



Valvitalia Group

Sustainability Report

2025



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Letter to stakeholders

This Sustainability Report reflects the profile of a Group that, during 2025, continued with determination along a path of structural strengthening, addressing the challenges of a complex international context with a clear objective: to build an organisational, operational and cultural foundation capable of supporting long-term growth. It also aims to remain resilient in the face of critical events affecting regions around the world, without ever separating economic performance from the quality of its relationships with people, the communities in which it operates, and the environment.

In terms of results, 2025 confirmed the solidity of the path undertaken since the start of the turnaround plan, with the Group returning to profit after eight years. This result was further supported by significant commercial growth, with order intake doubling over the last three years. We also see this result as a direct indicator of the trust that our customers place in the Group, a trust that we have rebuilt over time through constant and ongoing improvements in our operational performance. This progress is reflected in our compliance with contractual commitments, the quality of the solutions offered and the continuity of service and represents the main benchmark by which we assess the quality of our work.

At Valvitalia, sustainability is not a separate issue from industrial strategy: it is one of the constituent dimensions of the way in which the Group creates value and drives continuous innovation. The values we share and our ability to interpret reality guide our operational choices, from customer focus to process excellence, from entrepreneurial spirit to respect for people and the environment: these are the principles that concretely guide day-to-day decisions at every level of the organisation.

From this perspective, the strengthening of internal governance and the strategic restructuring of certain Business Units are an expression of our industrial vision. This also includes our focus on workplace safety, our commitment to relationships with local communities, and our attention to environmental impacts along the value chain.

During 2025, we invested significantly in organisational and process development. The divisional structure, with the first full year of Valves & Systems and the launch of the Fittings and Fire Fighting division, or 3F, has made the organisational scope easier to understand and manage, while fostering operational synergies. The launch of the Business Excellence function introduced tools and methodologies focused on continuous improvement, with a systematic approach to measuring

process maturity, identifying gaps and implementing targeted actions.

This Report is the instrument through which we account for what we have achieved and for how much remains to be done in order to continue growing. We present it with the transparency that we believe is due to those who work with us, invest in us and rely on our products in contexts where reliability and safety leave no margin for error.

Andrea Forzi
CEO





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Valves & Systems
Fittings
Fire Fighting



Group's history and identity

Valvitalia is an Italian multinational industrial group active in the design, manufacture and marketing of high-technical-criticality components for the energy, oil & gas, naval infrastructure and industrial applications sectors. Its offering includes, among other products, valves, actuators, fittings, insulating joints and fire-fighting systems, intended for EPC contractors and end users operating in highly regulated and technologically complex environments where reliability, safety and performance are essential requirements.

The Group's identity is founded on established operating values that guide strategic choices, management structures and industrial culture. Customer centricity is reflected in listening to customer needs, in the quality and continuity of supply, in compliance with technical and contractual commitments, and in the building of lasting relationships. This is complemented by a vision of excellence that extends not only to technical performance, but also to design quality, process care and the ability to introduce continuous improvement. Entrepreneurship guides decision-making on complex projects, with rigorous risk assessment and a focus on sustainable solutions over the medium to long term. Respect for people, the environment, commitments made and regulatory requirements is an essential operating principle, while collaboration across different roles and structures

enables the integrated management of complex processes on an international scale.

The Group's activities are carried out through a production network distributed across Italy, the United Kingdom and China, with specialised sites covering the entire industrial cycle: from engineering to machining, from assembly to testing, and through to technical after-sales support.

The ownership structure is now as follows: CDP Equity S.p.A. holds 75%, while the remaining 25% is held by Finvalv s.r.l., part of the Ruggeri family.

Founded in 2002 by the Ruggeri family, Valvitalia was established with a focus on the oil & gas valve segment, drawing on the long-standing experience of Order of Merit for Labour and Chairman Salvatore Ruggeri. The growth path began as early as 2005 with the acquisition of Tecnoforge, now Fittings, active in the production of flanges and fittings, an operation that strengthened the internal supply chain, broadened component compatibility and consolidated a multi-site production system aimed at vertical integration.

In 2006, the production site in Suzhou, China, was launched with the aim of supporting international customers in the world's main industrial hubs,

expanding manufacturing capacity in strategic areas while maintaining unchanged process standards and quality requirements. With the acquisition of Broady Flow Control in 2010, the Group also strengthened its presence in the marine and defence sectors, integrating specialist expertise in the field of safety valves and pressure control valves.

Between 2014 and 2016, the integration of Silvani, Eusebi, and Nuova Giungas further expanded the technical-industrial perimeter toward fire-fighting systems and monolithic insulating joints. This supported the development of a more comprehensive offer for plants with high technical and regulatory complexity.



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2002

Ruggeri family establishes Valvitalia



Our 2025

Following the organisational change in 2024, which established the Valves & Systems Division, during 2025 the Group continued its process of strengthening its organisational and production structure. This is aimed at supporting growth and making end-to-end value chain management more coherent and integrated. Against this backdrop, the industrial structure has progressively been organised by Division, with the Valves & Systems Division completing its first full year in operation. It integrated the activities historically developed in Italy with those in China, enhancing operating synergies and process standardisation, while the launch of the 3F Division (Fittings and Fire Fighting) provided a lever for management focus in areas requiring specific efficiency and industrial consolidation initiatives.

The Broady Business Unit also remains a further international pillar, a UK-based business that continues its process of integration and alignment with Group operating models, while preserving its specialist expertise. At the same time, the organisational evolution has been accompanied by a strengthening of the governance and cross-functional coordination model, including through the continued roll-out of the ERP system and the growing adoption of common planning, control and continuous improvement practices. The establishment

of the Corporate Business Excellence function fits into this framework, having been formalised at the end of 2024 and operational since 2025. Conceived as a support and driving function, it guides the organisation toward excellence paradigms by assessing the maturity of key process dimensions, making gaps explicit, and launching improvement projects through a structured Policy Deployment approach and an increasingly wide range of initiatives, including targeted kaizen activities, the involvement of qualified external expertise where appropriate, and mechanisms for transferring best practices across Divisions and sites.

A key element in the evolution of the operating model is the strengthening of Customer Service (formerly known as Aftermarket), structured in 2025 as a Group function reporting directly to the Chief Executive Officer, to support a lifecycle perspective that integrates sales, service and the enhancement of the installed base: the function's aim is to improve field response capability, problem resolution quality and customer loyalty, in line with the strategic direction of developing value-added services.

On the international industrial front, a central milestone in the new structure is the new plant project in Suzhou, China, which represents one of the most significant investments in the 2026–2027

plan. This is not simply an expansion of existing production capacity, but a genuine qualitative upgrade of the local industrial platform: the new site will be equipped with renewed machinery, a re-designed layout to optimise production flows, and an internal organisation reconfigured to improve efficiency, operational continuity and the quality of site management.

The aim is to equip the Suzhou site with a structure capable of meeting expected volumes and the needs of a growing market, while keeping the process standards that characterise the Group's entire production network unchanged. The decision to invest in China is part of a broader strategy of international presence, not only commercial but also industrial: having a competitive plant in the geographical areas where customers operate means reducing response times, ensuring supply continuity and strengthening the quality of the industrial relationship over the long term. The new Suzhou plant therefore becomes a key building block of the Group's internationalisation strategy, consistent with an approach that prioritises proximity to markets and full integration between the Italian and overseas sites across the entire value chain¹.

Finally, the evolution of the Group's structure is part of a broader international expansion trajectory, which in 2026 will also take on significance through the development of partnerships and collaborative

models, including the agreement with Aramco and the path towards a joint venture aimed at operating two plants in Saudi Arabia², in addition to ongoing discussions with partners to strengthen the Group's presence in complex and highly competitive markets. Taken together, these initiatives aim to combine growth, industrial capacity and direct market presence, reinforcing the organisational and operational foundations needed to support future opportunities with appropriate levels of responsiveness, coordination and reliability.



On the international industrial front, a central milestone in the new structure is the new plant project in Suzhou, China, which represents one of the most significant investments in the 2026–2027 plan. This is not simply an expansion of existing production capacity, but a genuine qualitative upgrade of the local industrial platform.

¹Strategic agreement signed for the acquisition of a manufacturing site in Wujiang (China) - Valvitalia

²Valvitalia consolidates its presence in Saudi Arabia: a Memorandum of Understanding has been signed for the establishment of a joint venture with Saudi Fal

Focus on financial performance

From a financial perspective, 2025 marks an important step in Valvitalia's consolidation journey initiated in previous years. After a difficult cycle beginning in 2020–2022, marked by a significant decline in revenues, financial and supply-chain issues and related reputational impacts, which led to the restructuring agreement signed in 2023, the Group closed the year with a positive result, returning to profit for the first time in eight years. This milestone reflects a gradual and coherent recovery path, built through clear industrial choices and the progressive strengthening of operational and commercial foundations.

On the revenue side, the first part of the year was characterised by volatility linked to external factors such as tariffs, which caused contractual delays, with activity then concentrating in the second half of the year. Overall revenues were broadly in line with the previous year, but in a context of external pressure and internal reorganisation the Group was able to protect operating profitability, consolidating the upward trend seen in recent years.

The most significant signal of competitive repositioning is visible in the multi-year trend in order intake. Over a four-year period, the Group's order intake has more than doubled compared with crisis

levels, with growth of over 100%. Looking at the medium term, this confirms a Group that has regained trust and credibility with its customers: order intake is not only an economic indicator, but a direct measure of Valvitalia's ability to position itself as a reliable industrial partner in the complex markets in which it operates.

Divisional performance in 2025 followed different trajectories, consistent with their respective stages of development. The Valves and Systems Division, in its first fully operational year in the new integrated Italy-China configuration, closed above target, confirming the alignment between organisational structure and industrial strategy. The 3F Division, established in July 2025, went through a start-up year with differing dynamics across the two units. Fire Fighting recorded a positive turnaround in order intake in the last quarter, with an increase in orders. The long cycles typical of the fire protection business, particularly in the marine segment, mean that part of the orders acquired will translate into revenue over a horizon extending to 2028. Fittings, by contrast, closed revenues with a marked acceleration in the second half, while reporting weaker order intake due to tariffs, which made it difficult to rebuild a new distribution channel in the US.

During the year the Group invested in strengthening its organisational structure, including the addition of new people and the reinforcement of operational functions. This is intended to support volume growth, structured market coverage and the continuous improvement of operations in anticipation of rising revenues during 2026. In this context, the aim is to progressively reduce the incidence of the cost associated with the structural increase, which has provided additional momentum for new commercial and operational development.

On the investment side, the Group made overall investments of more than Euro 5 million in 2025, with priorities focused on plant safety, IT system development, and the maintenance and improvement of production activities. Including lease transactions, the total volume of investments incurred during the year is higher. The 2026–2027 trajectory is even more ambitious, with a programme centred on the new plant in China (Suzhou), where Valvitalia aims to achieve a qualitative upgrade of its manufacturing platform through new equipment, a renewed plant organisation and specific targets for efficiency and operational continuity. These are accompanied by investments supporting emerging opportunities in Saudi Arabia under the Aramco agreement, and by efficiency-enhancing measures at the plants of the 3F Division, where recent production pressure makes preventive investment necessary to ensure continuity and competitiveness.

From a financial management perspective, 2025 generated cash flow above expectations, with net

financial debt maintained in line with the previous year, in a context of high investment levels and structural strengthening. The relationship with the banking system sits within the framework of a restructuring agreement, which defines the scope of relations with the lending pool. The resulting management approach favours solidity and predictability, with the prospect of making early repayments on part of the debt in 2026 as an additional step in consolidating the Group's financial structure.

For 2026, the Group aims to increase revenues and orders, with the 3F Division expected to make a key contribution to this trajectory: Fire Fighting aims to increase orders by 27% through organic growth based on strengthening commercial competitiveness, sector diversification into Oil and Gas, marine, infrastructure, and data centres, and supply chain optimisation. Fittings aims to increase orders even more significantly, a goal that requires internal production efficiencies, diversification of supply sources, and expansion into new geographic markets, starting with the American market in order to return to last year's levels, and Saudi Arabia, where the Aramco agreement provides visibility across the entire Saudi market with the potential to generate significant new revenues. On these fronts, the Group carefully manages the main external financial risk factors: exposure to customs duties is mitigated by factoring the tariff component into the contractual structure of new agreements upfront, and raw material price volatility is addressed through structured purchasing planning and a progressive diversification of sources, including the exploration of suppliers in

Eastern European countries. Concentration on individual customers or markets is offset through strategies of geographic and channel diversification.

The financial strength built in 2025 provides the basis for the Group to pursue a more ambitious and more international growth phase. This phase is focused on high-margin markets ranging from nuclear, with certifications expected by mid-2027, to desalination in the Middle East and systems for the energy transition, supported by a production and organisational platform that is being progressively strengthened to handle the volumes and requirements those markets demand.

In 2026, financial management will maintain a prudent approach, with attention to containing debt and assessing any early repayments, in order to preserve financial strength and operational flexibility. In this context, the systematic integration of ESG factors into financial and governance decision-making processes, as well as into the broader assessment of new business risks, will be a key element for sustainable medium- to long-term growth. The preparation of the sustainability section of the annual report is also planned, with the aim of making it available by the beginning of March for audit activities and for the control bodies.

“

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Group structure

Our divisions, our products and our reference markets

Following the latest changes introduced in 2025, the Group's industrial set-up is organised into two Divisions and one Business Unit, with plants in Italy and abroad: Valves & Systems Division (in Italy: Rivanazzano Terme and Brendola; in China: Suzhou), 3F – Fittings & Fire Fighting (Tecnoforge Castel San Giovanni, Tecnoforge Arena Po and Fire Fighting Ancona) and Broady Business Unit in the United Kingdom, in Hull.

Within the Group's industrial structure, the Valves & Systems Division oversees the set of activities that re-

quire a high degree of integration between engineering, components, and systems, in which engineering defines specifications and drawings, mechatronic integration combines valve bodies, actuators, and control instrumentation, and the industrial cycle leads to assembly and functional testing in accordance with project-by-project requirements. The portfolio includes on-off valves, with coverage of ball valve families in trunnion and floating configurations, side-entry bolted or fully welded designs, and top-entry versions also available in cryogenic or high-temperature execution, as well as plug valves and GGC gate, globe, and check valves, plus linear and ball control valves and electric, pneumatic, and hydraulic actuators with their associated panels and automa-

tion accessories. The specialisation of the various sites supports both process quality and full traceability. All plants oversee welding, painting and final testing, with Brendola acting as the reference site for certain in-house machining operations dedicated to valves. The Systems component completes the Division's offering with comprehensive packages for measurement, filtration, pre-heating and pressure regulation, including skids and pressure equipment such as pig launcher and receiver traps and High Integrity Pressure Protection Systems (HIPPS). Based in Castel San Giovanni, the Systems business is experiencing rapid market growth and increasing appeal among our customers. Given the long service life of its products, Valves & Systems also focuses on in-service maintenance and the supply of targeted spare parts. The aim is to ensure safe operational continuity throughout the entire operating life of installed plants, equipment and instrumentation. This integrated service enables V&S to position itself as an ideal partner for the long-term management of the solutions it provides, offering technical support throughout all operational phases. In line with this approach, the evolution of the operating model is supported by a cross-functional Business Excellence function, operating as a support and catalyst for continuous improvement.

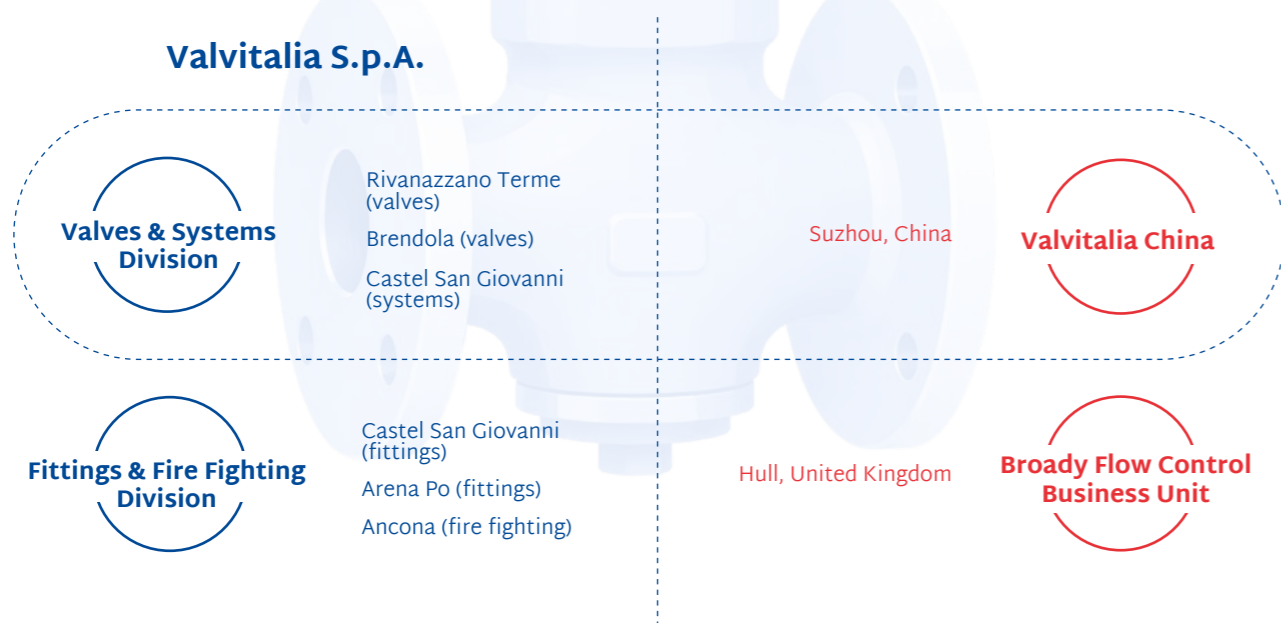
The Fittings business is distinct in nature. It oversees internal metallurgical transformations and supplies both the Group's lines and, above all, external customers with fittings and special forged parts designed for severe operating conditions; product value is built through forging, heat treatment, and finishing processes, with non-destructive testing ensuring integrity and traceability. The inherent energy inten-

sity of these cycles is managed through dedicated industrial approaches and monitoring aligned with applicable environmental reporting requirements. This takes place in a context where demand is driven mainly by production rather than after-sales service.

Fire Fighting business brings together mechanical, electrotechnical and control expertise to provide complete fire-fighting systems, from the compliance of individual components through to integration in the final plant. The packages combine pumping units, valves, sensors, control and command panels and, depending on the context, water mist and foam technologies, with pressure, flow and tightness tests performed in line with the applicable standards and, where required, installation and commissioning activities on site. After-sales services are structured around inspections, repairs, training and upgrades, with the aim of safeguarding the operational continuity of the sites served in compliance with the relevant regulations.

Broady Flow Control operates from Hull in the United Kingdom and contributes a range focused on safety relief valves, pressure reducing and sustaining valves, pilot-operated valves, and hydrant valves, with traceability and qualification levels aligned with the requirements of the naval and defence sectors. The industrial scope includes design, an on-site foundry for non-ferrous alloys, machining, assembly, and non-destructive testing in-house, with periodic checks over multi-year horizons, end-of-life management, and, in the domestic market, delivery methods including ex works, with part of the installations handled through a dealer network.

Valvitalia Group



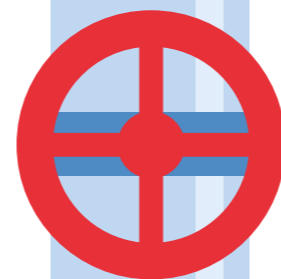
Value chains

The definition of value chains is a key step in understanding Valvitalia's industrial and organisational dynamics in a precise way. This approach makes it possible to represent in a structured manner how the Group creates value, distinguishing between activities managed internally and those carried out in collaboration with partners and suppliers. Through this reading, it therefore becomes possible to analyse impacts, risks and opportunities more effectively across the entire product life cycle.

The value chain is structured around three main areas:

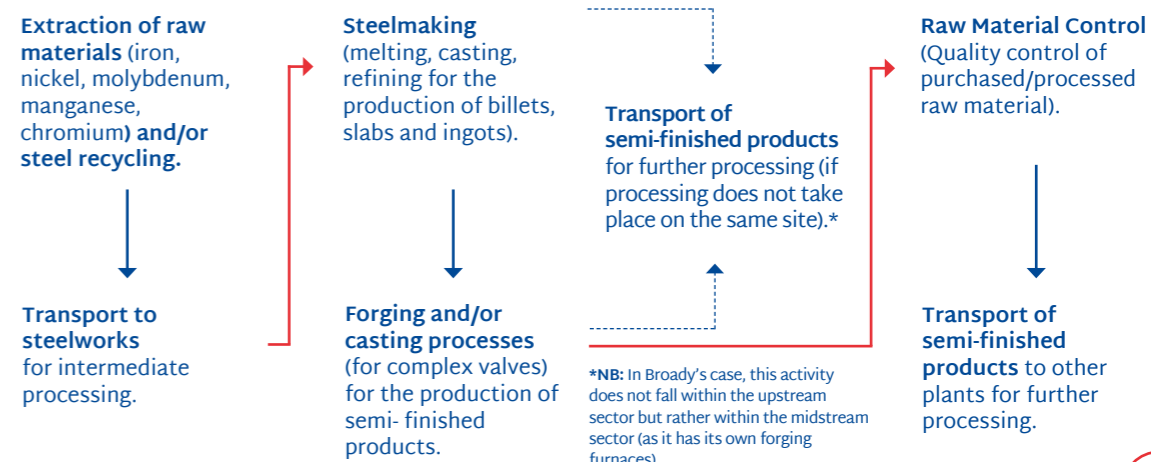
- *Upstream*, which includes raw material procurement, initial processing and inbound logistics;
- *Midstream*, which coincides with the core of industrial transformation, including production, assembly, and testing;
- *Downstream*, which encompasses distribution, installation, use, after-sales services and end-of-life management.

In view of Valvitalia's industrial specificities, three distinct types of value chains have been identified, consistent with the Group's main business areas: Fire Fighting, Fitting and Valves & Systems.

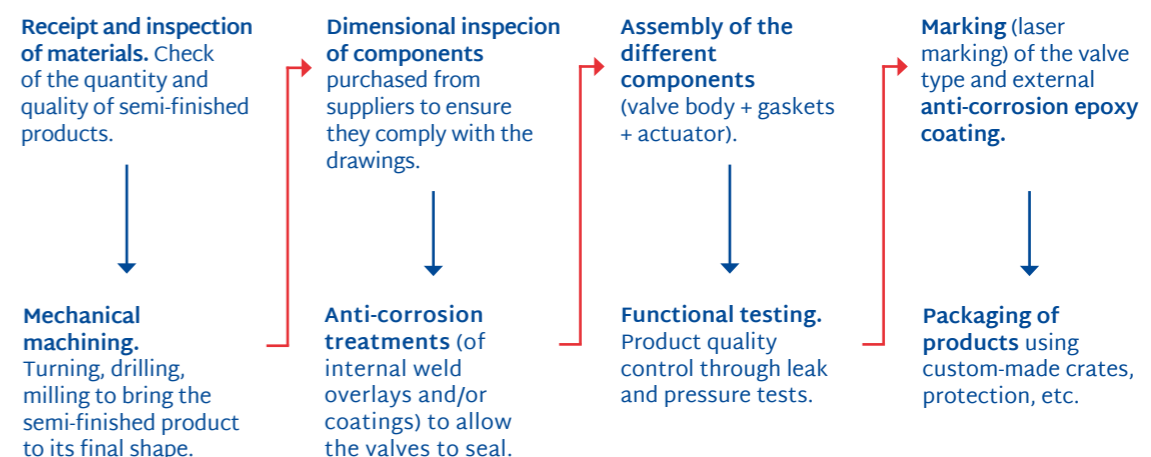


Valves & Systems

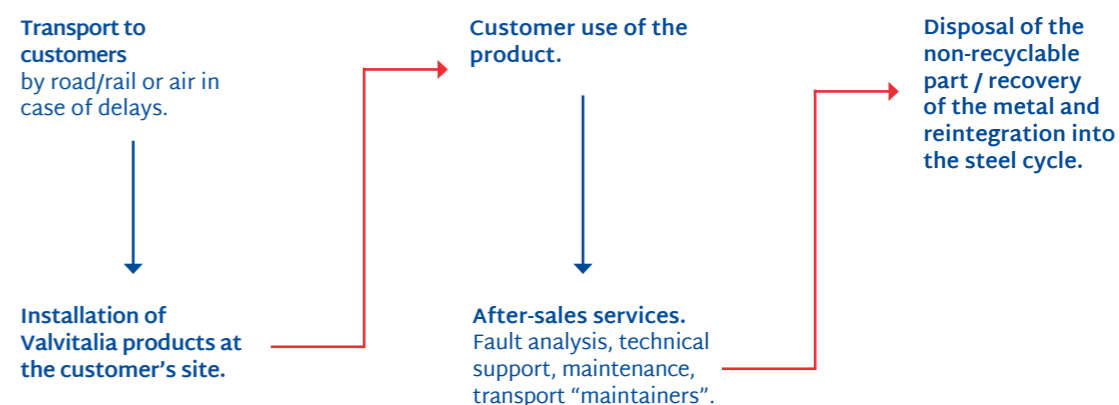
Upstream

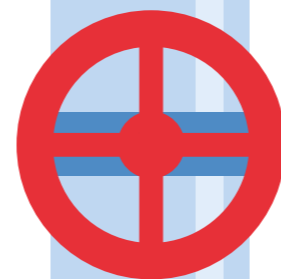
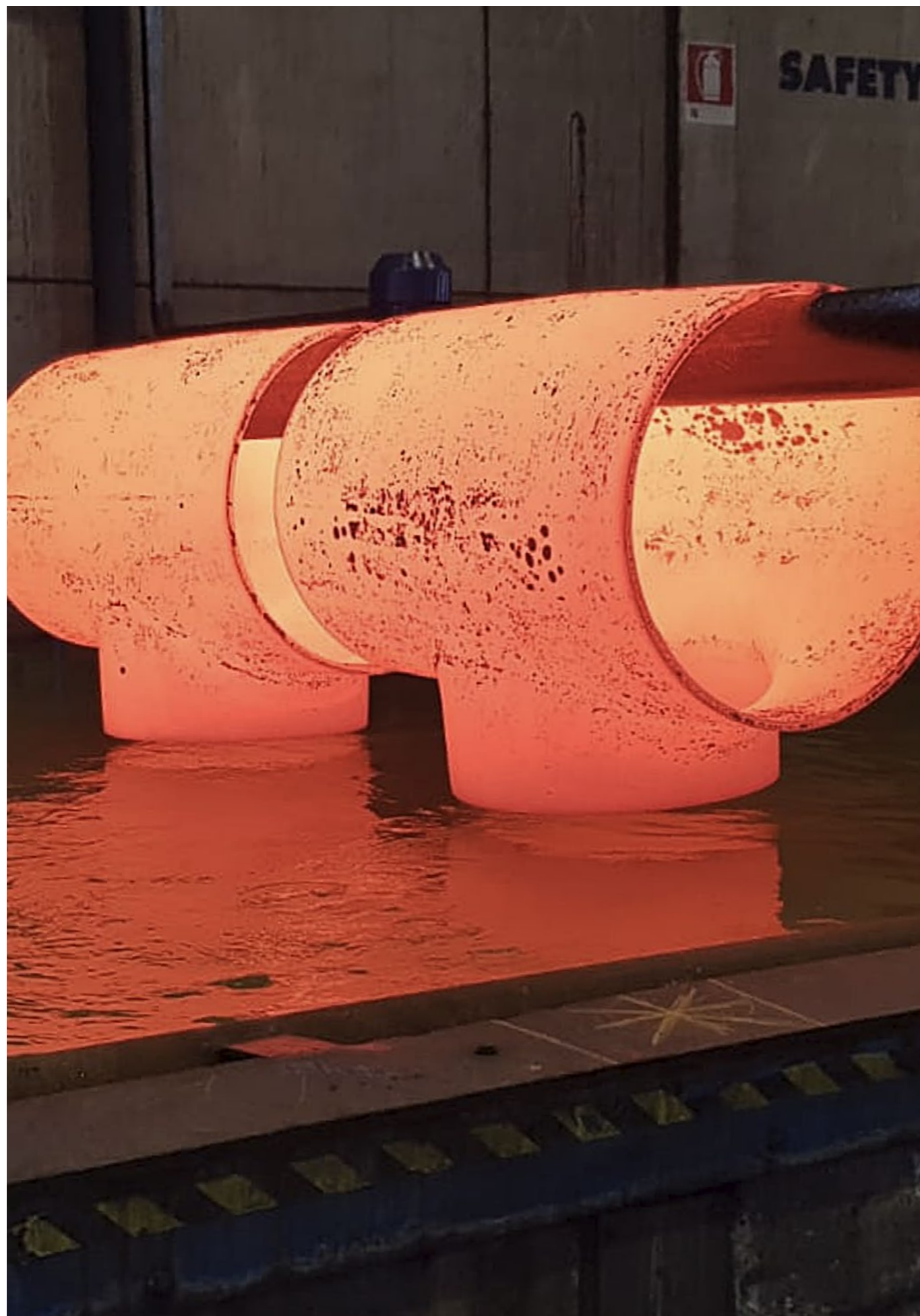


Midstream



Downstream





Upstream

Fittings

Extraction of raw materials (iron, nickel, molybdenum, manganese, chromium) and/or steel recycling.

↓
Transport to steelworks for intermediate processing.

Steelmaking (melting, casting, refining for the production of billets, slabs and ingots).

↓
Transport of billets to rolling mill.

Sheet metal heating and rolling.

↓
Transport of sheet metal to Tecnoforge.

Midstream

Receipt and inspection of materials. Check of the quantity and quality of semi-finished products.

↓
Heating the semi-finished products to bring them to a temperature suitable for the forging process.

Forging. Processing of products for the creation of joints, flanges, items. Process carried out using the hydraulic press.

↓
Heat treatments. Turning, drilling, threading, sandblasting to finish the product.

Quality control of products with specific methodologies (penetrating liquids, ultrasound, magnetoscopy, x-rays).

↓
Packaging of products using custom-made crates, protection, etc.

Downstream

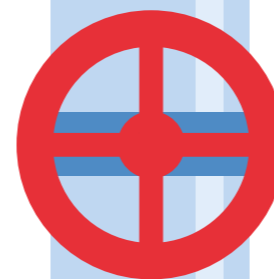
Transport to customers by road/ rail to the nearest port, transport of the container by ship and subsequent transport to the final customer on rubber or train (or air transport in case of delays).

Tecnoforge products' installation on customer site.

↓
Customer use of the Tecnoforge product.

After-sales services (only in case of non-compliance).

↓
Disposal of the non-recyclable part / recovery of the metal and reintegration into the steel cycle.



Fire fighting

Upstream

Extraction of raw materials (iron, nickel, silicon, rare earths, oil, gas) for electronic, plastic, steel and gas parts.

Transport of raw materials to the different intermediate processing sites.

Intermediate processing. Creation of pumps, motors, cylinders, tanks and extinguishing agents.

Transport to the company. Semi-finished products delivered by sea or road.

Midstream

Design of firefighting systems.

Reception and control of components. Verification of the quantity, quality and other characteristics of semi-finished products.

Assembly. Assembly of pumps, tanks, valves, panels and sensors.

Testing. Flow, pressure, sealing and functional tests.

Packaging. Packaging of products by the use of custom-made crates, protection, etc.

Downstream

Transport to customers by road or rail, or by air in case of delays.

Valvitalia products' installation on customer site.

Systems test on site.

Customer use of the product.

After-sales services. Fault analysis, technical support, maintenance, transport "maintainers".

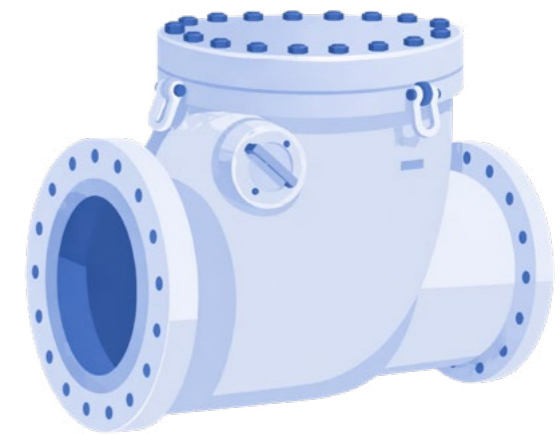
Disposal of the non-recyclable part / Recovery of recyclable materials.



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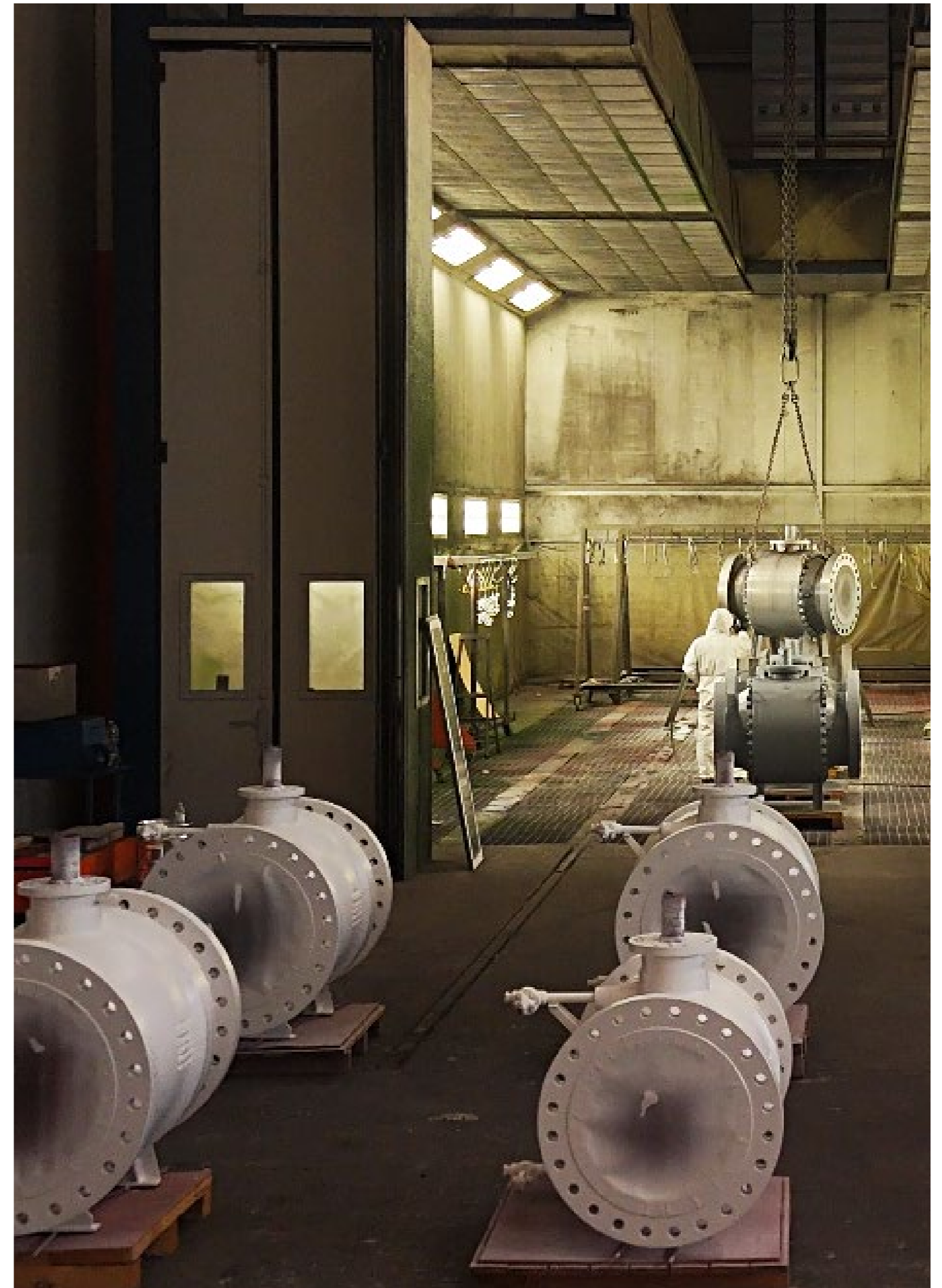
ESRS and reporting scope

This Sustainability Report has been prepared in line with the principles and guidelines set out in the European Sustainability Reporting Standards (ESRS), adopted to implement the Corporate Sustainability Reporting Directive (CSRD). In a European regulatory context that is evolving and marked by initiatives to simplify and rationalise reporting obligations – in particular the “Omnibus” package – Valvitalia confirms its choice to continue voluntarily with its reporting journey, convinced that sustainability is a structural lever for industrial resilience and long-term competitiveness. Transparency, traceability of performance and the availability of robust metrics are indeed regarded as enabling factors for the quality of decision-making, stakeholder trust and the Group’s ability to operate in regulated, highly technically complex markets.

The previous edition of the Report represented an important methodological and organisational milestone. For the first time, the reporting scope was extended to the entire Group beyond national borders, including overseas production sites, in order to provide a more complete and integrated representation of activities along the value chain. In that update, the scope included, in addition to the five Italian plants in Rivanazzo Terme, Brendola, Castel San Giovanni, Arena Po and Ancona, the Suzhou production site in China, part of the Valves & Systems Division, and the Hull site in the United Kingdom, home to the Broady Business Unit.

Building on this now consolidated scope, this Annual Report reflects a further advance in the management of the reporting process: during the year, data collection was carried out in a more structured and faster way, including for overseas sites, with the aim of progressively improving the quality of reporting. In particular, the data collection process was strengthened through clearer roles and responsibilities, more effective coordination between central functions and local contacts, and more systematic oversight of internal verification activities. This was aimed at improving the completeness and comparability of information, as well as data traceability throughout the process.

This methodological development, in addition to consolidating the Report’s information quality, reflects the progressive embedding of ESG principles into the Group’s industrial and decision-making processes. The process will also continue in the coming financial years through further refinement of collection, analysis and control practices. This will aim to continuously improve the Group’s ability to present its overall performance in a consistent and unified manner across the different contexts in which it operates.



Materiality analysis

During the year, Valvitalia carried out a detailed and in-depth analysis aimed at identifying and assessing material topics and their related impacts, risks and opportunities, with the objective of ensuring clear, robust and participatory reporting. This work builds on a process already begun in the previous edition of the Report, which in 2024 marked a significant methodological development: the materiality analysis had in fact been substantially updated by including, for the first time, the Group's international dimension and extending the reporting scope to the foreign sites in Suzhou (China) and Hull (United Kingdom). This step made it possible to build a more complete view of the value chain and to adopt a more structured and participatory assessment model. It was based on the direct involvement of central functions and the main operating units, with comparison and cross-validation mechanisms useful for strengthening the consistency and traceability of the judgements expressed.

Building on that foundation, the analysis carried out in the current year represents a further step forward in terms of depth, robustness and integration between internal and external perspectives. The most significant development compared with the approach adopted the previous year concerns the strengthening of external engagement, achieved through targeted questionnaires differentiated by stakeholder

category, designed to gather a structured perspective on impact materiality. The listening process involved approximately 280 respondents overall, including internal and external stakeholders from multiple categories, such as employees and management (Italy and abroad), suppliers (Italy and abroad), customers (Italy and abroad), finance and banking, industrial relations, shareholders, local authorities, as well as the research and university sectors (Italy and abroad). Differentiating the questionnaires by category – and, where necessary, by language – made it possible to collect assessments that were comparable and consistent with the actual role of the various counterparts along the value chain. This increased the representativeness of the analysis and the ability to interpret ESG topics in relation to different contexts and expectations.

From a methodological standpoint, for each ESRS topic stakeholders were asked to express a perceived importance rating on a 1–5 scale and, where relevant, an assessment of the likelihood associated with the impact on a 1–5 scale. The materiality score was then determined by combining the two elements, applying to importance a coefficient linked to likelihood (from 0.1 to 1), so as to reflect more accurately the overall relevance and the priority attributable to the topic for each category. This framework made it possible to consolidate a quantitative reading of impact materiality, reducing the risk of assessmen-

ts that were purely qualitative and making the logic behind priority-setting more transparent.

At the same time, the assessment of material topics remained within the **double materiality** framework, analysing topics both in terms of the Group's impact on the environment and society (impact materiality) and in terms of possible effects on economic, balance sheet and financial results (financial materiality). In line with ESRS guidance, the assessment of relevance was carried out by applying different metrics and rating scales for impacts and risks/opportunities. However, a substantial strengthening was also introduced on this axis: for the analysis and assessment of risk relevance, in addition to the methodological guidance provided by the ESRS, direct and systematic discussion was undertaken with the Risk Management function and the CFO. The aim was to integrate the overall view of risks connected with Valvitalia's activities with a sustainability-focused interpretation. This

integration made it possible to more consistently align financial materiality with existing governance controls, ensuring a stronger connection between ESG assessments, risk management processes and relevant economic and financial evaluations.

The evolution of the materiality process in the current year enables a more complete and mature analytical model: on the one hand, it enhances the structured and international baseline introduced last year. On the other, it improves the quality of evidence through external engagement and strengthens the robustness of the financial dimension through full alignment with Risk Management and Finance controls. In this perspective, the materiality analysis becomes a decision-support tool aimed at improving the Group's ability to identify ESG priorities, anticipate risks and opportunities, and define improvement pathways consistent with its industrial strategy and stakeholder expectations.



Impact materiality

The analysis of material impacts showed that Valvitalia’s activities, at all stages of its value chain, are or may be capable of generating environmental, social and economic consequences of varying nature and significance. In both cases, these are effects that reflect the Group’s degree of interaction with environmental ecosystems, with its employees, with local communities and with the end users of its products. Their analysis does more than portray a snapshot; it helps to reveal the underlying links between Valvitalia’s industrial model and external dynamics, providing valuable insights to strengthen the sustainability governance framework and steer corporate strategies towards responsible, shared value creation.

On the own workforce side, training and skills development emerge as a highly relevant impact: in a highly specialised technical sector, continuously updating people’s capabilities is necessary not only for competitiveness, but for the quality and safety of production processes themselves. Closely linked to this, structured dialogue between

workers and management is a fundamental lever for building an organisational climate based on trust and active participation, making it possible to identify critical signals early and enhance widespread skills.

Diversity and inclusion, although of medium relevance, are recognised as strategic factors for attracting talent and promoting a fair working environment. A balanced approach to working time organisation and overtime directly affects people’s well-being, helping to prevent stress and reduce the risk of accidents. On business conduct, ethics and anti-corruption are confirmed as highly relevant impacts, forming the basis of the Group’s integrity towards all stakeholders. At the same time, data security and confidentiality require adequate and continuously updated protection systems in a context of increasing digitalisation of industrial processes.

For consumers and end-users, technical documentation and product safety are of the highest relevance, directly linked to the critical nature of the applications in which Valvitalia products are used – oil and gas, energy and process industries. This is complemented by stable customer relationships, reflecting the Group’s ability to build lasting partnerships based on quality and mutual trust. Along the value chain, stable supplier relationships reflect Valvitalia’s awareness of its extended responsibility: suppliers selected according to ethical and quality criteria are an enabling factor for the overall sustainability of the production model. In the area of circular economy, the design of durable and repairable products has a positive impact by reducing waste generation and extending the life cycle of customers’ plants, while the use of recycled materials and component reuse steer processes towards lower consumption of primary resources. In climate-related matters, energy efficiency and greenhouse gas emission reduction guide the Group’s choices towards lower-carbon technologies and processes, in line with the objectives that manufacturing industry is called upon to pursue. Finally, local community development reflects Valvitalia’s awareness of being an economic actor rooted in the territories, exercising a responsibility that extends well beyond the boundaries of its production activities.

Financial materiality

Alongside the analysis of material impacts, the main risks and opportunities with potential economic, balance sheet and financial effects linked to ESG factors were assessed. This reading reflects the Group’s ability to operate in a global context in which sustainability is having an increasingly strong impact on competitive dynamics, regulatory developments and investment and procurement decisions along the value chain.

The analysis of risks and opportunities aims to make explicit how sustainability topics may translate into financial effects for Valvitalia, outlining scenarios that could arise depending on changes in the exter-

ESRS topic	Specific impact topic	Relevance
Own workforce	Training and skills development	High
Conduct of businesses	Ethics and anti-corruption	High
Consumers and end users	Technical documentation and product safety	High
Own workforce	Worker–management dialogue	High
Conduct of businesses	Data security and confidentiality	High
Circular economy	Durable and repairable products	Medium
Workers in the value chain	Stable supplier relationships	Medium
Consumers and end users	Stable customer relationships	Medium
Own workforce	Diversity and inclusion	Medium
Climate change	Energy efficiency	Medium
Circular economy	Recycled materials and reuse	Medium
Own workforce	Working hours organisation and overtime management	Medium
Affected communities	Local community development	Medium
Climate change	Reduction of emissions	Medium

nal environment, markets and social and environmental dynamics. The perspective adopted therefore considers the possible consequences — albeit hypothetical — that are plausible and, in some cases, likely, in light of the Group’s industrial characteristics and its positioning in international markets, providing useful guidance for setting priorities and strategic choices.

The identified risks and opportunities stem from the main ESG factors, also in relation to regulatory developments, and describe how sustainability issues may influence industrial and financial decisions.

The identified risks and opportunities stem from the main ESG factors, also in relation to regulatory developments, and describe how sustainability issues may influence industrial and financial decisions. The link between sustainability and economic performance is tangible: operational disruptions related to climate change, higher costs linked to environmental requirements, energy price volatility, raw material shortages, and rising expectations regarding workers’ rights and customer safety may all result in higher costs, inefficiencies and operational constraints. They may also create reputational risks, as well as issues linked to the management of substances of concern and substances of very high concern. At the same time, the ability to anticipate these trends can generate growth and differentiation opportunities, for example through low-emission products, solutions focused on circular design and stronger after-sales services, as well as training and skills development as an enabling lever for quality, safety and industrial continuity.

Within this framework, risks refer to events or conditions that could potentially produce negative effects on the Group’s economic results, including costs, margins, cash flows and the ability to serve markets. Opportunities concern scenarios in which the same dynamics may generate economic benefits, access to new segments or stronger competitiveness. This interpretation is supported by controls consistent with the governance and management model: monitoring of regulatory developments and customer requirements, attention to supply chain robustness and supplier qualification, initiatives focused on product safety and quality, and actions aimed at supporting skills, fairness and the organisation’s attractiveness. The summary of the topics identified is set out in the table below.

During the year, the Group developed, in close collaboration with the Risk Management function, an integrated model designed to bring the main ESG risks and opportunities within the company’s system for risk identification, assessment and control. This activity made it possible to structure more systematically the link between sustainability factors and the Group’s overall risk profile, strengthening its ability to monitor potential effects on operations and performance.

The significance of the economic and financial effects associated with each individual risk and opportunity was also the subject of an in-depth discussion with the Finance function. This made it possible to assess, for each topic, the nature of

the expected impacts at financial level and their degree of likelihood. The model is designed as a dynamic tool, subject to progressive updating, with the aim of consolidating over time an increasingly effective control of environmental and social variables, particularly with reference to operational processes and industrial continuity.

Matrix of dual materiality

The double materiality matrix provides a summary view of the impact materiality and financial materiality analyses developed in the previous sections with reference to individual impacts, risks and opportunities, in this case mapped to the ESG topics relevant

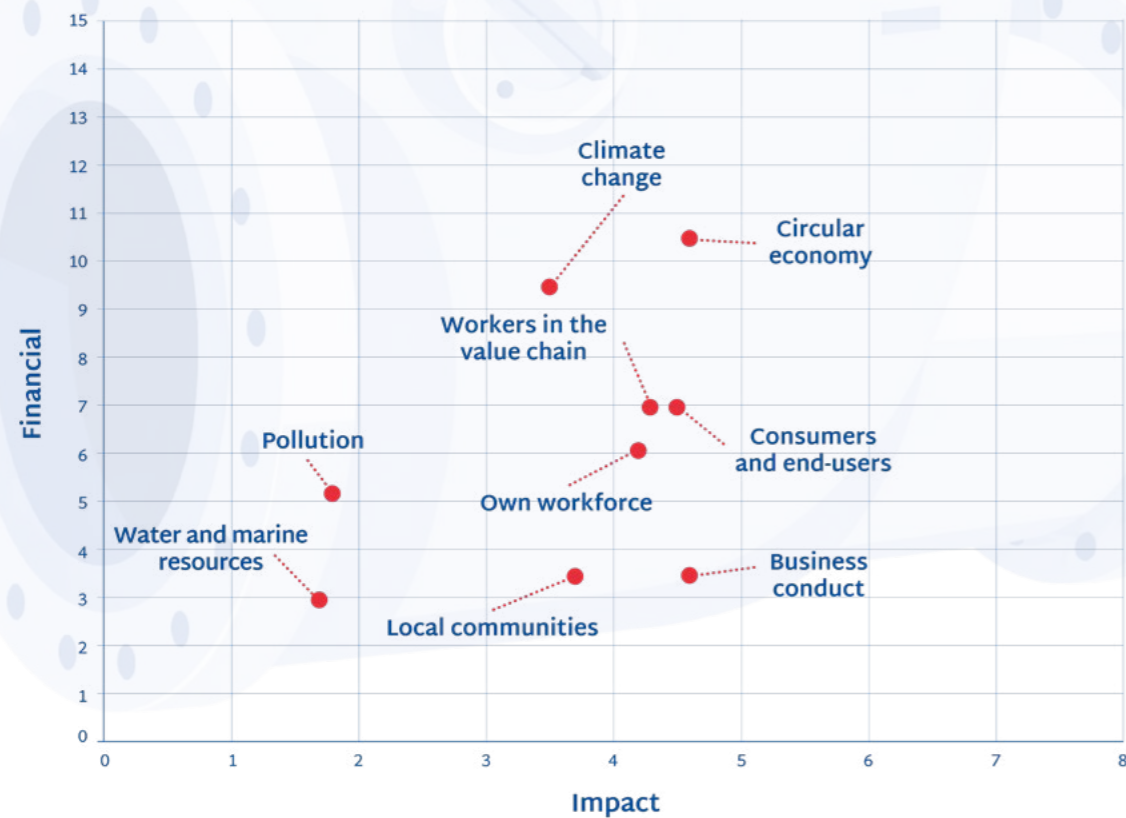
Topic	Type	Brief	Relevance
Circular economy	Opportunities	Circular design and after-sales services	High
Climate change	Opportunities	Low/zero emission products	High
Own workforce	Risk	Gender pay gap	High
Own workforce	Opportunities	Training and skills development	High
Supply chain	Risk	Raw material scarcity	Medium
Climate change	Risk	Business interruptions due to climate change events	Medium
Climate change	Risk	Increase in costs related to environmental regulations	Medium
Climate change	Risk	Energy price volatility	Medium
Pollution	Risk	Monitoring of substances of concern	Medium
Pollution	Risk	Monitoring of substances of concern in the supply chain	Medium
Workers in the value chain	Risk	Workers’ rights	Medium
Consumers and end users	Risk	Customer Safety	Medium

to the Group. This aggregation makes it possible to read the various topics in an integrated way, on the one hand according to the significance of the actual or potential effects that Valvitalia generates or may generate on people, the environment and local areas. On the other hand, it reflects the significance of the possible economic and financial effects that these factors may have on the Group.

The matrix clearly highlights the centrality of climate change, which ranks among the most material topics overall, confirming that environmental dynamics are closely linked both to external impacts and to the organisation's operational and competitive resilience. Also prominent are the topics relating to consumers

and end-users, the Group's own workforce, workers in the value chain and business conduct, confirming the strategic role played by product quality and safety, people protection, operational integrity and sound relationships along the supply chain.

The topic of local communities and relations with the territory is also particularly important, especially in connection with activities linked to the value chain, where the management of indirect impacts, relationships with local stakeholders and operational continuity represent significant areas of attention. By contrast, the topic of water and marine resources, although considered in the assessment process, is not material on the basis of the thresholds adopted by the Group.



Improvement plan

As the reporting process has become more established, the preparation of the Sustainability Report has enabled Valvitalia to develop its materiality analysis with increasing systematic rigour. Subsequent rounds of assessment and comparison — conducted along the value chain and taking stakeholders' expectations into account — strengthened understanding of the impacts, risks and opportunities associated with the Group's activities. They also progressively made the framework of priorities and the areas on which management action should focus more clearly defined.

Within this process, the update of the materiality analysis has provided the basis for defining an action plan aimed at turning the findings into an organic programme spread over time, with the objective of addressing the negative impacts and risks identified as most significant. The plan is structured around short-term initiatives designed to consolidate essential operational controls, medium-term actions aimed at embedding priorities permanently into business processes and operating models, and long-term measures intended to stabilise results and structurally reduce the Group's overall exposure.

To ensure ongoing control, specific monitoring metrics are also being defined, consistent with the approach of this Report and based on quantitative and

qualitative indicators. These will be useful for measuring progress on initiatives, assessing their actual mitigating capacity with respect to priority impacts and risks, and supporting timely realignment where needed. The adoption of these metrics will also help ensure traceability of the activities carried out and comparability of results across periods, strengthening the reporting process and communication with stakeholders. From this perspective, the Plan is conceived as an evolving journey, to be updated in light of future materiality cycles and the evidence that will emerge from the application of the metrics; the actions already launched and those currently being implemented are described in the following section.

Implemented actions

During the year, and in line with the priorities emerging from last year's update of double materiality, Valvitalia has already launched targeted initiatives that have turned the findings of the analysis into operational and management controls. In relation to climate change, the strengthening of insurance cover was aimed at limiting the economic exposure connected with possible operational interruptions or slowdowns caused by extreme events, helping to reduce the potential financial effect associated with such scenarios. At the same time, on the energy

front, consideration of a photovoltaic plan and the definition of more favourable supply contracts have reinforced the ability to manage energy price volatility, a material factor for the continuity and competitiveness of production processes.

Consistent with the need to increase supply chain robustness, the integrated planning project for valves and actuators (S&OP) improved visibility over requirements and procurement planning, mitigating exposure to raw material scarcity and market instability. Along the value chain, the review of subcontracting contracts, the adoption of dedicated legal procedures and specific training to support subcontractor management have strengthened controls relating to respect for workers' rights and human rights. This has had a direct impact on reducing compliance risk and preserving working conditions along the value chain.

Another area of action concerned the digital dimension: the assessment of system maturity and the rewriting of the cyber-security policy, with an expanded cover scope and improved financial terms, helped limit the expected impact of data breaches or operational shutdowns. Similarly, insurance cover was adopted to protect product quality and safety, including events involving serious damage, as a safeguard against liability exposure and potential economic impacts. On the workforce side, a reskilling plan is being defined, focused on the development and updating of skills, with the aim of supporting operational continuity, safeguarding technical know-how and aligning more closely with business needs.

Overall, especially with regard to risks and opportunities, the actions implemented have already had a tangible effect on the materiality analysis. In several cases, the introduction of technical, contractual and insurance controls has helped reduce the likelihood and/or expected financial effect of specific scenarios, leading to a recalibration of relevance levels and making it possible to present in this Report an exposure profile that more accurately reflects residual risks and the measures actually in place.



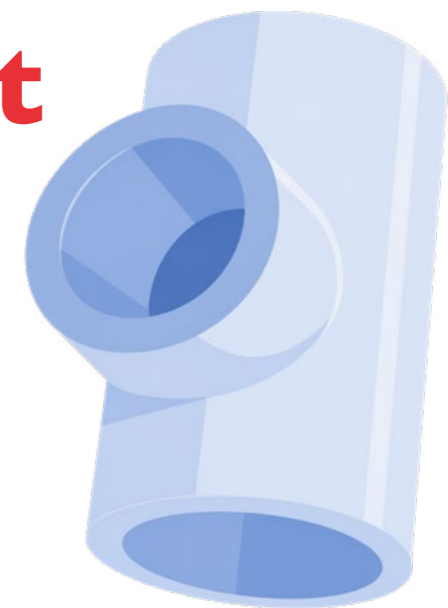
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3

Environment

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Circular properties of steel
Our waste
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Circular economy

During 2025, Valvitalia managed resource use and product life-cycle aspects with reference to its ISO 14001-compliant Environmental Management System, integrated with the quality and service structures that underpin the Group's industrial model. In Italy, the ISO 14001 system defines responsibilities, operating practices and controls that comprehensively cover the main environmental aspects, with priority given to preventing waste generation, ensuring the proper management and traceability of flows and the efficient use of materials, in compliance with applicable requirements and voluntarily assumed commitments. The Suzhou site in China operates under an active ISO 14001 system; the UK site applies procedures and controls consistent with the Group's approach, ensuring a coherent methodology aligned with local regulatory requirements.

Integrating the Environmental Management System with quality and after-sales processes makes it possible to link design choices systematically to in-service durability and equipment repairability. This supports spare-parts availability and helps reduce scrap and premature replacements along the value chain.

Circular properties of steel

For Valvitalia, steel fits well within a circular-economy approach, thanks to its mechanical strength,

durability, versatility in use and ability to retain its technical and functional value throughout the entire life cycle of installations. Steel's circularity is reflected in several ways: its robustness supports long service life, it can be recovered and reintroduced into production processes, and it retains its properties even after several rounds of recycling. According to the World Steel Association, steel is 100% and infinitely recyclable without loss of quality. Modern steels also offer increasingly high performance in terms of strength, lightness and durability, helping to reduce overall material use and support solutions based on reuse and maintenance.

This circular vocation is further confirmed by end-of-life management: steel's magnetic properties make it easy to separate from waste streams, making material recovery technically efficient and economically significant, while scrap already represents a strategic resource for the steel industry, up to 100% in electric arc furnaces and up to 30% in the blast furnace–basic oxygen furnace route. The World Steel Association also notes that every tonne of scrap used saves 1.5 tonnes of CO₂, 1.4 tonnes of iron ore, 740 kg of coal and 120 kg of limestone, confirming the material's concrete contribution to reducing the consumption of natural resources and the environmental impacts associated with primary production.



Steel also remains central, from an industrial and strategic perspective, to the transition towards more circular production models. In World Steel in Figures 2025, worldsteel reports that 98.15% of the raw materials used by the steel industry in 2023 were converted into products or co-products. This underscores a value chain already strongly oriented toward maximising resource valorisation. At European level, the European Commission's Joint Research Centre estimates that by 2050 the adoption of circular-economy strategies in the EU steel sector could reduce emissions by between 64 and 81 Mt of CO₂e-equivalent per year. It also projects a 27% reduction in direct metallic ore input. Consistently with this, the European Steel and Metals Action Plan of March 2025 recognises scrap metal as an essential input for the development of decarbonised, competitive steel.

In this context, the predominant use of steel enables Valvitalia to leverage a material that is inherently aligned with circular economy principles. Steel is a permanent and recoverable material that can be reintroduced into production cycles, fully supporting long service life, maintenance, selective component replacement, and end-of-life valorisation.

Our waste

In 2025, the Valvitalia Group recorded a significant reduction in total waste, which fell from 3,281,315 to 2,511,803 kg, down 23.5% compared with 2024. This trend is attributable almost entirely to the Italian perimeter (and in particular to the Fittings business)

which continues to account for by far the largest share of volumes managed at Group level and reduced total waste from 3,233,671 to 2,463,181 kg (-23.8%). By contrast, V&S Division China posted an increase from 27,731 to 30,266 kg (+9.1%), while Broady Flow Control recorded a decrease from 19,913 to 18,356 kg (-7.8%). The data therefore confirm that the Group's overall trend remains strongly influenced by the performance of the Italian operations, both in terms of quantities generated and in the management profile of the flows.

From the point of view of treatment methods, waste diverted from disposal decreased in absolute terms, falling at Group level from 2,781,646 to 2,100,408 kg (-24.5%), but it continues to represent the largest component of total waste. Its share stood at 83.6% in 2025, down slightly from 84.8% in 2024. At the same time, non-recycled waste decreased from 499,669 to 411,395 kg (-17.7%). However, its percentage share rose from 15% to 16%, indicating that the reduction in quantities sent for disposal was less marked than the overall reduction in waste generated. The same trend is also seen in Italy, where non-recycled waste fell from 476,659 to 387,030 kg (-18.8%), but its share increased from 15% to 16%. This points to an improvement in absolute terms in the volumes managed, but not to a corresponding advance in the relative share of waste not sent for recycling.

Recovery of hazardous waste continues, moreover, to be concentrated exclusively in Italy and decreased from 45,408 to 40,343 kg (-11.2%), while no such flows were recorded at the foreign sites.



Integrating the Environmental Management System with quality and after-sales processes makes it possible to link design choices systematically to in-service durability and equipment repairability. This supports spare-parts availability and helps reduce scrap and premature replacements along the value chain.

Waste (kg)	Valvitalia Italy 2024	Valvitalia Italy 2025	V&S DIVISION CHINA 2024	V&S DIVISION CHINA 2025	BROADY FLOW CONTROL 2024	BROADY FLOW CONTROL 2025	GRUPPO VALVITALIA 2024	GRUPPO VALVITALIA 2025
Total waste	3,233,671	2,463,181	27,731	30,266	19,913	18,356	3,281,315	2,511,803
Hazardous waste diverted from disposal	45,408	40,343	0	0	0	0	45,408	40,343
Hazardous waste diverted from disposal due to preparation for reuse	0	0	0	0	0	0	0	0
Hazardous waste diverted from disposal through recycling and other recovery operations	45,408	40,343	0	0	0	0	45,408	40,343
Non-hazardous waste diverted from disposal	2,711,604	2,035,808	14,375	15,142	10,259	9,115	2,736,238	2,060,065
Non-hazardous waste diverted from disposal due to preparation for reuse	0	0	0	0	0	0	0	0
Non-hazardous waste diverted from disposal through recycling and other recovery operations	2,711,604	2,035,808	14,375	15,142	10,259	9,115	2,736,238	2,060,065
Hazardous waste destined for disposal	328,827	243,390	0	15,124	0	9,241	328,827	267,755
Hazardous waste disposed of by incineration	328,827	142,780	0	15,124	0	9,241	328,827	167,145

Waste (kg)	Valvitalia Italy 2024	Valvitalia Italy 2025	V&S DIVISION CHINA 2024	V&S DIVISION CHINA 2025	BROADY FLOW CONTROL 2024	BROADY FLOW CONTROL 2025	GRUPPO VALVITALIA 2024	GRUPPO VALVITALIA 2025
Hazardous waste disposed of to landfill	0	0	0	0	0	0	0	0
Hazardous waste disposed of by other disposal operations	0	100,610	0	0	0	0	0	100,610
Non-hazardous waste destined for disposal	147,832	143,640	13,356	0	9,654	0	170,842	143,640
Non-hazardous waste disposed of by incineration	147,832	10	13,356	0	0	0	161,188	10
Non-hazardous waste disposed of to landfill	0	0	0	0	9,654	0	9,654	0
Non-hazardous waste disposed of by other disposal operations	0	143,630	0	0	0	0	0	143,630
Non-recycled waste	476,659	387,030	13,356	15,124	9,654	9,241	499,669	411,395
Percentage of non-recycled waste	15%	16%	48%	50%	48%	50%	15%	16%



Energy use and emissions

The approach defined by ISO 14001 requires the identification and assessment of all relevant environmental aspects, including both direct aspects, arising from in-house industrial processes, and indirect aspects, linked to energy consumption and support activities. In this context, the elements attracting the greatest attention include greenhouse gas emissions, in particular CO₂ and other greenhouse gases generated by machining, welding, painting and assembly operations, as well as by heating and air-conditioning systems at the plants.

Application of the ISO 14001 framework ensures strict control of atmospheric emissions through a structured system that includes periodic analysis of production processes. This system also provides for the definition and implementation of corrective and preventive measures, systematic verification of results, and subsequent management reviews. The overall management cycle is geared towards the gradual reduction of negative environmental impacts and the promotion of more efficient use of energy resources. Its aim is to contain greenhouse gas emissions in compliance with applicable regulations and in line with the Group's sustainability standards.

In 2025, total energy consumption of the Valvitalia Group amounted to 35,799 MWh, of which 35,481 MWh came from fossil sources and 318 MWh from

renewable sources. The Group's energy profile therefore remains heavily concentrated on traditional sources: the share of energy from fossil sources stands at 99% of total consumption, while the renewable component remains limited, at 0.9%.

Internal energy production is linked to the renewable component, which amounted to 327 MWh, while self-produced non-combustible renewable energy consumption stood at 271 MWh. Compared with 2024, total energy consumption increased from 32,832 to 35,799 MWh, up 9.0%. This trend is almost entirely attributable to the fossil component, which rose from 32,512 to 35,481 MWh (+9.1%), while consumption from renewable sources recorded a slight decline, from 320 to 318 MWh (-0.6%). This results in an overall substantially unchanged energy mix.

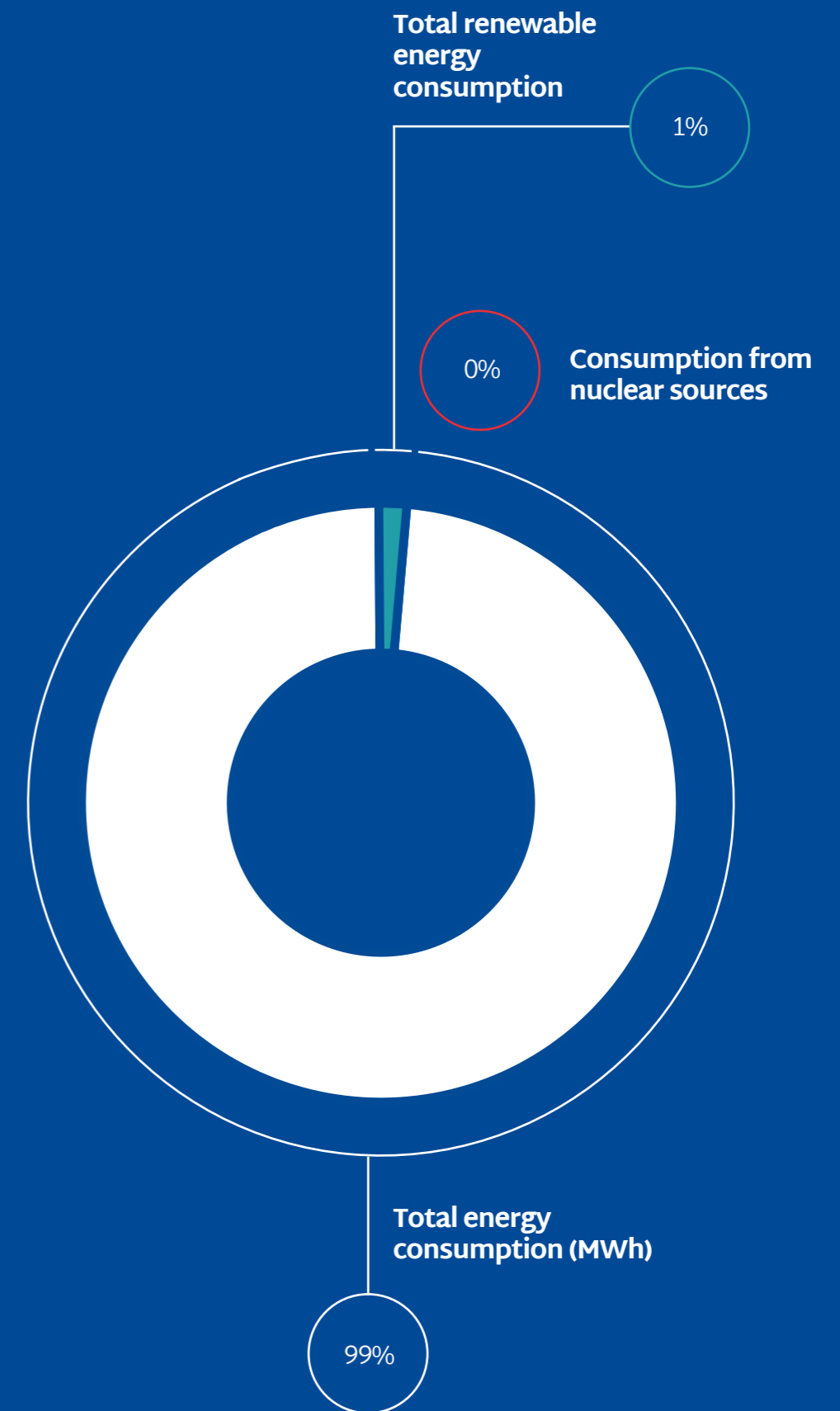
The increase in fossil consumption was driven mainly by natural gas, which rose from 22,750 to 25,383 MWh, an increase of 11.6%, confirming it as by far the largest energy item. Consumption of purchased or sourced electricity, heat, steam and cooling from fossil sources also increased, rising from 7,678 to 8,239 MWh (+7.3%). By contrast, fuel consumption from crude oil and petroleum products fell from 2,084 to 1,859 MWh (-10.8%), indicating a reduction in the liquid fuels component.



On the renewable energy side, the 2025 data show a slight reduction both in fuel consumption from renewable sources, which fell from 55 to 47 MWh (-14.5%), and in total consumption from renewable sources, which decreased from 320 to 318 MWh. By

contrast, consumption of self-produced non-combustible renewable energy increased from 264 to 271 MWh (+2.7%). Renewable energy production also remained broadly unchanged, at 327 MWh compared with 328 MWh in 2024.

VALVITALIA GROUP	2024	2025
Total energy consumption (MWh)	32832	35799
• Total fossil energy consumption	32512	35481
• Consumption of fuel from coal and coal products	0	0
• Fuel consumption from crude oil and petroleum products	2084	1859
• Fuel consumption from natural gas	22750	25383
• Fuel consumption from other fossil sources	0	0
• Consumption of electricity, heat, steam, and cooling purchased or acquired from fossil sources	7678	8239
• Share of fossil sources in total energy consumption	99%	99%
Consumption from nuclear sources	0	0
• Share of consumption from nuclear sources in total energy consumption	0%	0%
Total renewable energy consumption	320	318
• Consumption of fuel from renewable sources	55	47
• Consumption of electricity, heat, steam, and cooling purchased or acquired from renewable sources	0	0
• Self-produced non-fuel renewable energy consumption	264	271
• Share of renewables in total energy consumption	1.0%	0.9%
• Non-renewable energy production	0	0
• Renewable energy production	328	327



The Group's energy consumption is heavily concentrated in Italy, which accounts for 94.0% of the total, while the United Kingdom stands at 4.7% and China at 1.5%. The geographical distribution of consumption therefore confirms a strongly polarised structure centred on Italy, consistent with the greater industrial and operational significance of that area within the Group.

Compared with 2024, this configuration becomes even more pronounced. Italy's share increases from 92.4% to 94.0%, up by 1.6 percentage points, while the United Kingdom's share falls from 6.1% to 4.7%, down by 1.4 percentage points. China's share remains broadly stable at 1.5% in both years.

Geographical area	Share of total consumption 2024	Share of total consumption 2025
Italy	92.4%	94%
United Kingdom	6.1%	4.7%
China	1.5%	1.5%

In 2025, the Valvitalia Group's total greenhouse gas emissions amounted to **93,753 tCO₂e** on a location-based method and **95,124 tCO₂e** on a market-based method. Scope 1 direct emissions totalled **5,883 tCO₂e**, while Scope 2 emissions were **1,963 tCO₂e** on a location-based method and 3,691 tCO₂e on a market-based method. Scope 3 indirect emissions remained by far the largest component of the Group's emissions profile, accounting for more than 90% of total emissions.

Compared with 2024, the Group recorded an increase in total emissions of 31.9% on a location-based method and 30.0% on a market-based method. This trend is attributable almost entirely to Scope 3, which rose from 63,710 to

85,907 tCO₂e on a location-based method and from 64,161 to 85,550 tCO₂e on a market-based method, while the directly controlled components showed more limited variation. Scope 1 emissions increased from 5,549 to 5,883 tCO₂e (+6.0%), while Scope 2 rose from 1,820 to 1,963 tCO₂e on a location-based method (+7.9%) and from 3,435 to 3,691 tCO₂e on a market-based method (+7.5%). This therefore paints a picture **in which the 2025 increase in the carbon footprint is driven not mainly by internal energy consumption or direct operational emissions, but above all by value chain dynamics.**

A more detailed analysis confirms this trend even more clearly. In 2025, emissions attribu-



table to purchases amounted to 71,226 tCO₂e, compared with 51,232 tCO₂e in 2024, an increase of 39.0%. Their share of total Scope 3 emissions therefore rose from 80.4% to 82.9%, confirming them as by far the largest item and the main driver of growth in the Group's emissions profile. The increase observed is attributable to two factors: on the one hand, a genuine rise in purchases during the year; on the other, improved modelling compared with the previous year, which made it possible to represent the embedded emissions in procured goods and services more accurately and comprehensively. From this perspective, the figure reflects not only an operational change, but also a refinement in the ability to measure indirect emissions.

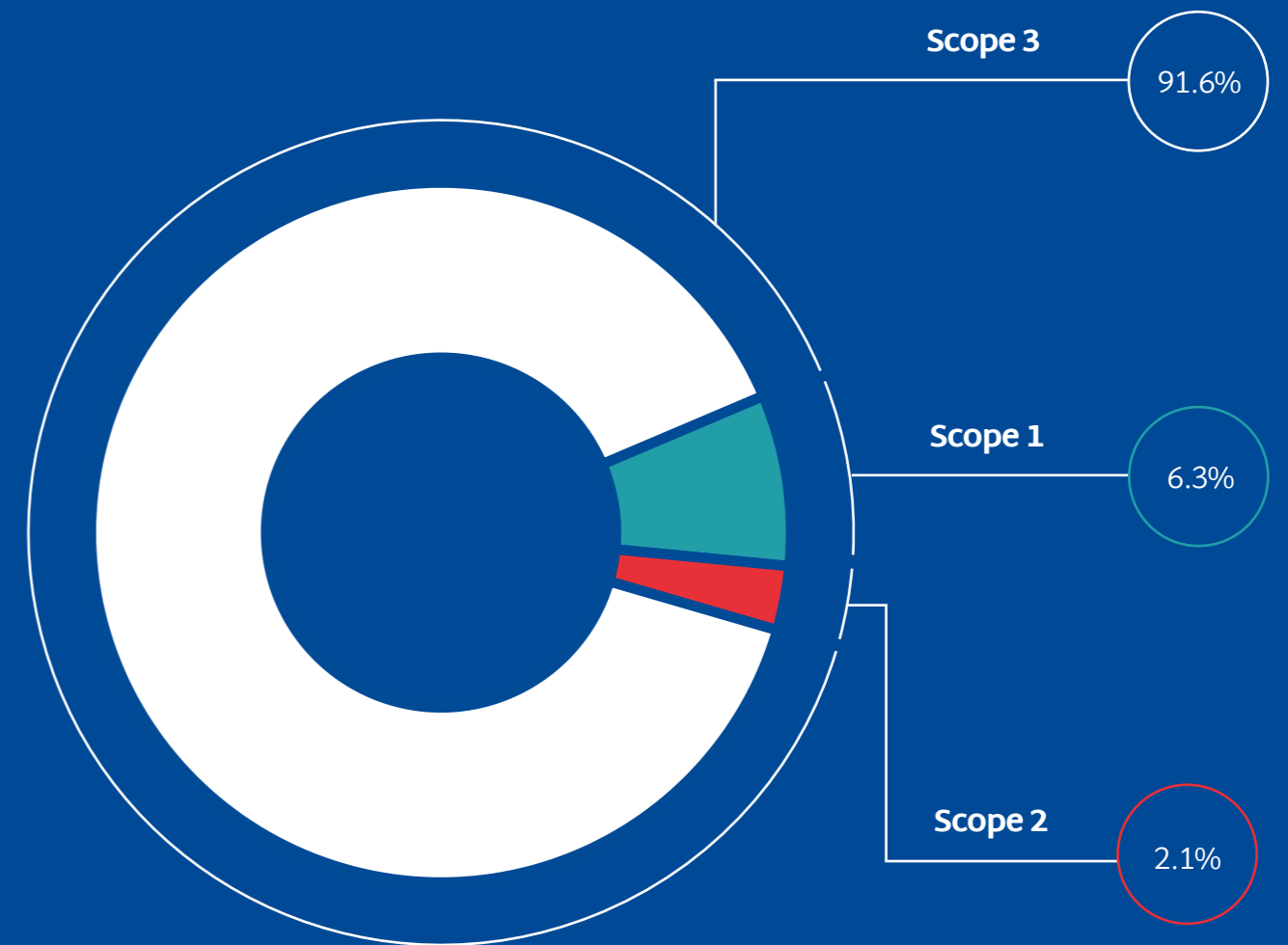
The remaining emissions components showed more limited movements, or in some cases declined. Emissions from natural gas increased from 4,826 to 5,387 tCO₂e (+11.6%), confirming them as the main Scope 1 component, while those associated with company vehicles fell from 558 to 496 tCO₂e (-11.1%) and emissions from refrigerants fell to zero from 165 tCO₂e in 2024. Within Scope 3, alongside the increase in purchases, there is also a rise in emissions linked to downstream transportation and distribution, which increase from 3,132 to 4,993 tCO₂e (+59.4%), while emissions from other categories, including capital goods, business travel, and employee commuting, decrease. The 2025 data therefore confirm an emissions pro-



file that is increasingly shaped by indirect emissions across the value chain, in particular those linked to procurement. Both the progressive

strengthening of control levers along the supply chain and the continuous improvement of measurement and reporting models are significant.

Valvitalia Group Emissions	LB 2024	LB 2025	MB 2024	MB 2025
GHG emissions Scope 1				
Gross GHG emissions Scope 1	5,549	5,883	5,549	5,883
• Natural gas	4,826	5,387	4,826	5,387
• Company vehicles	558	496	558	496
• Refrigerants	165	0	165	0
GHG emissions Scope 2				
Gross GHG emissions Scope 2	1,820	1,963	3,435	3,691
Significant Scope 3 emissions				
Gross indirect GHG emissions Scope 3	63,710	85,907	64,161	85,550
Purchase of goods and services	51,232	71,226	51,232	71,226
• assets	39,563	63,662	39,563	63,662
• services	11,669	7,564	11,669	7,564
Capital goods	198	128	198	128
Fuel and energy-related activities	2,735	3,000	3,186	2,643
Upstream transport and distribution	3,121	3,527	3,121	3,527
Waste generated	500	568	500	568
Business trips	387	294	387	294
Employee commuting	2,405	2,172	2,405	2,172
Transport and downstream distribution	3,132	4,993	3,132	4,993
Total GHG emissions (tCO₂e)	71,079	93,753	73,144	95,124





The value of people

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 - Group structure
 - Health and safety and training
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Our people

Diversity, inclusion and human rights

In 2025, Valvitalia issued its new Diversity, Inclusion and Human Rights Policy, a framework document setting out the Group's principles, guidelines and commitments. It aims to ensure, consistently and systematically, respect for human dignity, fundamental freedoms and equal opportunities in all work environments in which it operates. The Policy applies to all Group employees, regardless of role or job grade, and promotes the same safeguards externally as well, requiring suppliers and business partners to respect the same values.

In continuity with the Ethics Code and the Italian Legislative Decree No. 231 Model, the Policy strengthens alignment with key international standards and conventions, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, ILO Conventions, the OECD Guidelines, the EU Charter of Fundamental Rights and the 2030 Agenda. It adopts an evolving approach, moving from protection and integration alone to a proactive model aimed at overcoming stereotypes and removing the cultural, organisational and relational barriers that can limit full inclusion. From a D&I perspective, the document recognises diversity in all its dimensions – gender, generations, disability and interculturality – with the aim of ma-

ximising opportunities, creating value in the workplace and strengthening awareness as well as competitive advantage, while fostering an environment in which everyone can fully express their potential.

In particular, the Group is committed to countering bias and prejudice, supporting merit-based career paths and pay policies grounded in fairness and performance, and increasing female representation in leadership programmes. It is also committed to preventing the gender pay gap through coherent metrics and assessment tools throughout all phases of the employment relationship. The Policy also recognises the value of intergenerational dialogue and skills exchange, promotes concrete measures for the inclusion of people with disabilities, and supports an inclusive working environment that encourages work-life balance and wellbeing, including remote work arrangements where compatible with organisational needs and roles. It also gives attention to individual vulnerability and the needs of parenthood and caregiving.

The introduction of a dedicated section on human rights in the workplace makes explicit the principles regarded as essential. These include the prohibition of forced and child labour, respect for freedom of association, fair working conditions and adequate pay, non-discrimination, and the protection

of health and safety, alongside a commitment to continuous improvement and the goal of “zero accidents”. Implementation is supported by clear responsibilities assigned to management and Human Resources, including inclusive recruitment, development and performance assessment, succession plans, attraction initiatives, and collaboration with schools and universities. It is also supported by a monitoring and reporting framework: the Policy is reviewed at least annually, and the Group provides structured whistleblowing channels, accessible to external parties, to ensure oversight, verification and prompt management of any risky situations.

Workforce safeguards

The Group's heritage of skills, accumulated experience, and individual motivation are the key factors that enable it to operate effectively in highly complex fields. These fields are subject to particularly stringent requirements and a high degree of social responsibility. From this perspective, care for working conditions, the enhancement of professional capabilities and the protection of health and safety are defining features of the Group, translated into an integrated framework of policies, management tools and operational initiatives.

Valvitalia considers employee wellbeing a strategic priority and a guiding principle across all areas of management. It promotes organisational models based on fairness, inclusiveness and safety, reinforcing the link between operational perfor-

mance, business continuity and the quality of the employee experience throughout the entire employment lifecycle.

The Ethics Code sets out the values and behavioural criteria guiding people management across all key stages – from recruitment and onboarding to development and assessment. In addition, the Diversity, Inclusion and Human Rights Policy, adopted consistently across all Group sites, formalises the commitment to recognise and promote individual differences (gender, age, ability, orientation, background and education), helping to build an open and accessible working environment. Implemented initiatives include, among other things, the removal of physical and cultural barriers and the promotion of gender balance in leadership roles. They also include support for work-life balance through tools such as remote work and flexible working hours, as well as the recognition of diverse skills and career paths.

In the area of health and safety, the Group has adopted a structured system based on recognised standards: all production and operational sites are ISO 45001 certified, with the exception of the Broady site in the UK. The management model is geared towards spreading a prevention culture based on systematic risk assessments and the implementation of action plans, dedicated training, internal audits and formal reporting mechanisms. The system is based on a clear allocation of roles and responsibilities, active employee involvement and the continuous updating of measures, in line with the

evolution of operating contexts and technological solutions. The aim is to integrate safety into day-to-day decisions and practices, to protect health and support the overall quality of working life.

Although it is not ISO 45001 certified, the Broady site applies established practices consistent with the Group’s standards, including daily awareness moments, periodic training and operational discussion sessions (toolbox talks), employees’ right to stop work deemed unsafe, and a formal participation system through HSE meetings and ongoing refresher training. These measures, embedded in ordinary management, reflect a concrete and widespread oversight approach focused on continuous improvement.

To safeguard legality and transparency, a whistleblowing channel is also in place and accessible to the entire workforce and beyond, allowing reporting – including anonymously – of breaches, non-compliant conduct or potentially harmful situations. The system ensures confidentiality, traceability of reports and protection for the whistleblower, helping to strengthen internal trust and foster a working climate based on respect and collaboration.

Group structure

In 2025, Valvitalia’s total workforce reached 846 employees, up from 834 in 2024 (+1.4%), confirming a modest but positive evolution in the Group’s employment base. The workforce is concentrated mainly in Italy, with 656 employees (647 in 2024), alongside 75 employees at Broady (73 in 2024) and 115 in China (114 in 2024). In terms of gender composition, in 2025 the workforce comprised 636 men and 210 women; compared with the previous year, the increase in the female component was more marked in relative terms, rising from 203 to 210 employees (+3.4%), while the male component increased from 631 to 636 (+0.8%). This trend led to a slight improvement in the share of women in the total workforce, from 24.5% in 2024 to 24.8% in 2025, indicating gradual progress towards a more balanced workforce composition.

In 2025, Valvitalia’s workforce contract structure remained predominantly geared towards employment stability. Permanent contracts reached 772 employees, up from 752 in 2024 (+2.7%), with growth recorded across all the Group’s main operating areas: 653 in Italy (636 in 2024), 44 in China (43 in 2024) and 75 at Broady (73 in 2024). Wi-

thin this total, the female component increased from 168 to 177 employees (+5.4%), while the male component rose from 584 to 595 (+1.9%). At the same time, fixed-term contracts decreased from 82 to 74 (-9.8%), reflecting in particular the decline recorded in Italy, where they fell from 11 to 3, while in China they remained broadly stable at 71 and were still absent at Broady. With regard to working hours, 2025 also saw a strengthening of the standard employment model, with 814 full-time contracts compared with 801 in the previous year (+1.6%) and a slight reduction in part-time contracts, down from 33 to 32. Overall, the data point to a workforce composition characterised

by greater continuity and stability, in line with the Group’s organisational development and with the objective of consolidating the protection of skills over time.

In 2025, the age profile of Valvitalia’s workforce shows a broadly balanced distribution between the core and older age brackets, with 388 employees aged between 30 and 50, 386 employees over 50 and 71 employees under 30. Compared with 2024, the younger group increased from 66 to 71 employees (+7.6%), while the over-50 group also grew, from 367 to 386 (+5.2%); by contrast, the 30–50 age bracket declined from 401 to 388 (-3.2%).

GENDER	ITALIA 2025	ITALIA 2024	BROADY 2025	BROADY 2024	CHINA 2025	CHINA 2024
MEN	504	498	64	62	68	71
WOMEN	152	149	11	11	47	43

TYPE OF CONTRACT	Total 2024	Total 2025	Italy 2024	Italy 2025	China 2024	China 2025	Broady 2024	Broady 2025
Permanent employment contracts	752	772	636	653	43	44	73	75
• of which men	584	595	493	502	29	29	62	64
• of which women	168	177	143	151	14	15	11	11
Fixed-term employment contracts	82	74	11	3	71	71	0	0
• of which men	47	41	5	2	42	39	0	0
• of which women	35	33	6	1	29	32	0	0
Variable timetable	0	0	0	0	0	0	0	0
Full-time	801	814	619	628	114	115	68	71
• of which men	626	633	497	503	70	68	59	62
• of which women	175	181	122	125	44	47	9	9
Part-time	33	32	28	28	0	0	5	4
• of which men	4	3	1	1	0	0	3	2
• of which women	29	29	27	27	0	0	2	2

In Italy, where the largest share of the workforce is concentrated, the trend is particularly clear, with the over-50 group rising from 318 to 340 and employees aged between 30 and 50 falling from 305 to 290; at the same time, employees under 30 increased from 24 to 26. In China, the trend was more stable, with a slight increase in the youngest age group (from 22 to 24) and the 30–50 group remaining broadly steady (from 78 to

77), while at Broady the middle age bracket strengthened (from 18 to 21) and the over-50 group declined slightly (from 35 to 33). Overall, the data confirm a varied demographic structure. The gradual strengthening of younger age groups is accompanied by the continued presence of a significant share of experienced professionals, supporting operational continuity and the transfer of the Group’s skills base.

Number of employees	Total 2024	Total 2025	Italy 2024	Italy 2025	China 2024	China 2025	Broady 2024	Broady 2025
Workers under the age of 30	66	71	24	26	22	24	20	21
Workers aged between 30 and 50	401	388	305	290	78	77	18	21
Workers over the age of 50	367	386	318	340	14	13	35	33

In 2025, Valvitalia’s top management remained heavily male-dominated, with 33 men and 5 women out of a total of 38 positions, representing 86.8% and 13.2% respectively. The geographical split highlights significant differences across the Group’s operating contexts. In Italy, where the largest share of top management is concentra-

ted, female representation is particularly limited, with just 1 woman compared with 27 men out of 28 positions; in China, by contrast, the picture is relatively more balanced, with 3 women and 5 men out of 8 positions; at Broady, the composition is evenly split, with 1 woman and 1 man, albeit within a very small base.

Number of employees at top management level	Total	Italy	China	Broady
Women	5	1	3	1
Men	33	27	5	1

For the Italy scope, the analysis of average remuneration by job grade in 2025 shows differing trends across the various professional categories. In particular, among Executives, average female remuneration stands at Euro 110,000, compared with Euro 134,058 for men, a gap of 17.9%. The differential is much narrower at Managers level, where women’s average remuneration is Euro 73,632

compared with Euro 74,469 for men (-1.1%). Among Employees, average female remuneration is Euro 35,458, versus Euro 44,539 for men, a gap of 20.4%. At Factory workers level, the available data show average male remuneration of Euro 34,509, while no female workers are present in the category.

Job grade	Average female remuneration 2025 (Euro)	Average male remuneration 2025 (Euro)
Executives	110,000	134,058
Managers	73,632	74,469
Employees	35,458	44,539
Factory workers	-	34,509

For the China scope, the analysis of average remuneration by job grade in 2025 shows pay differentials between the female and male components in the main professional categories present. In particular, among Managers, women’s average remuneration stands at Euro 34,230.85, compared with Euro 44,235.20 for men, a gap of 22.6%.

Among Employees, average female remuneration is Euro 13,414.63, versus Euro 23,048.80 for men, showing a differential of 41.8%. A lower average remuneration for women is also observed at Factory workers level, at Euro 10,534.15 compared with Euro 12,682.90 for men, a gap of 16.9%.

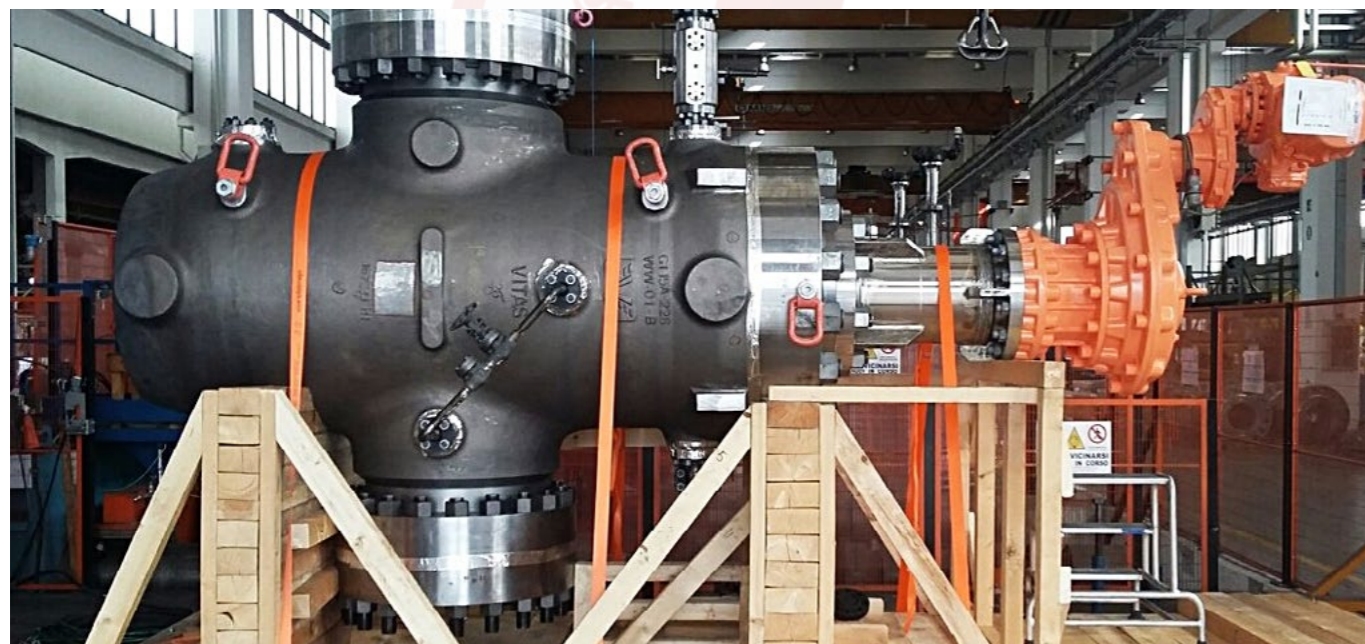
Job grade	Average female remuneration 2025 (Euro)	Average male remuneration 2025 (Euro)
Executives*	-	-
Managers	34,230.85	44,235.2
Employees	13,414.63	23,048.8
Factory workers	10,534.15	12,682.9

*This job category does not exist within the Chinese contractual framework

In the Broady perimeter, where values are expressed in pounds sterling, the analysis of average remuneration by job grade in 2025 shows higher average values for the female component across all the professional levels considered. In particular, among Executives, average female remuneration stands at GBP 90,000, compared with GBP 73,000 for men, a gap of 23.3% in favour of the female component. A similar pattern is seen at

Managers level, where average female remuneration is GBP 54,703 compared with GBP 43,680 for men (+25.2%), and among Employees, where the average is GBP 33,991 for women and GBP 26,883 for men (+26.4%). Average female remuneration is also higher among Blue-collar workers, at GBP 29,564, compared with GBP 24,406 for men, a gap of 21.1%.

Job grade	Average female remuneration 2025 (GBP)	Average male remuneration 2025 (GBP)
Executives	90,000	73,000
Managers	54,703	43,680
Employees	33,991	26,883
Factory workers	29,564	24,406



Health and safety and training

The Occupational Health and Safety Management System, developed in line with the principles of the international ISO 45001 standard, is the cornerstone of the Company's policies aimed at protecting people's physical integrity and psychological wellbeing. By the end of 2025, six of the Group's seven production sites were certified,

with the exception of the Broady site in the UK, which has structured organisational and operational safeguards aligned with local legislation and Valvitalia standards. The entire workforce, regardless of geographical location or contract type, is covered by a fully operational prevention and protection system that ensures health surveillance, mandatory medical examinations and periodic risk monitoring programmes.

KPI	2025
Number of production units	7
Production units certified to ISO 45001 (occupational health and safety)	6
RSPP – Heads of the Prevention and Protection Service (or HSE managers)	5
Competent physicians	3
WSR - Workers' Safety Representatives	9
Personnel undergoing health surveillance visits	the entire company workforce
Personnel undergoing security medical examinations	the entire company workforce
Workers covered by an OSH System	the entire company workforce
Workers covered by a certified OSH System	The entire workforce, with the exception of the UK (Broady) site

In 2025, Valvitalia continued with its approach to health and safety in the workplace, consolidating organisational safeguards, shared responsibilities and prevention tools. The Group's entire workforce is covered by a structured occupational health and safety (OHS) management system that complies with local regulations and, in almost all cases, is certified to ISO 45001. The OHS governance model is based on a dedicated structure comprising 5 HSE

managers, the support of 3 occupational physicians and worker representation through 9 employee representatives for safety.

At global level, in 2025 Valvitalia recorded no fatalities, either in its own workforce or among other workers operating at company sites, whether in relation to work-related accidents or occupational diseases. During the year, the number of recordable

work-related accidents in the own workforce was 3 (2 in Italy and 1 at the Broady site), corresponding to an injury rate of 2, based on a total of 1,500,570.08 hours worked. In the same period, no recordable cases of occupational disease were identified, while the total number of days lost due to work-related injuries, work-related fatalities, occupational diseases and fatalities from occupational disease was 40. These figures reflect the Group's attention

to protecting workers' health and safety through prevention-oriented safeguards, event monitoring and the consolidation of safe working conditions across its various operating contexts. In this perspective, the containment of injury events and the absence of fatalities or recordable occupational diseases are consistent with Valvitalia's commitment to progressively strengthening its Group-wide safety culture.

With regard to training, in 2025 Valvitalia continued to strengthen its activities, recognising skills development as a key factor in supporting operational effectiveness, organisational evolution, and the professional growth of its people.

In terms of training hours per employee, the figure stood at 11.8 hours in Italy, 1.5 hours at Broady and 27 hours in Suzhou, highlighting varying training intensity across the different sites according to operational characteristics, professional needs and local organisational priorities. With regard to Italy, the per capita figure was calculated excluding mandatory training. Within the same scope, a total of 7,773 hours of training were delivered in 2025, focused in particular on the development of technical skills (4,376 hours), language training (2,442 hours), soft skills (534 hours), and compliance topics (421 hours), with specific reference to the Organisational Model pursuant to Italian Legislative Decree No. 231/2001.

These initiatives were accompanied by training pathways designed to strengthen product knowledge, awareness of key organisational developments and business results. They also included new advanced sessions dedicated to managerial development, with the contribution of internal trainers. A further initiative was launched, and will continue into 2026, with the aim of strengthening company-wide awareness of behavioural issues related to safety. It is also intended to promote broad-based awareness and accountability.

Scope	Training hours per employee
Italy	11.8
Broady	1.5
Suzhou	27

At Broady, training activities focused mainly on the development of technical skills consistent with the roles performed, training on specific competencies required for the work activity — including first aid, forklift operation and internal audits — and internal initiatives dedicated to soft skills. In 2025, a specific module was also introduced on the use of social media and appropriate behaviour in an inclusive and diverse workplace. Finally, these initiatives were complemented by a four-year apprenticeship programme developed in collaboration with a local college. The programme is intended to support the long-term entry and qualification of new professionals.

“ Valvitalia considers employee wellbeing a strategic priority and a guiding principle across all areas of management. It promotes organisational models based on fairness, inclusiveness and safety, reinforcing the link between operational performance, business continuity and the quality of the employee experience throughout the entire employment lifecycle. **”**

KPI	2025
Number of fatalities in the own workforce resulting from work-related accidents and occupational diseases	0
Number of fatalities in the own workforce resulting from work-related accidents	0
Number of fatalities in the own workforce resulting from occupational diseases	0
Number of fatalities due to work-related accidents and occupational diseases among other workers operating at the company's sites	0
Number of fatalities resulting from work-related accidents among other workers operating at the company's sites	0
Number of fatalities due to occupational diseases among other workers operating at the company's sites	0
Number of recordable work-related accidents in the own workforce	3
Recordable work-related accident rate in the own workforce	2
Number of recordable cases of occupational disease in the own workforce	0
Number of days lost due to work-related accidents and fatalities from work-related accidents, occupational diseases and fatalities from occupational diseases	40
Total working hours	1,500,570.08

2025 initiatives

Internal initiatives

During 2025, Valvitalia further strengthened its model for listening to, engaging and developing its people through a coordinated set of initiatives. Although they pursued different aims, they all contributed to improving the quality of the working experience, strengthening a sense of belonging and enhancing the widespread ability to contribute to continuous improvement. A key element was the monthly Business Review, organised for each Business Unit/Division and open to the second reporting line of the Chief Executive Officer. This regular schedule ensured structured oversight of business performance, making it possible to monitor results and deviations from budget across all relevant indicators, and to translate data into concrete action.

During the sessions, improvement initiatives and projects are in fact encouraged and formalised, and their progress is tracked month by month. In addition to promoting transparency and organizational alignment, this approach helps clarify goals, priorities and expectations, fostering a context in which people can see how their contribution fits into a shared, results-oriented framework. At the same time, the managerial development journey continued through workshops for managers, with

a specific focus on leadership and team building. Through group work and discussion, the sessions explored the behaviours that distinguish the role of a leader from that of a manager, as well as the impact that positive or negative leadership can have in daily operations. Particular attention was given to the importance of team building as a lever for fostering motivation and belonging within teams. The sessions also provided practical ideas for activities that managers can use to strengthen cohesion and collaboration.

As regards engagement and internal communication, employees took part in the “Valvitalia in Action” training programme, which covered internal organisational updates, technical product content and sustainability topics. At the end of the programme, a satisfaction survey was administered, with overall very positive feedback and requests for further insights and opportunities for discussion, which the company intends to build on in 2026 through new occasions for exchange. In line with this logic of growth and empowerment, the first and second reporting lines to the CEO took part in the 360° project, designed to investigate behaviours in everyday working life rather than performance. Each participant received feedback from their manager, peers and team, compared with self-assessment, with the aim of

identifying areas for personal improvement and strengthening managerial awareness. Also, within this framework, the Mentoring project was completed at the end of 2025. It helped to structure dialogue and experience-sharing pathways that enhanced professional skills and relationships.

Another development concerned safety: the Leadership in Health & Safety project was launched, supported by the agency of the same name created by Saipem, with workshops for the first and second reporting lines aimed at developing awareness, culture and leadership in health and safety. The project promoted the idea that health and safety must be shared and actively upheld by the entire organisation, rather than being confined to management or the HSE department. Some second-line participants were also appointed coordinators. The aim was to progressively launch internal alignment sessions to disseminate what had been learned and ensure continuity over time.

To support these pathways, Valvitalia intensified internal communication, also through videos dedicated to the new vision. It also introduced a quarterly internal newsletter in both digital and printed format to maximise inclusion among the blue-collar population. The newsletter is available in Italian, English and Chinese and opens with a message from Vitaly, the company mascot, who presents the quarter’s key updates. It also includes an HSE section to maintain awareness, including, where relevant, accident or near-miss cases, a financial results update, the sharing of signifi-

cant projects the company wishes to make visible to all employees, coverage of Group events and a call to action inviting colleagues to contribute to the next issue.

Initiatives for local communities

At Valvitalia, relations with the communities in the territories where the Group operates are guided by the principles set out in the Code of Ethics. They are translated into structured stakeholder engagement and impact management practices. This approach is supported operationally by the integrated HSE system compliant with ISO 14001 and ISO 45001 standards, which is focused on risk prevention and the protection of people and the environment. It is also reinforced by the Corporate Social Responsibility Code of Conduct, which strengthens the commitment to monitoring local environmental impacts and preventing potential negative externalities. Consistently with this, attention to communities is also reflected throughout the supply chain through the Supplier Code of Conduct, which is binding for Italian sites and sets out requirements relating to legality, environmental protection, and health and safety.

Donations and sponsorships for local communities are managed through a specific internal procedure. Requests are collected directly by the Chief Executive Officer or the HR manager, the Legal function carries out a preliminary due diligence review of the beneficiary organisation, and, before

proceeding, the Chief Executive Officer authorises the initiative. This model ensures consistency with the principles of integrity and transparency. It also makes sure support is directed to organisations that operate reliably and in compliance with the rules.

During the reporting period, in Italy the Group's support covered a range of different but complementary areas. These activities generated positive effects for the wider community. Support for the Umberto Veronesi Foundation forms part of the promotion of biomedical research and prevention culture. Supporting research and outreach on public health issues helps strengthen awareness and knowledge for the benefit of individuals and families, creating social value in the medium to long term.

In parallel, support for the University of Pavia is part of the enhancement of education and research, which are enabling factors for regional development. Investing in university settings means contributing to human capital development, broader training opportunities and the spread of skills that can foster innovation and employability.

Alongside these areas, Valvitalia also supported initiatives with a direct impact on immediate community needs. The contribution to the Voghera Red Cross, intended to help purchase essential emergency supplies, strengthens the operational capacity of a local network that assists people in situations of difficulty and urgency, with tangible

benefits for safety and close-to-home assistance. In the same vein, the company participated in local charitable initiatives such as the "Cena dei Portici". Beyond channelling resources towards social purposes, this creates opportunities for community engagement and shared responsibility, strengthening ties and cooperation within the local community.

Consistently with the Group's international presence, initiatives were also supported in the foreign contexts where Valvitalia operates. In the United Arab Emirates, support for institutional events and activities promoting relations with the Italian community and local stakeholders helps consolidate dialogue with the territory and enhance the Group's reputation. It also encourages connections that are useful for spreading industrial culture and exchanging expertise.

This framework also includes support for initiatives promoting Italian organisations. Dedicated communication moments have increased the Group's visibility and, more broadly, attention to Made in Italy excellence in an international context. In China, a donation was made to a local charitable organisation. In the United Kingdom, at the Broady site, initiatives were launched in support of a local Food Bank and a Christmas toy drive under Cash for Kids. These actions address basic needs and social vulnerability, helping support individuals and families in difficulty and generating an immediate positive impact on community well-being.

Overall, these initiatives strengthen the Group's responsible presence in the territories. They support research, training and solidarity networks, and contribute through targeted actions consistent with robust integrity safeguards to creating shared value with local communities.

“ At Valvitalia, relations with the communities in the territories where the Group operates are guided by the principles set out in the Code of Ethics and it is strengthened consistently also along the supply chain, through the Supplier Code of Conduct (binding for Italian offices), which recalls requirements on legality, environmental protection and health and safety.

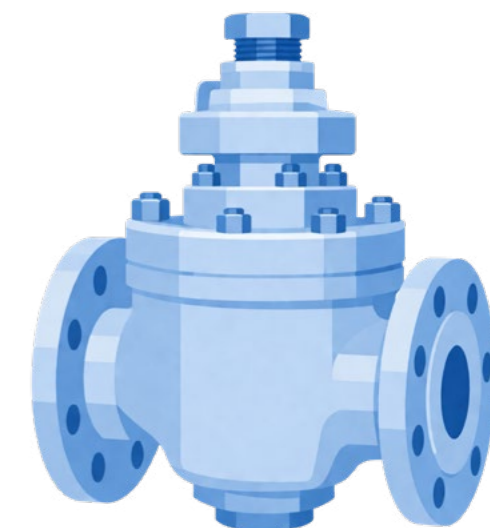




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External stakeholders

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Customer relations

Valvitalia's relationship with its customers is first and foremost based on reliability, grounded in integrity, technical oversight and operational proximity throughout the entire supply cycle. This relationship is supported by a governance framework designed to ensure fairness in interactions and regulatory compliance: The Code of Ethics, the Organisational Model pursuant to Italian Legislative Decree No. 231/2001 and the Anti-Corruption Policy define expected behaviours, responsibilities and control measures, supported by prevention, training and monitoring activities. Furthermore, whistleblowing channels are available — also anonymously — with full confidentiality and protection guarantees. Regarding data protection, the policy identifies the Data Controller at the Milan headquarters and a dedicated mailbox for exercising the rights provided under the GDPR.

Against this backdrop, Valvitalia's operating model is distinguished by its One Stop Shop approach. For the customer, this means having a single point of contact able to manage traceability of requirements throughout the project, ensuring consistency of standards up to commissioning. The reduction in interfaces, greater decision-making continuity at critical stages and lower risk of misalignment translate into tangible benefits. These are particularly important in the complex contracts typical of the

oil & gas, energy and water sectors, where coordination and rigorous specification management are key factors.

End-user safety is ensured through structured testing and validation processes that replicate field operating conditions in the factory. At the Rivanazzano Terme site, facilities include a climatic chamber for tests from -50°C to +80°C, test benches up to 60 inches and a dedicated cryogenic testing department. The site also features automated welding systems for large-diameter and heavy valves, supporting compliance verification against design requirements and reliability under severe conditions before delivery. This approach reduces the risk of non-conformity in service and ensures a level of technical robustness consistent with customer expectations and the critical nature of the applications.

Customer proximity extends before, during and after installation thanks to an international network of manufacturing plants, offices and service centres in strategic areas. The operational support system ensures rapid response and prioritised interventions. A first response team can mobilise within 24 hours anywhere in the world, supported by personnel, equipment and spare parts available on a continuous basis. The public channels — Assistance/After Sales, Service, Contacts and Spare Parts — direct

requests to the most appropriate structure and also provide an access point for reports concerning impacts, risks and opportunities associated with products and services, as well as for managing non-conformities or operational adjustments arising during service. During 2025, this support was further strengthened through the evolution of Aftermarket into a Group-wide Customer Service function, reporting directly to the Chief Executive Officer. The function aims to ensure centralised coordination and accelerate the development of services along the product life cycle, in a logic of installed-base protection, business continuity and customer loyalty.

Customer relations do not end with delivery; they are based on structured listening and continuous improvement. Quality System processes support the collection and measurement of feedback, feeding into periodic management review and translating input and indicators into corrective and preventive actions. In more complex applications, technical dialogue may extend to co-design, reducing information asymmetries already at the stage of requirements definition and testing. In line with this approach, the Customer Service function is progressively building a portfolio of after-sales services developed also on the basis of direct customer feedback, with initiatives to present and refine the offering and with dedicated coverage in geographies characterised by a significant installed base, with the aim of making field support more immediate and effective. In parallel, the evolution of the Business Excellence and Innovation model introduces tools for measuring process maturity along the va-

lue chain, including customer management. It also increasingly steers innovation towards a customer-driven approach, anchoring the development of solutions and services to the value expected by the customer.

In 2026, Valvitalia intends to evolve its approach to customer management, moving from a predominantly reactive model to a proactive, value-oriented one. The objective is to position the Group as an innovative partner, capable of anticipating market needs and proposing integrated solutions, rather than simply responding to specifications that have already been defined. Within this framework, the Group will promote strategic conversations with customers designed to identify any critical issues and develop targeted responses.



In 2026, Valvitalia intends to evolve its approach to customer management, moving from a predominantly reactive model to a proactive, value-oriented one. The objective is to position the Group as an innovative partner, capable of anticipating market needs and proposing integrated solutions.

Relations with suppliers

At Valvitalia, building a sustainable and responsible supply chain is a significant component of the sustainability strategy and a prerequisite for ensuring that the Group's standards are consistently reflected in the practices of its business partners. In all the countries in which the Group operates (Italy, the United Kingdom and China), the priority is the protection of people throughout the entire supply chain, through respect for fundamental rights, the promotion of decent working conditions and fair, sustainable industrial development.

Within this framework, the Supplier Code of Conduct serves as a clear, binding document governing relationships with procurement partners. It is aligned with leading international human rights and labour references (including ILO Conventions and the Universal Declaration of Human Rights) and is integrated with the Group's Code of Ethics, Organisational Model 231 and anti-corruption policies. The Code is mandatory for all suppliers of the Italian facilities. Its application also extends beyond direct suppliers, requiring them to promote the same standards among their subcontractors and secondary suppliers, thereby reinforcing shared responsibility across the value chain. At the UK and Chinese sites, although the Supplier Code of Conduct is not

formally in force, activities are nonetheless guided by the Group's ethical principles and aligned with the same international benchmarks.

Worker protection measures are precisely defined: absolute prohibition of discrimination; ban on all forms of harassment or abuse (physical, psychological or verbal); and the presence of appropriate disciplinary mechanisms to promptly address any violations. All forms of forced, compulsory or child labour are strictly prohibited, including human trafficking and modern slavery, with particular attention paid to young workers (no hazardous duties for individuals under 18). Trade union rights, freedom of association and collective bargaining are recognised and safeguarded. Full compliance is required with regulations on working hours, overtime, holidays, weekly rest days, public holidays, paid leave and parental leave. Wages and benefits must be adequate and consistent with legal provisions, collective agreements and industry standards, ensuring a decent standard of living.

The implementation of these principles is supported by dedicated channels for reporting concerns, including the platform <https://valvitalia.integrityline.com>, as well as by Valvitalia's right to carry out

on-site audits at suppliers' premises and document reviews of compliance evidence. In line with a responsible approach to the value chain, the Group also oversees administrative processes and payment flows, promoting transparency, traceability and the continuity of business relationships, while also taking into account suppliers' liquidity needs and operational stability, including those of SMEs.

With reference to the Italian sites, payment management is governed by internal procedures designed to prevent delays and ensure proper monitoring of due dates: the Suppliers Department shares with the Treasury Department the list of invoices to be settled, highlighting those nearing their due date (within 30 days) among invoices accrued in previous months. Payments are made on a weekly basis, and the main payment method is bank transfer following invoice registration. Valvitalia makes payments according to the terms and conditions agreed with suppliers; any deviations from the due date may be attributable to operational requirements or to disputes concerning the supply. During the reporting period, the average payment time, calculated from the start date of the contractual or statutory payment term, was 99 days. Standard terms are mainly bank transfer at 90 days. However, depending on the type of supply and the specific contractual conditions, differentiated terms are applied, for example 30 days for utilities, 60 or 90 days for certain categories, as well as arrangements with deposits on sight and final payment thereafter or 30 days from delivery.

At international level, the Group adapts its tools and controls to the various regulatory contexts, while maintaining a consistent approach. In the United Kingdom (Broady Flow Control), supply chain oversight is based on a compliance system that includes risk-based supplier integrity assessments, registers for gifts and hospitality, a prohibition on facilitation payments and regular training. It is also supported by a dedicated compliance officer. On the administrative side, Broady applies standard payment terms of 45 days end of month; during the reporting period, 85% of payments were made by the due date and, for invoices paid beyond contractual terms, the average delay was 20 days.

For Valvitalia (Suzhou), China, supply chain governance relies on procurement and vendor management procedures (qualification, monitoring and review), supported by tools for handling complaints, non-conformities and corrective actions. Com-



Valvitalia's supplier qualification process safeguards the high quality of products and services while also promoting safety and social responsibility. The procedure is applied consistently across the entire Group and sets out stages that, in addition to ensuring high quality standards, reinforce ethical practices and respect for the environment and people.

pliance with local legal requirements is ensured, as is the possibility of conducting on-site audits or documentary checks. With regard to payments, the process is monitored through the ERP system and managed via an internal request-and-approval workflow, with final release by the Corporate Administration, Finance and Control function, ensuring traceability and control. Standard terms provide for payment 60 days from receipt of the invoice; during the reporting period, 90% of payments were made by the due date and, for invoices settled beyond contractual terms, the average delay was 60 days.

Valvitalia's supplier qualification process safeguards the high quality of products and services while also promoting safety and social responsibility. The procedure is applied consistently across the entire Group and sets out stages that, in addition to ensuring high quality standards, reinforce ethical practices and respect for the environment and people. All the Group's sites operate under a quality management system certified to ISO 9001, which provides a structured framework for process management, including procurement activities. Within this framework, supplier qualification is based on formalised criteria for performance evaluation and monitoring, as well as on systematic traceability of activities, helping to reduce non-conformity risks and drive continuous quality improvement along the supply chain.

At the initial assessment stage, suppliers are classified into two levels according to their impact on the final product: Level A, when the supplier's con-

tribution directly affects the product's integrity and functional performance; and Level B, for less critical suppliers or those whose potential errors can be detected during internal production or testing phases. Both categories are required to complete a questionnaire with differentiated metrics and assessment scales. This gathers information on quality management systems, certifications, production capacity and, from an ESG standpoint, environmental practices, occupational health and safety, and respect for human rights. Suppliers are required to demonstrate effective control of environmental risks, for example through ISO 14001 certification or equivalent systems for higher-impact processes. They must also ensure safe and decent working conditions (ISO 45001 certification or equivalent where applicable) and operate in line with robust ethical principles.

Qualification does not end at onboarding. In fact, Valvitalia carries out continuous surveillance of supplier performance (quality of goods, delivery timeliness, service quality), supported – when necessary – by dedicated audits. This enables early detection of issues and activation of targeted corrective measures. Suppliers are periodically reassessed and, where required, re-qualified to ensure ongoing compliance with standards. HSE-related aspects are a key criterion: respect for human rights is a mandatory requirement. Severe breaches, for example in safety, ethics or working conditions, may lead to removal from the approved suppliers' register and, in the most serious cases, inclusion on a blacklist.





6

Governance

82 **Governance elements**

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Governance elements

Valvitalia regards the promotion and consolidation of a corporate culture founded on ethics, integrity and regulatory compliance as an essential prerequisite for ensuring transparency and legality in all operations. Consequently, it strengthens the Group's credibility over time in the eyes of all stakeholders. The approach adopted is structured and is based on an integrated system of documents, controls and processes designed to ensure that ethical and behavioural principles are not only formally defined but are also actually understood and observed by anyone acting on behalf of Valvitalia. This includes employees, contractors, suppliers and business partners. These controls are subject to continuous updating, so that they remain consistent with developments in the regulatory environment and with international best practices; in the foreign perimeter, they are applied in line with the Group's Code of Ethics and, where required, in accordance with the stricter local legislation. In the United Kingdom, for example, Broady Flow Control adopts an *Anti-Bribery Code of Conduct* that defines responsibilities, training pathways and specific controls to safeguard business integrity.

A cornerstone of the governance framework for conduct is the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001, designed to prevent and reduce the risk of offences being committed and, at the same time, to

promote widespread awareness of ethical and legal responsibility in the activities carried out. The Model, updated at the end of 2024, is structured into a General Section, the List of Predicate Offences, the Code of Ethics, the Disciplinary System and the Supervisory Body Charter. It sets out a unified framework of principles and operating rules aimed at governing operations in accordance with the highest standards of legality and transparency. The review process was developed throughout 2024 with the involvement of the Board of Directors and the Supervisory Body, also to ensure that the organisational structure and control measures are fully aligned with the business model and the Group's needs. Following approval, Model 231 and the Code of Ethics were made available on the company website and on the internal intranet from February 2025. The update was also communicated to the entire workforce and incorporated into the onboarding process, with a dedicated training module and a questionnaire designed to assess understanding.

In line with Model 231, Valvitalia has established a collegiate Supervisory Body, endowed with independent powers of initiative and control, which plays a central role in the ongoing monitoring of the system's effectiveness and adequacy. The Supervisory Body verifies the correct application of the Model, assesses any need for updates arising from regulatory or organisational changes and

oversees compliance with the provisions in force, promoting the effective operation of the control framework. Decision-making autonomy and operational independence are also ensured through strict requirements concerning the absence of conflicts of interest, including potential conflicts, and incompatibilities with managerial or operational roles. These requirements are intended to prevent any compromise of impartiality. Model 231 specifically provides that each member should report hierarchically to the Board of Directors, have effective powers of initiative and control and enjoy access to relevant corporate information. They must hold no executive positions or delegated powers within Valvitalia's Board, maintain a direct relationship with the Board of Statutory Auditors, have no family ties with directors or shareholders of the company or its subsidiaries, and not hold more than 5% of the company's voting share capital.

On an annual basis, the Supervisory Body sends the Board of Directors and the Board of Statutory Auditors a written report including any critical issues identified, the reports received, including anonymous reports, and the breaches found. It also includes an assessment of the functioning and effectiveness of the system, improvement proposals and the activity plan for the following financial year. In parallel, the Supervisory Body carries out periodic checks according to a structured control plan designed to assess the actual application of the Model and the robustness of the controls. The findings are shared with the relevant functions and/or company management, so as to enable timely corrective action where control weaknesses or non-compliant behaviour are identified.

The Code of Ethics, an integral part of Model 231, is the key reference for defining the values and expected conduct of anyone acting in the name of



and on behalf of Valvitalia. The Code defines the core principles of corporate conduct, including honesty, transparency, integrity, fairness, impartiality, respect for the law, professionalism, social responsibility and the protection of people and the environment. It provides that every operation must be guided by strict compliance with these principles and promotes consistent and responsible behaviour. The preventive function of the Code is also expressed through the dissemination of an awareness-based approach to non-compliance risks and possible criminal offences. This helps to strengthen, across the organisation, the ability to identify warning signs and adopt proper conduct in internal and external relations.

In the foreign perimeter, in particular, specific controls are in place for the prevention of corruption and the management of relations with third parties. In the United Kingdom, in addition to the presence of a Compliance Officer with support, advisory, training and reporting functions, the control framework includes proportionate due diligence on agents and partners, binding contractual clauses, a ban on facilitation payments and cash payments, and detailed rules on hospitality and gifts. These must be modest, appropriate, transparent and recorded, or approved in advance. Monitoring of effectiveness is supported by periodic reporting to the Board and by checks carried out by external auditors on the accounting control system, confirming an approach focused on traceability and the robustness of the control framework.

To oversee the risks associated with customer and supplier relationships, the foreign subsidiaries adopt

traceable processes subject to control throughout the entire sales and procurement cycle. In the United Kingdom, technical and regulatory reviews of orders, management of on-hold/off-hold status and systematic document archiving are in place to support compliance and transparency of operations. Customer complaints are recorded within one working day in a dedicated log and handled through containment actions, root-cause analysis and corrective measures. These may include, where necessary, recalls or recovery kits, helping to strengthen accountability to the market and prevent non-compliant behaviour while protecting customer safety and supply reliability.

The effectiveness of the system is further strengthened by the implementation of the Anticorruption Procedure, issued in January 2024, which sets out specific protocols to prevent both active and passive corruption in relations with the Public Administration and in dealings with third parties, defining rules, responsibilities and control methods. In parallel, Valvitalia has formalised its Policy on Diversity, Inclusion and Human Rights, updated in 2025, to ensure that every individual working on behalf of the company feels valued and respected regardless of personal characteristics. The promotion of diversity and inclusion is considered an integral part of the corporate culture and contributes to a positive working environment consistent with the Group's ethical principles.

In 2025, corporate culture was further developed through structured opportunities for sharing and discussion aimed at strengthening identity, cohesion

and awareness of corporate values. In particular, the February 2025 Group Conference entitled Accelerating our Growth Together provided an opportunity for strong interaction, and, in light of the results achieved, work began on the outline of a new three-year plan. This placed value on moments of alignment regarding corporate identity and how the Group intends to operate in the near future. Culture was also highlighted and made more tangible through the Valvitalia in Action training programme. During this programme, a dedicated introduction was delivered to present the main organisational changes, including the establishment of the V&S Division and the 3F Division, and to reaffirm the expected values and behaviours. This was complemented by leadership and team-building workshops for managers. These were designed to reinforce their key role in the day-to-day transmission of Valvitalia's culture, as well as by the internal newsletter as a continuous communication tool for conveying messages of belonging, updates and value-based references.

At governance level, the Board of Directors meets monthly and is kept constantly informed of the Group's performance by the Chief Executive Officer. Management is updated by the Chief Executive Officer during the regular monthly meetings, ensuring a steady and coherent flow of information between the strategic and operational levels. The Nomination and Remuneration Committee is also formally established and meets periodically during the year; it is composed of three members of the Board of Directors and Massimo Cunico (HR Chief Officer) as Secretary. The Chairman of the Board of Statutory

Auditors is always invited, while the Chief Executive Officer participates, also by invitation, depending on the agenda. The Committee is a significant control body in assessments concerning substantial organisational changes, such as changes to the CEO's first reporting line, ensuring direct and timely updates to the Board and facilitating related resolutions. In line with its remit, the Committee submits proposals or opinions to the Board of Directors on the remuneration of executive directors, directors with specific offices and members of the management team. It also formulates proposals or opinions on incentive systems and monitors their application.

The governance architecture, based on Model 231 and the Code of Ethics and supplemented by local codes and regulations at foreign sites, ensures consistent oversight of corruption and misconduct risks. It promotes compliant behaviour, decision-making traceability and continuous improvement of the internal control system. During the reporting period, Valvitalia received no convictions for offences related to active corruption and was therefore not subject to fines or related financial penalties.

Managing innovation

Valvitalia continues to view innovation as a cross-cutting lever, relevant to all topics addressed by the ESRS and capable of generating environmental, social and economic benefits for the Group. In an industrial context characterised by highly critical applications and stringent technical and regulatory requirements, innovation has been directed both towards the evolution of the product portfolio and towards process improvement. The aim is to strengthen the reliability, safety and quality of solutions, increase operational efficiency and help reduce negative impacts along the value chain.

A distinctive feature of 2025 was the strengthening of corporate oversight of innovation and, more generally, improvement pathways. This was achieved through the launch of a more structured governance model introduced to support growth and guide the organisation towards operational excellence paradigms. The Business Excellence function, formalised at the end of 2024 and operational from 2025, was designed as a cross-functional lever to support and drive continuous improvement. Its mandate is to measure the maturity of the main process dimensions along the entire value chain, from customer management to the supply chain, from planning to manufacturing, from engineering to logistics, to make gaps against expected levels

explicit and to activate improvement projects through a structured Policy Deployment approach. Within this framework, Corporate acted as a coordination and steering function, with an approach similar to that of a Project Management Office. It ensured alignment between Business Units and plants, managed the project portfolio, tracked planning and progress, and monitored expected results through a monthly Business Review cycle, a tool through which initiatives are formalised, tracked and regularly driven forward.

At operational level, during the year kaizen sessions were launched at several plants, including Fittings, Fire Fighting and Rivanazzano Terme, with the aim of observing every process step, identifying inefficiencies and eliminating them through targeted and verifiable actions. The approach covered the entire operational chain: from the commercial stage and offer generation to cost analysis, from order intake to engineering and project management, and then on to the supply chain, procurement and shipping.

The introduction of measurement and benchmarking tools, together with dedicated metrics, helped to consolidate a common language and greater internal awareness of how to improve, as well as what to improve. 2025 was a year of introduction

and consolidation. Gradually, functions and Divisions became familiar with the methodology and with Corporate's role as an enabler and catalyst, promoting the transfer of best practices between different sites and areas and, where necessary, supporting more vertical improvement paths with the involvement of qualified external expertise.

Business Excellence found a concrete and particularly significant testing ground in the creation of the 3F Division, launched in July 2025 with the aim of relaunching the Fittings and Fire Fighting businesses by leveraging their synergies of expertise through a common organisational framework. In this context, the availability of a structured process oversight model, shared metrics and Policy Deployment logic has been an important enabler for building internal cohesion and for launching the relaunch process. It has supported the transformation of a group of people already in place into a team accustomed to working together towards common goals. The two areas require different forms of innovation: for the business Fittings, the main issue is technological, with expected competitiveness gains from the adoption of more advanced production technologies; for Fire Fighting, the objective is to develop proprietary systems to replace dependence on third-party components and certifications. This is in order to gain greater freedom in supplier selection and increase the ability to manage price and margin. In both cases, the shared direction is to introduce elements of genuine differentiation, rather than simply replicating at lower cost what already exists on the market.

In 2026, Business Excellence enters its phase of full operational maturity. The aim is to consolidate the projects launched and extend the reach of initiatives through a second wave focused on production efficiency. It is also to translate greater methodological maturity into measurable gains in efficiency, quality and competitiveness. This trajectory responds to a clear strategic awareness: sustainable growth requires not only markets to be won, but also a robust operational base and excellent processes. These are the levers that support the expected volumes without compromising quality and delivery times, and that build lasting customer trust.

At operational level, research and development activities in 2025 continued to be overseen within the engineering functions of the various Divisions/ Business Units, through dedicated resources and project teams. The Corporate role ensured coordination of cross-functional working groups, comprising expertise from several technical functions,



The introduction of measurement and benchmarking tools, together with dedicated metrics, helped to consolidate a common language and greater internal awareness of how to improve, as well as what to improve.

with the aim of delivering the initiatives included in the investment plan and ensuring progress in line with priorities and timelines. R&D activities were also supported by established academic collaborations, including with the Politecnico di Milano, which contribute to skills development and the testing of innovative solutions.

With regard to product innovation, in 2025 development continued in areas linked to the energy transition. These included initiatives dedicated to hydrogen transport and solutions for carbon capture applications, including through the use of advanced materials suitable for both transport and storage. Within the same scope, progress was made on a Gas-under-Oil solution designed to help reduce atmospheric emissions, in line with evolving market expectations and the growing attention given to emission profiles in industrial applications.

At the same time, innovation in 2025 continued to focus on the fire-fighting segment, developing advanced systems and components intended for highly critical environments. Work continued on water mist fire-fighting solutions, particularly for military and marine applications, and development also progressed on systems dedicated to tunnel protection and on a new gas-based solution intended for both the Oil & Gas and civil sectors. In the same context, design continued on the fire-fighting system for marine engine rooms, with the aim of ensuring high protection standards even in the presence of methanol as well as traditional fuels. Given the nature of these applications, such

development lines are aimed at increasing safety and reducing the risk of incidents, helping to prevent potential damage to people, infrastructure and the environment and to strengthen the operational reliability of plants.

There were also advances in strategic product families in 2025. The new quarter-turn actuator range was launched and development work continued on butterfly valves, in line with the path of expanding and specialising the technical offering. This area also includes the completion of development of triple-eccentric metal-to-metal butterfly valves, a range that enables the Group to address high-potential market segments, leveraging advanced materials and technologies to improve performance, durability and reliability. At the same time, during the year work continued towards obtaining the certifications required to operate in the nuclear sector. This was in line with the aim of strengthening application diversification and consolidating the resilience of the industrial model in highly specialised and regulated markets.

On the process side, 2025 saw the continuation of the digitalisation programme for test benches at the Rivanazzano plant. Progress included the completion of the new test benches and the adoption of solutions aimed at real-time data acquisition and faster report generation. This initiative reduces the time required by operators for subsequent analysis following data collection and makes testing more efficient, strengthening quality control robustness and the repeatability of checks. In pa-

rallel, experiments were conducted on innovative materials using additive technologies, with a view to assessing their potential integration into future production processes. In addition, studies were launched on applications of artificial intelligence with potential to accelerate certain processes, in line with the objective of increasing operational effectiveness and efficiency.



ESRS Index



Index of European Sustainability Reporting Standards Disclosure Requirements

This ESRS Index reports the complete mapping of the Disclosure Requirements of the European Sustainability Reporting Standards (ESRS) with respect to the contents of the Sustainability Report 2025 by the Valvitalia Group. The Report is drawn up on voluntary basis in accordance with ESRS principles, approved in implementation of Corporate Sustainability Reporting Directive (CSRD).

The reporting perimeter includes all the Group sites: Rivanazzano Terme, Brendola, Castel San Giovanni, Arena Po and Ancona (Italy), Suzhou (China) and Hull – Broady Flow Control (UK).

Column Legend: ESRS Code = identifier standard and disclosure requirement; Pag. = number page in Report; Content in Report = summary of the information made available.

ESRS Code	Disclosure Requirement	Pag.	Content in Report
ESRS 2 — GENERAL DISCLOSURES			
Basis for Preparation			
ESRS 2 – BP-1	General basis for preparation of sustainability statements	28–29	Voluntary reporting scope in compliance with ESRS; includes sites in Italy, China (Suzhou) and UK (Hull – Broady)
ESRS 2 – BP-2	Disclosures in relation to specific circumstances	28–29	Methodological evolution vs. prior edition; strengthened data collection at foreign sites
Governance – GOV			
ESRS 2 – GOV-1	The role of the administrative, management and supervisory bodies	82–85	Board of Directors (monthly meetings), Supervisory Body (collegial), Nomination Committee
ESRS 2 – GOV-2	Information provided to and sustainability matters addressed by administrative, management and supervisory bodies	82–85	CEO → Board information flows; ESG factors integrated into financial and governance decision-making
ESRS 2 – GOV-5	Risk management and internal controls over sustainability reporting	36–39; 82–85	Integrated Risk Management + CFO model for ESG risks; Supervisory Body: periodic checks and annual Board reporting

ESRS Code	Disclosure Requirement	Pag.	Content in Report
ESRS 2 — GENERAL DISCLOSURES			
SBM Strategy			
ESRS 2 – SBM-1	Strategy, business model and value chain	8–25	Identity, history, divisions (Valves & Systems, 3F – Fittings & Fire Fighting, Broady BU), upstream/midstream/downstream value chains
ESRS 2 – SBM-2	Interests and views of stakeholders	30–35; 73–79	~280 respondents (employees, suppliers, clients, banks, universities, local bodies); questionnaires differentiated by category
ESRS 2 – SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	30–37	Double materiality: impact and financial; matrix with ESG topic positioning
IRO Impact Management			
ESRS 2 – IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	30–37	Methodology: perceived importance × probability coefficient; cross-check with Risk Management and CFO; cross-validation
ESRS 2 – IRO-2	Disclosure requirements covered by the sustainability statement	90–91	ESRS Index: complete mapping of disclosure requirements against Report content
ESRS E1 — CLIMATE CHANGE			
E1-1	Transition plan for climate change mitigation	49–55	Orientation toward emissions reduction, energy efficiency; photovoltaic plan; improved energy supply contracts
E1-2	Policies related to climate change mitigation and adaptation	49–55	ISO 14001 active at all sites; periodic production process analysis; corrective and preventive measures
E1-3	Actions and resources related to climate change policies	38–39; 49–55	Insurance coverage against operational disruptions; S&OP for supply chain; reduced energy price volatility exposure
E1-4	Targets related to climate change mitigation and adaptation	38–39; 49–55	Targets for emissions containment, efficient use of energy resources, applicable regulatory compliance
E1-5	Energy consumption and mix	49–51	Total 35,799 MWh (+9% vs 2024): fossil 99% (natural gas 25,383 MWh), renewable 0.9%; Italy = 94% of consumption
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	52–55	Scope 1: 5,883 tCO ₂ e Scope 2 LB: 1,963 tCO ₂ e Scope 3: 85,907 tCO ₂ e Total LB: 93,753 tCO ₂ e Purchases = 82.9% Scope 3

ESRS Code	Disclosure Requirement	Pag.	Content in Report
ESRS E2 — POLLUTION			
E2-1	Policies related to pollution	42–48	ISO 14001: identification of direct and indirect environmental aspects; pollution prevention as operational priority
E2-2	Actions and resources related to pollution	38–39; 42–48	Monitoring atmospheric emissions (welding, painting, machining); periodic corrective plans
E2-3	Targets related to pollution	38–39	Progressive reduction of negative environmental impacts; applicable regulatory compliance; management review
E2-4	Pollution of air, water and soil	42–48	Management of emissions from facility heating/cooling; machining, welding and assembly operations
E2-5	Substances of concern and substances of very high concern	34–37; 42–48	Control of substances of concern (medium materiality); requirements on suppliers via Supplier Code of Conduct
ESRS E3 — WATER AND MARINE RESOURCES			
E3-1 → E3-5	Water and marine resources (policies, actions, targets, metrics, financial effects)	36–37	Not material for the Group according to the materiality thresholds adopted in the double materiality analysis
ESRS E4 — BIODIVERSITY AND ECOSYSTEMS			
E4-1 → E4-9	Biodiversity and ecosystems (policies, actions, targets, metrics, financial effects)	36–37; 42–48	Not material in current scope; indirectly managed through ISO 14001 and environmental impact management
ESRS E5 — CIRCULAR ECONOMY			
E5-1	Policies related to resource use and circular economy	42–48	ISO 14001; steel as the circular material par excellence (100% recyclable, World Steel Association)
E5-2	Actions and resources related to resource use and circular economy	42–48	Product durability, reparability, spare parts availability; reduced waste and premature replacements; steel end-of-life management
E5-3	Targets related to resource use and circular economy	38–39; 42–48	Waste prevention, correct flow management, efficient material use as ISO 14001 objectives
E5-4	Resource inflows	42–44	Steel as primary raw material; 98.15% of steel industry raw materials converted to products or co-products (worldsteel 2025)
E5-5	Resource outflows	44–47	Total waste: 2,511,803 kg (-23.5%); diverted from disposal: 83.6%; non-recycled: 16%; hazardous waste recovered: 40,343 kg

ESRS Code	Disclosure Requirement	Pag.	Content in Report
ESRS S1 — OWN WORKFORCE			
S1-1	Policies related to own workforce	58–60	2025 D&I and Human Rights Policy, Code of Ethics, Model 231; alignment with ILO, UDHR, UN Guiding Principles, OECD
S1-2	Processes for engaging with own workers and workers' representatives about impacts	58–60; 68–71	Monthly Business Review up to 2nd CEO reporting line; 'Valvitalia in Action' training; satisfaction survey; 360° project
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	58–60; 82–85	Whistleblowing (valvitalia.integrityline.com): anonymous, guaranteed confidentiality, accessible also to external parties
S1-4	Taking action on material impacts on own workforce, managing material risks and opportunities	38–39; 68–71	Blue collar reskilling plan; quarterly newsletter IT/EN/CN; mentoring
S1-5	Targets related to own workforce	38–39; 58–65	Zero accidents; increased female representation in leadership; addressing gender pay gap; technical skills development
S1-6	Characteristics of undertaking's employees	60–61	846 employees (+1.4%): Italy 656, China 115, UK 75 636 men, 210 women (24.8%) 772 permanent contracts (91.3%)
S1-8	Collective bargaining coverage and social dialogue	58–60	Full compliance with regulations on hours, overtime, holidays, rest periods, leaves; freedom of association and collective bargaining
S1-9	Diversity metrics	60–63	By gender (M/F), age (under 30: 71; 30–50: 388; over 50: 386), contract type (permanent/fixed-term), hours (full/part-time)
S1-10	Adequate wages	62–64	Average remuneration by level (executives, managers, employees, workers) for Italy, China and Broady (€); gender pay gap analysis
S1-12	Persons with disabilities	58–60	D&I Policy: removal of physical and cultural barriers; concrete measures for inclusion of persons with disabilities
S1-13	Training and skills development metrics	65–67	11,673 total hours: Italy 9,069h (11.8h per capita – excl. mandatory), China 2,280h (27h), Broady 324h (1.5h)
S1-14	Health and safety metrics	64–67	6/7 sites certified ISO 45001 Recordable accidents: 3 (rate 1.87) 0 deaths 40 days lost 1,601,657.83 hours worked
S1-15	Work-life balance metrics	58–60; 68–71	Smart working, flexible hours (where compatible with role), parenting and caregiving support; 32 active part-time contracts
S1-16	Remuneration metrics (pay gap and total remuneration)	62–64	Italy: executives -17.9%; managers -1.1%; employees -20.4% China: managers -22.6%; employees -41.8% Broady (€): women > men at all levels
S1-17	Incidents, complaints and severe human rights impacts related to own workforce	64–67; 82–85	0 convictions for active corruption; 0 cases of forced or child labour; no fines or sanctions in the period

ESRS Code	Disclosure Requirement	Pag.	Content in Report
ESRS S2 — VALUE CHAIN WORKERS			
S2-1	Policies related to value chain workers	76–79	Supplier Code of Conduct (binding for Italian sites): ILO, UDHR; prohibition of forced/child labour, trade union rights
S2-2	Processes for engaging with value chain workers about impacts	76–79	Qualification questionnaires (Level A/B), on-site audits, documentary checks on quality, safety and ESG practices
S2-3	Processes to remediate negative impacts related to value chain workers	76–79	Whistleblowing (valvitalia.integrityline.com); removal from Approved Supplier List and Black List for serious violations
S2-4	Taking action on material impacts on value chain workers, managing risks and opportunities	38–39; 76–79	Subcontract review; dedicated legal procedures; sub-supplier management training; human rights compliance as a requirement
S2-5	Targets related to value chain workers	38–39; 76–79	Improvement of ESG standards in the supply chain; extension of requirements to sub-suppliers and subcontractors
ESRS S3 — AFFECTED COMMUNITIES			
S3-1	Policies related to affected communities	68–71	Code of Ethics, CSR Code of Conduct; ISO 14001 and 45001 for local environmental and social impacts
S3-2	Processes for engaging with affected communities about impacts	68–71	Internal procedure for donations/sponsorships: request collection, Legal verification, CEO authorisation
S3-3	Processes to remediate negative impacts on affected communities	68–71	Monitoring of local environmental impacts; prevention of negative externalities; compliance with local regulatory requirements
S3-4	Taking action on material impacts on affected communities, managing risks and opportunities	70–71	Italy: Fondazione Veronesi, University of Pavia, Red Cross Voghera, Cena dei Portici UK: Food Bank, Cash for Kids China: charitable donation UAE: institutional events
ESRS S4 — CONSUMERS AND END-USERS			
S4-1	Policies related to consumers and end-users	74–75	Code of Ethics, Model 231, Anti-Corruption Policy; whistleblowing accessible to clients
S4-2	Processes for engaging with consumers and end-users about impacts	74–75	Quality System: feedback collection and measurement, management review, corrective/preventive actions; co-design on complex orders
S4-3	Processes to remediate negative impacts related to consumers and end-users	74–75	Public channels (After-Sales, Service, Contacts, Spare Parts); first response team within 24h globally
S4-5	Targets related to consumers and end-users	74–75	Aftermarket evolution into Group Customer Service (direct CEO reporting); after-sales service portfolio based on client feedback

ESRS Code	Disclosure Requirement	Pag.	Content in Report
ESRS G1 — BUSINESS CONDUCT			
G1-1	Business conduct policies and corporate culture	82–85	Code of Ethics + Model 231 (updated end 2024, effective Feb. 2025); Anti-Corruption Policy Jan. 2024; Group Conference 'Accelerating our Growth Together'
G1-2	Management of relationships with suppliers and other business partners	76–79	Supplier Code of Conduct; Level A/B qualification; continuous surveillance; corrective actions; periodic re-evaluation
G1-3	Prevention and detection of corruption or bribery	82–85	Collegial Supervisory Body; whistleblowing; Anti-Corruption Procedure; Broady Code of Conduct Anti-Bribery; UK Compliance Officer; due diligence on agents and partners
G1-4	Confirmed incidents of corruption or bribery	84–85	0 convictions for active corruption in the reporting period; no fines, financial penalties or ongoing proceedings
G1-6	Payment practices	76–79	Italy: 99 days avg (standard 90 days) UK – Broady: 45 days end of month, 85% on time, avg delay 20 days China: 60 days, 90% on time, avg delay 60 days

Methodological notes

- The 2025 Sustainability Report is drawn up on a voluntary basis in accordance with ESRS principles, in a European regulatory context characterised by the simplification package 'Omnibus'.
- The materiality perimeter has been determined through a dual materiality analysis (impact and financial) with the involvement of approximately 280 internal and external stakeholders.
- GHG emissions are calculated according to the methodologies of the GHG Protocol: Scope 1 and 2

with method location-based (LB) and market-based (MB); Scope 3 according to the relevant categories.

- Energy and environmental data cover the entire perimeter of Group including China (Suzhou) and United Kingdom (Hull – Broady Flow Control).
- Indications 'Not applicable' refer to themes excluded from the materiality analysis according to the thresholds adopted (e.g. marine waters and resources, biodiversity)

