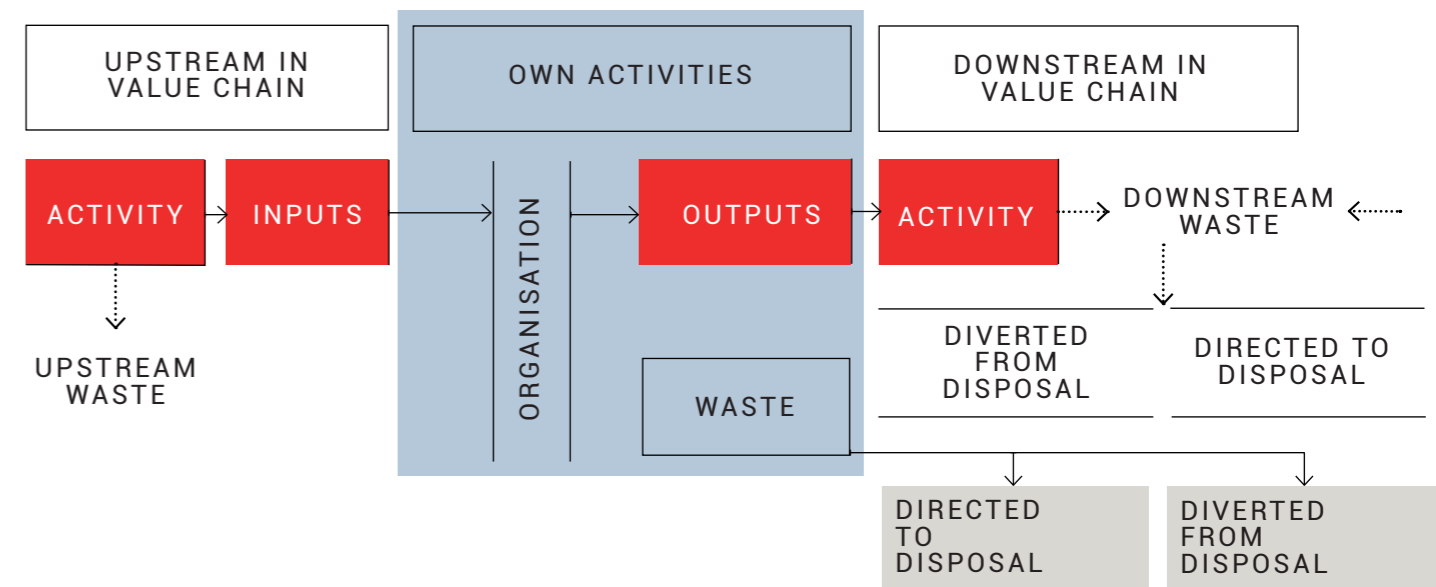


WASTE BY METHOD OF DISPOSAL (t)



Process flow

The company does not recover waste produced by third parties and therefore the characteristic model of the materials that enter and the waste that leaves the process, in a perspective that includes the classic “upstream and downstream” of the value chain, is very simple.





Other environmental impacts.

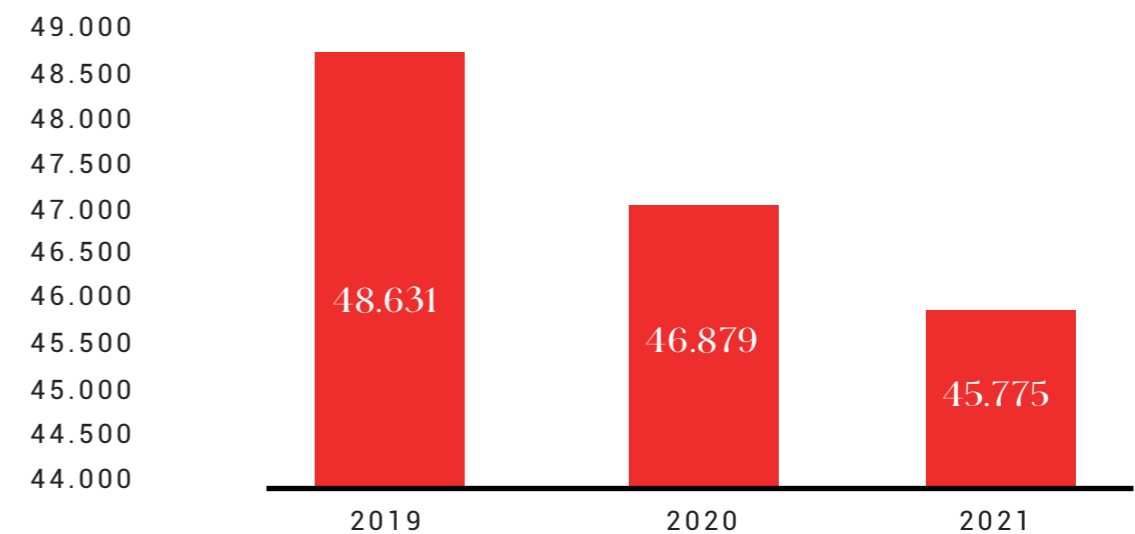
Water management

The production process of Belleli Energy CPE is not water demanding, for this reason the supply and drainage of water do not represent a material issue. However, the Company considers water to be a primary asset and deems they must always manage its use in a sustainable way: the water used for testing is in fact collected and reused several times.

The company's next objective is to manage the yard runoff water, so as not to load the sewage system where it exists and certainly to limit the impact on the quality of surface water receptors.

The reduction of drinking water consumption for canteen and toilet services has already been implemented through an intervention of modernisation of the sanitary ware and taps, with low consumption jet breakers.

WATER CONSUMPTION (m3)



Objectives for the future.

The 2021-2025 strategy focuses on achieving the United Nations Sustainable Development Goals (SDGs) along the entire value chain, focusing on SDG 13 (Fighting climate change) through decarbonisation actions and increasing renewable capacity growth (SDG 7 - Clean and accessible energy).

The centrality of people, health and safety at work, the sustainable supply chain and the increasingly integrated governance structure are confirmed, strengthening and complementing the Group's sustainable strategy, thus contributing to the achievement of multiple sustainable development objectives.

Great attention is paid to the people who work in the Company, who are considered key elements of the strategy and the energy transition.

Innovation, digitisation and dissemination of a circular economy approach support and accelerate the achievement of the objectives set out in the 2021-2025 Sustainability Plan.

AREAS	DESCRIPTION	TIME OBJECTIVE	SDGs	UNGC GOALS
E	Increase participation in R&D projects on decarbonisation and energy transition.	Constant	7 ENERGIA PULERA E ACCESSIBILE, 13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO	
E	Expansion of plants for the generation of renewable energy from photovoltaics.	By 2023	7 ENERGIA PULERA E ACCESSIBILE	
E	Implement a written and distributed EPP (ecological preferable purchasing) policy, including cleaning, fleets, office supplies, meetings and conferences.	By 2022		
E	Carbon management for the progressive reduction of CO2 emissions and a compensation of residual emissions.	By 2030	13 LOTTA CONTRO IL CAMBIAMENTO CLIMATICO	ENVIRONMENT
E	Mapping of suppliers' greenhouse gas emissions using the Synesgy platform.	By 2023		
E	Preparation of the Environmental Balance Sheet.	By 2023		
S	Installation of electrical charging stations for employees' cars and internal means of transport.	By 2022	3 SALUTE E BENESSERE	
S	Commitment to develop training activities for all personnel on legality and anti-corruption, and all the topics useful to create an organisational model capable of including and enhancing diversity.	By 2023	4 QUALITÀ DELL'ISTRUZIONE, 5 PARITÀ DI GENERI, 16 PAZIENZA, RESPONSABILITÀ E CITTADINANZA	
S	SA8000 certification	By 2023	5 PARITÀ DI GENERI, 8 LAVORO DECENTE, 12 RESPONSABILTÀ SOCIETÀ	LABOUR, HUMAN RIGHTS
S	Integration of policies for equal opportunities, diversity and inclusion.	By 2022	5 PARITÀ DI GENERI	
G	Strengthening of all ESG risk mitigation tools.	Constant	10 PAZIENZA, RESPONSABILITÀ E CITTADINANZA	ANTI-CORRUPTION

Through a sustainable business model and clear and challenging objectives, Belleli Energy CPE wants to accelerate the steps towards further sustainable development without leaving anyone behind, creating long-term value for all categories of stakeholders.

Methodological note

(GRI 102-45) (GRI 102-46) (GRI 102-48) (GRI 102-49)
(GRI 102-50) (GRI 102-51) (GRI 102-52) (GRI 102-53)
(GRI 102-54) (GRI 102-56)

This document represents the first edition of the Sustainability Report of Belleli Energy Critical Process Equipment s.r.l. which has produced it in order to provide a presentation of the company's activities, impacts generated, commitments and objectives in economic, financial, social and environmental terms.

This report has been prepared in accordance with the GRI Standards: Core option and will be published **annually**. With regard to the specific GRI 303 - Water and water discharges and GRI 403 - Occupational health and safety standards, the most recent versions of 2018 were adopted, while for those relating to the GRI 306 - Waste, the 2020 edition.

The Tosto Group pursues the objective of incorporating sustainability into the strategy of Belleli Energy CPE Srl, in line with the Development Goals (SDGs) established by the United Nations in the 2030 Agenda for Sustainable Development and with the principles of the United Nations Global Compact.

The office responsible for preparing this document is the Sustainability Office.

The report was approved by the Chairman of the Board of Directors Mr. Luca Tosto.

This document has not been verified by an independent third party company.

The reporting boundary

As regards economic data, the scope of reporting **does not coincide with the scope of consolidation in the consolidated financial statements of the Tosto Group**; all the data refer only to the activities of Belleli Energy CPE s.r.l.

The financial data reflect those reported in the 2021 Financial Statements (from **1 January to 31 December**) of Belleli Energy CPE s.r.l. The document also contains, where available, the data of the three-year period 2019-2021 to provide a comparison between the reference year and the previous years.

Similarly, the qualitative information and quantitative data on social and environmental aspects relate exclusively to the above mentioned Company.

For the definition of the contents of the Report, Belleli Energy CPE s.r.l. was inspired by the principles of completeness, sustainability, inclusiveness of **stakeholders and materiality**, in order to guarantee the quality of the information and the adequacy of the presentation methods to the principles of **accuracy, reliability, balance, clarity, timeliness and comparability**.

The Sustainability Report is also available on-line on the website www.belleli.it.

Clarifications and information on Belleli Energy CPE Srl's sustainability strategy can be requested from: Sustainability Office (sustainability@waltertosto.it).

We hope that reporting can help us and all stakeholders understand the importance not only of the results, but also of how they are achieved.



Performance

Below are the detailed tables relating to the indicators, in accordance with the GRI Standards.

Economic indicators

GRI 102-7 Scale of the organisation

EURO	2019	2020	2021	2021 vs 2020
REVENUE	51.833.455	102.649.133	31.778.391	-69,0%
VALUE OF PRODUCTION	81.900.495	71.094.776	62.322.384	-12,3%
EBITDA	3.153.497	4.626.933	4.426.863	-4,3%
NET OPERATING RESULT	678.733	495.522	538.679	+9%
NET BORROWING	-10.129.632	-5.482.854	-8.767.254	+59,9%
FREE OPERATING CASH FLOW (FOCF)	-6.197.651	10.239.682	5.140.647	-49,8%
PAYABLES	85.486.960,01	75.146.915,07	79.522.639,00	+5,8%
SHAREHOLDERS' EQUITY	50.088.788	53.790.330	53.001.729	-1,5%
TOTAL ASSETS	139.932.682,90	132.938.267,59	136.826.605,00	+2,9%
REVENUES BY AREA				
ITALY	318.787,93	9.887.312	2.596.788	-74%
EEC	43.021,55	18.997.006	24.153.571	27%
EXTRA-EEC	51.471.645,08	73.764.815	5.028.032	-93%
TOTAL	51.833.455	102.649.133	31.778.391	-69%
AREA COSTS				
ITALY	32.742.423	32.776.454	27.628.615	-16%
EEC	12.297.094	4.602.527	6.802.123	48%
EXTRA-EEC	1.169.950	47.794	2.158.610	4.417%
TOTAL	46.209.467	37.426.775	36.589.348	-2%

GRI 201 -1 Direct economic value generated and distributed

EURO	2019	2020	2021
NET REVENUES	51.833.455	102.649.133	31.778.391
FINANCIAL INCOME	145.664	682	121
OTHER INCOME	569.846	2.956.184	963.940
ECONOMIC VALUE GENERATED	52.548.964	105.605.999	32.742.452
OPERATING COSTS	(32.663.080)	(85.978.350,0)	(11.612.940,00)
AMORTISATIONS/DEPRECIATIONS, WRITE-DOWNS AND OTHER PROVISIONS	(2.625.975)	(3.099.432)	(4.022.038)
ADDED VALUE PRODUCT	17.259.909	16.528.217	17.107.474
EMPLOYEES	15.832.270	15.839.637	16.161.036
FINANCIAL BACKERS	211.680	112.911	96.340
SHAREHOLDERS	0	0	1.350.000
P.A. (TAXES)	521.682	54.647	306.419
COMMUNITY	15.544	25.500	40.000
DISTRIBUTED ADDED VALUE	16.581.176	16.032.695	17.953.795
ADDED VALUE RETAINED	678.733	495.522	(846.321)

GRI 201-4 Financial assistance received from government

CONTRIBUTIONS RECEIVED	2019	2020	2021
CONTRIBUTIONS FOR R&D ACTIVITIES	0	158.160,00 €	79.080,00 €
EXPORT SUBSIDIES	26.436,00 €	2.661,00 €	280.921,00 €
INVITALIA CONTRIBUTIONS - SECURE COMPANY	0	59.445,89 €	0
TOTAL	26.436,00 €	220.266,89 €	360.001,00 €

TAX CONCESSIONS	2019	2020	2021
TAX EXEMPTIONS	46.358,39 €	42.483,46 €	22.212,53 €
TAX CREDIT	288.897,31 €	101.073,97 €	429.915,62 €
TOTAL	335.255,70 €	143.557,43 €	452.128,15 €

Social indicators

GRI 102-8 Information on employees and other workers

EMPLOYEES BY TYPE OF CONTRACT	2019	2020	2021
NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT BY GENDER			
PERMANENT CONTRACTS	271	288	274
OF WHICH WOMEN	10	12	10
OF WHICH MEN	261	276	264
OPEN-ENDED CONTRACTS	94%	98%	92%
FIXED-TERM CONTRACTS	16	6	23
OF WHICH WOMEN	2	1	3
OF WHICH MEN	14	5	20
% FIXED TERM	6%	2%	8%
TOTAL EMPLOYEES	287	294	297
NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT BY GENDER			
FULL-TIME	282	288	294
OF WHICH WOMEN	8	9	10
OF WHICH MEN	274	279	284

EMPLOYEES BY TYPE OF CONTRACT	2019	2020	2021
PART-TIME	5	6	3
OF WHICH WOMEN	4	4	3
OF WHICH MEN	1	2	0
TOTAL	287	294	297
NUMBER OF EMPLOYEES BY GENDER			
WOMEN	12	13	13
MEN	275	281	284

NON-EMPLOYEES

	2019	2020	2021
CONTINUOUS COLLABORATION CONTRACTS	2	3	3
OF WHICH WOMEN	0	0	0
OF WHICH MEN	2	3	3

	2019	2020	2021
TEMPORARY WORK (EX INTERIM)	15	16	13
OF WHICH WOMEN	0	0	0
OF WHICH MEN	15	16	13

	2019	2020	2021
EXTRACURRICULAR INTERNSHIPS	11	14	21
OF WHICH WOMEN	0	0	0
OF WHICH MEN	11	14	21

	2019	2020	2021
ALTERNANZA SCUOLA-LAVORO	0	1	16
OF WHICH WOMEN	0	0	1
OF WHICH MEN	0	1	15

GRI 102 – 9 Supply Chain

NUMBER OF SUPPLIERS BY TYPES	2019	2020	2021
RAW MATERIALS	234	287	295
CONSUMABLES	113	127	119
SERVICES	338	341	377
CAPITAL ASSETS	44	39	21
TOTAL	729	794	812

NUMBER OF SUPPLIERS BY GEOGRAPHICAL AREA		2019	2020	2021
OECD Countries	ITALY	489	506	533
	EUROPE	22	35	32
	NORTH AMERICA	3	4	6
	OTHERS	0	0	0
NON-OECD COUNTRIES	ROMANIA	2	4	3
	EUROPE	0	0	0
	ASIA	3	1	3
	AFRICA	0	0	0
	OTHERS	0	0	0
TOTAL		519	550	577

VALUE OF PURCHASES BY TYPE	2019	2020	2021
RAW MATERIALS	22.011.872,77 €	27.299.928,16 €	27.348.373,94 €
CONSUMABLES	768.790,32 €	945.089,36 €	1.132.896,19 €
SERVICES	22.613.867,17 €	7.981.825,06 €	7.958.579,77 €
CAPITAL ASSETS	814.937,12 €	1.199.932,14 €	149.498,02 €
TOTAL	46.209.467,38 €	37.426.774,72 €	36.589.347,92 €

VALUE OF PURCHASES BY GEOGRAPHICAL AREA		2019	2020	2021
OECD Countries	ITALY	32.742.423,40 €	32.776.453,86 €	27.628.614,60 €
	EUROPE	4.231.363,13 €	4.319.889,63 €	6.691.606,52 €
	NORTH AMERICA	1.139.518,54 €	47.151,93 €	504.528,87 €
	OTHERS	0	0	0
NON-OECD COUNTRIES	ROMANIA	8.065.731,31 €	282.637,71 €	110.516,30 €
	LATIN AMERICA	0	0	0
	ASIA	30.431,00 €	641,58 €	1.654.081,63 €
	AFRICA	0	0	0
	OTHERS	0	0	0
TOTAL		46.209.467,38 €	37.426.774,72 €	36.589.347,92 €

GRI 102-18 Governance structure

	Unit	2019	2020	2021
NUMBER OF COMPONENTS	No.	4	4	4
OF WHICH NON-EXECUTIVE	No.	0	0	0
MEETINGS HELD	No.	6	4	4
PARTICIPATION RATE	No.	89%	100%	100%

	Unit	2019	2020	2021
BOARD OF STATUTORY AUDITORS	No.	5	5	5
NUMBER OF COMPONENTS (STANDING)	No.	3	3	3
MEETINGS HELD	No.	4	3	3
PARTICIPATION RATE	No.	100%	100%	100%

GRI 401-1 New employee hires and employee turnover

NEW RECRUITS AND RATE OF NEW RECRUITS BY GENDER	2019	2020	2021
WOMEN			
TOT. N	2	1	3
TOT. %	7%	3%	9%
MEN			
TOT. N	27	30	31
TOT. %	93%	97%	91%
TOTAL			
TOT. N	29	31	34
ENTRY RATE	10%	11%	11%

NEW HIRES BY AGE RANGE	2019	2020	2021
UNDER 30 YEARS OLD			
OF WHICH WOMEN	1	1	3
OF WHICH MEN	13	17	26
TOT. N	14	18	29
TOT. %	48%	58%	85%
30-50 YEARS OLD			
OF WHICH WOMEN	1	0	0
OF WHICH MEN	12	4	5
TOT. N	13	4	5
TOT. %	45%	13%	15%
OVER 50 YEARS OLD			
OF WHICH WOMEN	0	0	0
OF WHICH MEN	2	9	0
TOT. N	2	9	0
TOT. %	7%	29%	0%

TERMINATION BY GENDER	2019	2020	2021
WOMEN			
Tot. N	0	1	2
Tot. %	0%	4%	7%
MEN			
Tot. N	36	25	28
Tot. %	100%	96%	93%
TOTAL			
Tot. N	36	26	30
Tot. %	124%	84%	88%

TERMINATION BY AGE	2019	2020	2021
UNDER 30 YEARS OLD			
OF WHICH WOMEN	0	0	1
OF WHICH MEN	9	3	7
TOT. N	9	3	8
TOT. %	25%	12%	27%
30-50 YEARS OLD			
OF WHICH WOMEN	0	1	0
OF WHICH MEN	13	6	7
TOT. N	13	7	7
TOT. %	36%	27%	23%
OVER 50 YEARS OLD			
OF WHICH WOMEN	0	0	0
OF WHICH MEN	14	16	15
TOT. N	14	16	15
TOT. %	39%	62%	50%

GRI 403-9 Work-related injuries

WORK-RELATED INJURIES	2019	2020	2021
MEN (TOTAL NUMBER)	16	20	6
WOMEN (TOTAL NUMBER)	0	0	0
FATAL INJURIES	0	0	0
FREQUENCY RATE	31,76	37,91	11,68
SEVERITY RATE	1,24	0,93	0,13

GRI 403-10 Work-related ill health

OCCUPATIONAL ILLNESSES	2019		2020		2021	
	REPORTED	RECOGNISED	REPORTED	RECOGNISED	REPORTED	RECOGNISED
	1	0	1	0	0	0

GRI 404-1 Average hours of training per year per employee

TRAINING BY GENDER	Unit	2021
HOURS OF TRAINING BY GENDER	hours	2.772
MEN	hours	2.632
WOMEN	hours	140
HOURS OF TRAINING BY PROFESSIONAL CATEGORY		
MANAGERS	hours	50
JUNIOR MANAGERS	hours	174
WHITE COLLARS	hours	841
BLUE COLLARS	hours	1.707
AVERAGE TRAINING PER EMPLOYEE	hours	9

GRI 404-3 Percentage of employees receiving regular performance and career development reviews

EMPLOYEES EVALUATED	Unit	2019	2020	2021
TOTAL	No.	36	62	54
BY GENDER				
MEN	No.	35	55	53
WOMEN	No.	1	7	1
BY PROFESSIONAL CATEGORY	No.	36	62	54
MANAGERS	No.	0	1	0
JUNIOR MANAGERS	No.	0	2	1
WHITE COLLARS	No.	14	17	10
BLUE COLLARS	No.	22	42	43

GRI 405-1 Diversity of governance bodies and employees

DIVERSITY OF GOVERNANCE	Unit	2019	2020	2021
Members of the BoD for age groups	No.	4	4	4
UNDER 30 YEARS OLD	No.	0	0	0
30-50 YEARS OLD	No.	3	3	3
OVER 50 YEARS OLD	No.	1	1	1
WOMEN IN THE BOD	No.	0	0	0

AGE DIVERSITY		under 30 years old	30-50 years old	over 50 years old	TOTAL
2021	MANAGERS	0	1	3	4
	MIDDLE MANAGERS	0	6	5	11
	WHITE COLLARS	14	27	30	71
	BLUE COLLARS	43	97	71	211
	TOTAL	57	131	109	297
2020	MANAGERS	0	1	3	4
	MIDDLE MANAGERS	0	6	6	12
	WHITE COLLARS	4	27	33	64
	BLUE COLLARS	32	100	82	214
	TOTAL	36	134	124	294
2019	MANAGERS	0	1	2	3
	MIDDLE MANAGERS	0	5	6	11
	WHITE COLLARS	1	26	35	62
	BLUE COLLARS	23	100	88	211
	TOTAL	24	132	131	287

CULTURAL DIVERSITY	2019	2020	2021
EASTERN EUROPE	232	236	228
EU	20	18	23
AFRICA	24	25	24
CENTRAL AND SOUTH AMERICA	7	10	17
TURKEY	4	5	5
TOTAL	287	294	297

GENDER DIVERSITY (NET OF THE BLUE COLLAR CATEGORY)	Women	Men	TOTAL
2019	12	64	76
2020	13	67	80
2021	13	73	86

WOMEN GRADUATES	Women	Men	TOTAL
TOT WOMEN	12	13	13
OF WHICH WOMEN GRADUATES	6	7	8
OF WHICH WOMEN WITH A STEM DEGREE	5	6	7

MATERNITY/PATERNITY LEAVE			
2021	Men	Women	TOTAL
MANDATORY PATERNITY LEAVE	12	0	12
HOURS	776	0	776
OPTIONAL PATERNITY LEAVE	0	0	0
HOURS	0	0	0
MANDATORY MATERNITY LEAVE	0	0	0
HOURS	3	0	0
OPTIONAL MATERNITY LEAVE	0	0	0
HOURS	0	0	0

MATERNITY/PATERNITY LEAVE			
2021	Men	Women	TOTAL
BREASTFEEDING	3	0	3
HOURS	676	0	676
PNR CHILD DISEASE> 3 YEARS	0	1	1
HOURS	0	24	24

DISABILITY DIVERSITY	2019	2020	2021
MEN	10	9	9
WOMEN	1	1	1
TOTAL	11	10	10

GRI 405-2 Ratio of basic salary and remuneration of women to men

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Annual average basic salaries Women / Men						
MANAGERS	94.968,04 €	0	95.392,31 €	0	98.000,04 €	0
MIDDLE MANAGERS	52.882,31 €	0	57.967,27 €	0	58.495,26 €	0
WHITE COLLARS	39.356,54 €	24.438,31 €	38.531,16 €	26.213,54 €	35.329,56 €	23.084,41 €
BLUE COLLARS	28.926,16 €	0	28.743,19 €	0	28.708,30 €	0

Annual average remuneration Women / Men	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
MANAGERS	103.413,96 €	0	104.633,40 €	0	104.650,05 €	0
MIDDLE MANAGERS	55.482,35 €	0	60.821,12 €	0	62.750,16 €	0
WHITE COLLARS	45.438,04 €	25.560,48 €	44.387,71 €	27.537,96 €	39.040,89 €	23.974,07 €
BLUE COLLARS	33.582,39 €	0	33.864,51 €	0	34.055,01 €	0

Environmental Indicators

302-1 Energy consumption within the organisation

	Unit	2019	2020	2021
ELECTRICITY	KW/h	7.009.148,00	6.689.431,00	6.684.078,00
METHANE	SMC	1.272.049,00	1.174.101,00	1.443.917,43
DISTRICT HEATING	MWh	6.452,50	7.128,50	7.489,80
DIESEL	L	30.000,00	48.000,00	45.000,00

GRI 303-5 Water consumption

WATER	Unit	2019	2020	2021
	mc	48.631	46.879	45.775

GRI 305-1 Direct (Scope I) GHG emissions

GRI 305-2 Energy indirect (Scope II) GHG emissions

GRI 305-3 Other indirect (Scope III) GHG emissions

Scope	Source	2019 (t CO ₂)	2020 (t CO ₂)	2021 (t CO ₂)	Note
Scope I	Natural gas used in production processes (combustion in annealing and distension furnaces)	2.524	2.329	2.865	
	Diesel fuel for internal transport	49	78	73	
Scope II	Electricity for operating machines and systems	2.467	2.355	2.353	
	Production from District heating (savings)	-1.549	-1.711	-1.798	
Scope III	Logistics sector as indirect consumption	0	0	0	
	Transport and mobility employees	62	15	8	Business Travel only
TOTAL		3.553	3.066	3.500	

GRI 305-4 GHG emissions intensity

	Unit	2019	2020	2021
TOTAL NET WEIGHT OF PRODUCTS MANUFACTURED	Metric tonne	7.492	7.485	5.704
TOTAL NET WEIGHT OF PRODUCTS MANUFACTURED	Kg of co2-eq / Tonne of net weight	474,2	409,6	613,7
TOTAL GROSS WEIGHT OF PRODUCTS MANUFACTURED (WEIGHT OF PRODUCT + PACKING)	Metric tonne	7.642	7.634	5.818
GHG EMISSION FACTOR OF PRODUCT AND PACKING	Metric tonne	464,9	401,6	601,6

GRI 306-3 Waste generated

GRI 306-4 Waste directed from disposal

GRI 306-5 Waste directed to disposal

WASTE PRODUCED AT THE PRODUCTION SITES		Mantova
2021	TOT. WASTE (TONNES)	2.532,29
	HAZARDOUS	233,24
	NON-HAZARDOUS	2.299,05
	FOR DISPOSAL	1.438,30
	FOR RECOVERY	1.093,99
2020	TOT. WASTE (TONNES)	2.506,19
	HAZARDOUS	315,37
	NON-HAZARDOUS	2.190,82
	FOR DISPOSAL	1.230,00
	FOR RECOVERY	1.276,19
2019	TOT. WASTE (TONNES)	1.338,99
	HAZARDOUS	234,54
	NON-HAZARDOUS	1.104,45
	FOR DISPOSAL	324,52
	FOR RECOVERY	1.014,47

GRI Content Index

(GRI 102-55)

The GRI table is shown with reference to the “core” option, as required by the “GRI Sustainability Reporting Standards” published by the Global Reporting Initiative (GRI). The references indicated refer to the 2021 Sustainability Report, the 2021 Financial Statements, the 2021 Management Reports and the Code of Ethics.

INDICATOR	DISCLOSURE TITLE	REFERENCE	NOTE
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
ORGANISATIONAL PROFILE			
102-1	Name of the organisation		Belleli Energy Critical Process Equipment S.r.l.
102-2	Activities, brands, products and services	Business Activity - Core products and new businesses	
102-3	Location of headquarters	Identity - Our Headquarter	Via Giuseppe Taliercio, 1, 46100 Mantova MN
102-4	Location of operations	Identity - Our Headquarter	
102-5	Ownership and legal form	Identity – Belleli, a company in evolution	
102-6	Markets served	Business Activity - Internationality	
102-7	Scale of the organisation	Highlights 2021; Identity – Belleli, a company in evolution; Economic impacts - Results and performance; Business Activity Internationality; Social impacts – Personnel; Social impacts – Supply chain	
102-8	Information on employees and other workers	Social impacts - Commitment to Sport and Culture	
102-9	Supply Chain	Highlights 2021; Social Impacts - Personnel	

INDICATOR	DISCLOSURE TITLE	REFERENCE	NOTE
ORGANISATIONAL PROFILE			
102-10	Significant changes to the organisation and its supply chain	Identity – Belleli, a company in evolution; Social impacts – Supply chain	
102-11	Precautionary Principle or approach	ESG Governance and Culture - Main ESG risk mitigation tools	
102-12	External initiatives	Identity - Active participation in associations; Innovation - Collaborations with Universities and Research Centres; ESG Governance and Culture - Main ESG risk mitigation tools	
102-13	Membership of associations	Identity - Active participation in associations; Innovation - Collaborations with Universities and Research Centres; Social impacts - Commitment to Sport and Culture	
STRATEGY			
102-14	Statement from senior decision-maker	Message from the Chairman of the Board of Directors to stakeholders; Letter from the CFO	
ETHICS AND INTEGRITY			
102-16	Values, principles, standards, and norms of behaviour	Message from the Chairman of the Board of Directors to stakeholders; Letter from the CFO; Values, Vision, and Mission; ESG Governance and Culture - Main ESG risk mitigation tools	Code of Ethics on the company website: https://www.belleli.it/it/download/
GOVERNANCE			
102-18	Governance structure	Governance Structure	
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Commitment – The Stakeholders	
102-41	Collective bargaining agreements	Social Impacts - Personnel	

STAKEHOLDER ENGAGEMENT			
102-42	Identifying and selecting stakeholders	Commitment - The Stakeholders	
102-43	Approach to stakeholder engagement	Commitment - The Stakeholders	
102-44	Key topics and concerns raised	Commitment - The Stakeholders	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	Methodological note	
102-46	Defining report content and topic boundaries	Commitment – Materiality Matrix; Methodological Note	
102-47	List of material topics	Commitment – Materiality Matrix; Commitment - The contribution to the achievement of the SDGs and respect of principles UN Global Compact	
102-48	Restatements of information	Methodological note	
102-49	Changes in reporting	Methodological note	
102-50	Reporting period	Methodological note	
102-51	Date of most recent report	Methodological note	
102-52	Reporting cycle	Methodological note	This Report is the first edition
102-53	Contact point for questions regarding the report	Methodological note	
102-54	Claims of reporting in accordance with the GRI Standards	Methodological note	
102-55	GRI Content Index	GRI Content Index	
102-56	External Assurance	Methodological note	
MATERIAL TOPICS			
GRI 201: ECONOMIC PERFORMANCE 2016			
103-1	Explanation of the material topic and its Boundary	Economic impacts - Results and performance	

MATERIAL TOPICS			
GRI 201: ECONOMIC PERFORMANCE 2016			
201-1	Direct economic value generated and distributed	Highlights 2021; Economic impacts – Results and performance; Social impacts – Commitment to Sport and Culture	
201-4	Financial assistance received from government	Economic impacts – Results and performance;	
GRI 204: PROCUREMENT PRACTICES 2016			
103-1	Explanation of the material topic and its Boundary	Social impacts – Supply chain	
205-1	Operation assessed for risks related to corruption	Social impacts – Supply chain	
GRI 205: ANTI-CORRUPTION 2016			
103-1	Explanation of the material topic and its Boundary	ESG Governance and Culture - Main ESG risk mitigation tools	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	ESG Governance and Culture - Main ESG risk mitigation tools	
GRI 302: ENERGY 2016			
103-1	Explanation of the material topic and its boundary	Environmental impacts – Fighting climate change Highlights 2021;	
302-1	Energy consumption within the organisation	Environmental impacts – Fighting climate change	
302-4	Reduction of energy consumption	Environmental impacts – Fighting climate change	
GRI 303: WATER AND EFFLUENTS 2018			
303-5	Water consumption	Environmental impacts – Circular economy	The theme is not material, the Standard GRI does not cover all of the information requested.


GRI 305: EMISSIONS 2016			
103-1	Explanation of the material topic and its Boundary	Environmental impacts – Fighting climate change	
305-1	Direct (Scope 1) GHG emissions	Highlights 2021; Environmental impacts – Fighting climate change	The carbon footprint calculation method followed the ISO 14067 standard but did not take into account the life cycle of the product, limiting itself to directing the data collected at the production site, without considering the CO2 cost of the logistics of raw materials and finished products. Consumption is monitored and production is calculated with standard coefficients.
305-2	Energy indirect (Scope II) GHG emissions	Highlights 2021; Environmental impacts – Fighting climate change	The carbon footprint calculation method followed the ISO 14067 standard but did not take into account the life cycle of the product, limiting itself to directing the data collected at the production site, without considering the CO2 cost of the logistics of raw materials and finished products. Consumption is monitored and production is calculated with standard coefficients.
305-3	Other indirect (Scope III) GHG emissions	Highlights 2021; Environmental impacts – Fighting climate change	The carbon footprint calculation method followed the ISO 14067 standard but did not take into account the life cycle of the product, limiting itself to directing the data collected at the production site, without considering the CO2 cost of the logistics of raw materials and finished products. Consumption is monitored and production is calculated with standard coefficients.
305-4	Emissions Intensity	Highlights 2021; Environmental impacts – Fighting climate change	
GRI 306: WASTE 2020			
103-1	Explanation of the material topic and its Boundary	Environmental impacts – Circular economy	
306-1	Waste generation and significant waste-related impacts	Highlights 2021; Environmental impacts – Circular economy	
306-2	Management of significant waste-related impacts	Environmental impacts – Circular economy	
306-3	Waste generated	Environmental impacts – Circular economy	


GRI 306: WASTE 2020			
306-4	Waste diverted from disposal	Environmental impacts – Circular economy	
306-5	Waste directed to disposal	Environmental impacts – Circular economy	
GRI 401: EMPLOYMENT 2016			
103-1	Explanation of the material topic and its boundary	Social Impacts - Personnel	
401-1	New employee hires and employee turnover	Social Impacts - Personnel	
401-2	Benefits provided to for full-time employee that are not provided to temporary or part-time employees	Social Impacts - Welfare	
401-3	Parental leave	Social impacts – Welfare; Social impacts – The value of diversity	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
103-1	Explanation of the material topic and its boundary	Social impacts – Together in safety	
403-1	Occupational health and safety management system	Social impacts – Together in safety	
403-2	Hazard identification, risk assessment, and incident investigation	Social impacts – Together in safety	
403-3	Occupational health services	Social impacts – Together in safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	Social impacts – Together in safety	
403-5	Worker training on occupational health and safety	Social impacts - Human resources development	


GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-6	Promotion of worker health	Social impacts – Together in safety	
403-8	Workers covered by an occupational health and safety management system	Social impacts – Together in safety	
403-9	Work-related injuries	Social impacts – Together in safety	
403-10	Work-related ill health	Social impacts – Together in safety	
GRI 404 :TRAINING AND EDUCATION 2016			
103-1	Explanation of the material topic and its Boundary	Social impacts - Human resources development	
404-1	Average hours of training per year per employee	Highlights 2021; Social impacts - Human resources development	Data relevant only to 2021
404-3	Percentage of employees receiving regular performance and career development reviews	Social impacts - Human resources development	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
103-1	Explanation of the material topic and its Boundary	Social impacts - The value of diversity	
405-1	Diversity of governance bodies and employees	Highlights 2021; Social impacts - The value of diversity	
405-2	Ratio of basic salary and the remuneration of women to men	Social impacts - The value of diversity	
GRI 418: CUSTOMER PRIVACY 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Governance and Culture - Main ESG risk mitigation tools	The topic is not material


OTHER NON-GRI TOPICS			
103-1	<i>Explanation of the material topic and its Boundary</i>	<i>Innovation</i>	
103-1	<i>Explanation of the material topic and its Boundary</i>	<i>ESG Culture and Governance - Integrated management of sustainability risks</i>	


Reconciliation table between SDGs and GRI standards indicators


	GOAL 1 – No Poverty End poverty in all its forms everywhere.	
	TOPICS	STANDARD GRI INDICATOR
	FINANCIAL SOUNDNESS	102-7; 201-1; 201-4
	SUPPLY CHAIN	102-9; 102-7; 102-10; 204-1


	GOAL 2 - Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	
	TOPICS	STANDARD GRI INDICATOR
	CIVIC COMMITMENT	102-7; 102-13; 201-1

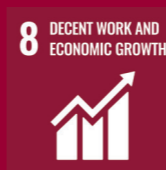
	GOAL 3 – Good health and wellness well-being Ensure healthy lives and promote well-being for all at all ages.	
	TOPICS	STANDARD GRI INDICATOR
	HEALTH AND SAFETY	403-1; 403-2; 403-3; 403-4; 403-6; 403-8; 403-9; 403-10
	WELFARE	401-2; 401-3
	FIGHTING CLIMATE CHANGE	302-1; 302-4; 305-1; 305-2; 305-3; 305-4
	CIRCULAR ECONOMY	306-1; 306-2; 306-3; 306-4; 306-5


	GOAL 4 – Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	
	TOPICS	STANDARD GRI INDICATOR
	TRAINING AND DEVELOPMENT	403-5; 404-1; 404-3


	GOAL 5 – Gender equality Achieve gender equality and empower all women and girls.	
	TOPICS	STANDARD GRI INDICATOR
	DIVERSITY, EQUAL OPPORTUNITIES, INCLUSION	405-1; 405-2
	EMPLOYMENT	401-1
	TRAINING AND DEVELOPMENT	404-1; 404-3
	WELFARE	401-2; 401-3


	GOAL 6 – Clean water and sanitation Ensure availability and sustainable management of water and sanitation for all.	
	TOPICS	STANDARD GRI INDICATOR
	CIRCULAR ECONOMY	303-5


	GOAL 7 - Clean and accessible energy Ensure access to affordable, reliable, sustainable and modern energy for all.	
	TOPICS	STANDARD GRI INDICATOR
	FIGHTING CLIMATE CHANGE	302-1; 302-4; 305-1; 305-2; 305-3; 305-4


	GOAL 8 – Decent jobs and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	
	TOPICS	STANDARD GRI INDICATOR
	EMPLOYMENT	102-7; 102-8; 102-41; 401-1
	HEALTH AND SAFETY	403-1; 403-2; 403-4
	SUPPLY CHAIN	102-7; 102-9; 102-10; 204-1
	FINANCIAL SOUNDNESS	102-7; 201-1; 201-4
	WELFARE	401-2; 401-3
	TRAINING AND DEVELOPMENT	403-5; 404-1; 404-3
	DIVERSITY, EQUAL OPPORTUNITIES, INCLUSION	405-1; 405-2
	FIGHTING CLIMATE CHANGE	302-1; 302-4
	CIRCULAR ECONOMY	301-1; 306-2


	GOAL 9 – Industry, innovation and infrastructures Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	
	TOPICS	STANDARD GRI INDICATOR
	EMPLOYMENT	102-7; 102-8; 102-41; 401-1
	FINANCIAL SOUNDNESS	102-7; 201-1


	GOAL 10 – Reduce inequalities Reduce inequality within and among countries.	
	TOPICS	STANDARD GRI INDICATOR
	WELFARE	401-2; 401-3
	DIVERSITY, EQUAL OPPORTUNITIES, INCLUSION	405-1; 405-2
	EMPLOYMENT	401-1
TRAINING AND DEVELOPMENT	404-1	


	GOAL 11 – Sustainable cities and communities Make cities and human settlements inclusive, safe, resilient and sustainable.	
	TOPICS	STANDARD GRI INDICATOR
	CIVIC COMMITMENT	102-7; 102-13; 201-1
	FIGHTING CLIMATE CHANGE	302-1; 302-4; 305-1; 305-2; 305-3; 305-4
CIRCULAR ECONOMY	306-1; 306-2; 306-3; 306-4; 306-5	


	GOAL 12 – Consumption and responsible production Ensure sustainable consumption and production patterns.	
	TOPICS	STANDARD GRI INDICATOR
	SUPPLY CHAIN	102-7; 102-9; 102-10; 204-1
	FIGHTING CLIMATE CHANGE	302-1; 302-4; 305-1; 305-2; 305-3; 305-4
CIRCULAR ECONOMY	301-1; 303-5; 306-1; 306-2; 306-3; 306-4; 306-5	

	GOAL 13 – Acting for the climate Take urgent action to combat climate change and its impacts.	
	TOPICS	STANDARD GRI INDICATOR
	FIGHTING CLIMATE CHANGE	302-1; 302-4; 305-1; 305-2; 305-3; 305-4
SUPPLY CHAIN	102-7; 102-9; 102-10; 204-1	

	GOAL 14 – Underwater life Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	
	SUBJECT	STANDARD GRI INDICATOR
	FIGHTING CLIMATE CHANGE	305-1; 305-2; 305-3; 305-4
CIRCULAR ECONOMY	306-1; 306-2; 306-3; 306-4; 306-5	

	GOAL 15 – Life on earth Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	
	TOPICS	STANDARD GRI INDICATOR
	FIGHTING CLIMATE CHANGE	305-1; 305-2; 305-3; 305-4
CIRCULAR ECONOMY	306-1; 306-2; 306-3; 306-4; 306-5	

	GOAL 16 – Peace, justice and strong institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	
	TOPICS	STANDARD GRI INDICATOR
	FINANCIAL SOUNDNESS	102-7; 201-1; 201-4
HEALTH AND SAFETY	403-4; 403-9; 403-10	


	GOAL 17 – Partnership for the objectives Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	
	TOPICS	STANDARD GRI INDICATOR
	SUPPLY CHAIN	102-7; 102-9; 102-10; 204-1
	CIVIC COMMITMENT	102-7; 102-13; 201-1
TRAINING AND DEVELOPMENT	403-5; 404-1; 404-3	


Global Compact connection table


The management model of Belleli Energy CPE Srl is inspired by the Code of Ethics and is based on management policies based on the principles set out in the Universal Declaration of Human Rights and the Ten Principles of the United Nations Global Compact.


The Code of Ethics can be consulted at the following address

<https://www.belleli.it/it/download/>

	THE TEN PRINCIPLES	SUSTAINABILITY REPORT 2021	PARAGRAPH
	<p><i>Principles 1, 2 - Businesses are required to promote and respect universally recognised human rights within their spheres of influence and to ensure that they are not, albeit indirectly, complicit in human rights abuses.</i></p>	<p><i>Respect for human rights is based on the dignity of every human being and on the responsibility of companies to contribute to the well-being of individuals and local communities. This approach is rooted and diffused in the corporate culture of the Tosto Group. The commitment starts from relations with collaborators and extends to those with local communities, governments, suppliers and all business partners, as well as security activities and workers' rights. This commitment is based on the United Nations Universal Declaration of Human Rights and is reinforced by adherence to the 10 principles of the Global Compact.</i></p>	<ul style="list-style-type: none"> - Values, Vision, Mission; - Integrated management of sustainability risks; - Governance Structure; - Stakeholder Engagement; - The contribution to the achievement of the SDGs and respect of principles UN Global Compact; - Personnel; - Tosto, an inclusive family; - Together in safety; - Human resources development; - Welfare; - Supply chain; - Commitment to Sport, Culture and Social Affairs.

 LABOUR	THE TEN PRINCIPLES	SUSTAINABILITY REPORT 2021	PARAGRAPH
	<p>Principles 3, 4, 5, 6 - Businesses are required to uphold the freedom of association of workers and to recognise the right to bargain collectively; the elimination of all forms of forced and compulsory labour; the effective elimination of child labour; the elimination of all forms of discrimination in respect of employment and occupation.</p>	<p>The Tosto Group rejects all forms of discrimination based on gender, age, ethnic or national affiliation, skin colour, health status and various physical or mental abilities, marital status, sexual orientation, religious beliefs, political opinions and social origin. The Group is committed to developing and maintaining an inclusive work environment, free from all forms of violence or harassment. In addition, it is engaged in initiatives to reconcile life and work. The right to form trade unions, to join them and to carry out trade union activities is guaranteed. Employees are assured of training and professional development courses.</p>	<ul style="list-style-type: none"> - Values, Vision, Mission; - Integrated management of sustainability risks; - Governance Structure; - Stakeholder Engagement; - The contribution to the achievement of the SDGs and respect of principles UN Global Compact; - Personnel; - Tosto, an inclusive family; - Together in safety; - Human resources development; - Welfare; - Supply chain; - Commitment to Sport, Culture and Social Affairs.

 ANTI-CORRUPTION	THE TEN PRINCIPLES	SUSTAINABILITY REPORT 2021	PARAGRAPH
	<p>Principle 10 - Businesses undertake to combat corruption in all its forms, including extortion and bribes.</p>	<p>The Tosto Group disseminates ethical principles and corporate values and is committed to providing training on legality and anti-corruption. The Group carries out reputational checks on suppliers and third parties. In 2021, there were no reported cases of corruption.</p>	<ul style="list-style-type: none"> - Values, Vision, Mission; - Integrated management of sustainability risks; - Main ESG risk mitigation tools; - Governance Structure; - Stakeholder Engagement; - The contribution to the achievement of the SDGs and respect of principles UN Global Compact; - Results and performance; - Supply chain.

 ENVIRONMENT	THE TEN PRINCIPLES	SUSTAINABILITY REPORT 2021	PARAGRAPH
	<p>Principles 7, 8, 9 - Businesses are required to support a preventive approach to environmental challenges; to undertake initiatives that promote greater environmental responsibility; and to encourage the development and diffusion of environmentally friendly technologies.</p>	<p>The Group is committed to reducing its direct impacts through reduced consumption and waste produced, and to expand the use of energy from renewable sources; to protect the environment and identify in management systems environment, the tool for implementation and monitoring of the actions taken to implement the commitments made. The Group is committed to developing new technologies for energy efficiency, to contribute to the containment of greenhouse gas emissions, and to increase the performance and quality of its products. The Group undertakes to raise the awareness of its value chain also on environmental aspects.</p>	<ul style="list-style-type: none"> - Values, Vision, Mission; - Integrated management of sustainability risks; - Governance Structure; - Stakeholder Engagement; - The contribution to the achievement of the SDGs and respect of principles UN Global Compact; - Supply chain; - Fighting climate change; - Carbon Footprint; - Circular Economy.

Thank you.

We would like to thank all our colleagues who, with their valuable collaboration, have made it possible to draw up this document.

EDITED BY

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