



2024 Sustainability Report

Toscotec

2024 Sustainability Report

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Dear Readers,

This year Toscotec issued its first Sustainability Report. This is an important step toward the harmonization and strengthening of our long standing commitment to sustainability.

As a global supplier of machinery for the tissue and paper industry, Toscotec has been committed for many years to the advancement of the decarbonization of our industry by designing and manufacturing energy efficient technology and services that substantially reduce the energy demand of the papermaking process and are resource efficient.

Our R&D and product innovation work toward carbon-free technology played a big part in supporting this effort: this year alone we have installed the first fully electric hood and air system plant and the first fully electric tissue line.

In its past and its present, Toscotec has consistently chosen sustainability as the guiding principle of its technological development.

Along with its positive contribution to the technological progress of the tissue and paper industry toward a more sustainable future, Toscotec has long held a strong belief in the importance of its sustainable manufacturing strategy to drive performance and profitability. Since 2006, we are the only tissue machinery manufacturer in Italy to participate in the Eco-Management and Audit Scheme (EMAS) of the European Commission. Toscotec's environmental management system is also certified to ISO 14001 since 2005, and to ISO 50001 for Energy management since 2024. In 2023, Toscotec's commitment to a strong health and safety culture was certified to ISO 45001 for our Occupational Health and Safety system.

This year, in order to take a further step on this path, we have decided to commit to greater transparency and to a more measurable contribution to the sustainable development of our organization. As a result of this effort, we look forward to engaging with you in constructive dialogue and exchanges to nurture this endeavour.

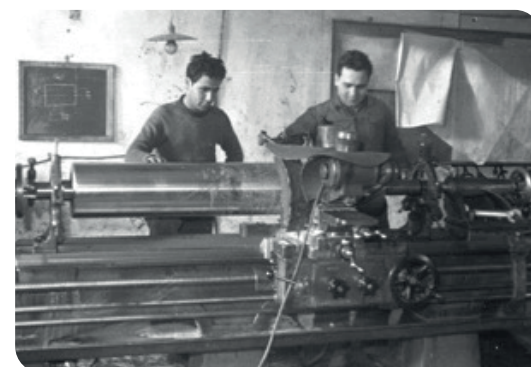
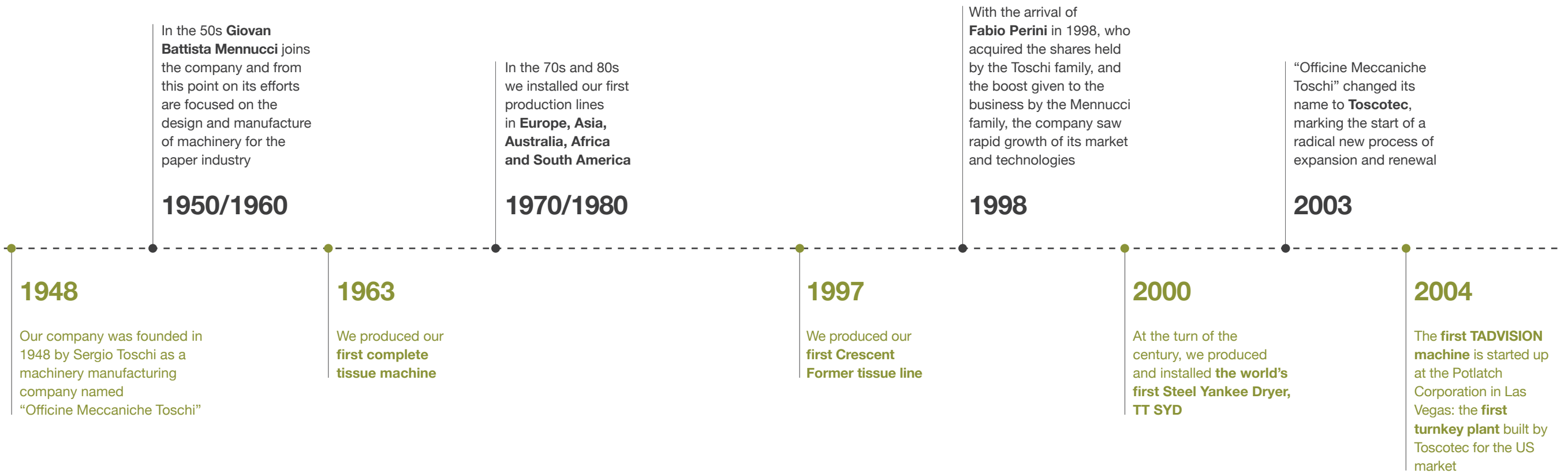
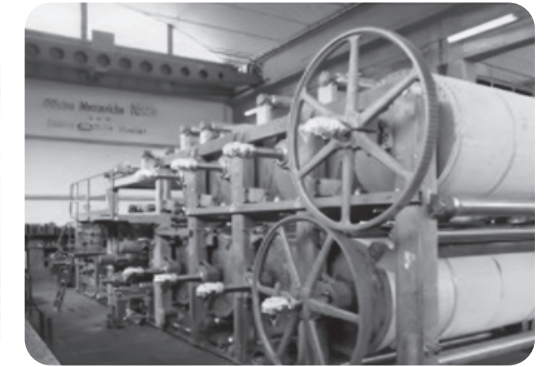
Alessandro Mennucci
Chief Executive Officer of Toscotec

1. Who we are

1.1 Toscotec at a glance

2-1, 2-6, 2-28

Nestled in the heart of the Italian paper district or “tissue valley”, surrounding the Tuscan city of Lucca, Toscotec S.p.A. is a company specialized in the design and manufacture of turnkey projects, complete machines, rebuilds and single equipment for the tissue and paper & board industries. We provide leading edge technology and customized solutions to paper producers around the world. Our technology is designed to achieve high production efficiency, low energy consumptions, and premium quality products.





The **Mennucci family** acquires the shares held by Fabio Perini gaining full control of the Group

Toscotec is certified to the Eco-Management and Audit Scheme (EMAS) of the European Commission

2006

In August, we integrated **Milltech's solutions into Toscotec's portfolio**

2015

Toscotec launches **YES (Your Expert Service)**: a team of highly qualified professionals and technicians who provide assistance 24/7 to customers, remotely and on site, all over the world

2018

Toscotec becomes **the first supplier** of tissue technology to sell a **Yankee hood system operating 100% on green electricity**

Toscotec launches carbon-free disruptive technologies: **TT Induction SYD** and **TT Hydrogen Burner**

Toscotec begins a 3-year sponsorship of Pianeta Terra Festival dedicated to disseminating ideas related to sustainability with the general public in Lucca

2022

Toscotec becomes **the first technology supplier** to realize a **tissue machine operating 100% on green electricity**

Toscotec is certified to **ISO 50001:2018**

Toscotec organizes **Tissue Planet Future Insights™** in Lucca, a 3-day event focused on sustainability aimed to inspire change and promote the sustainable development of the paper industry

2024

2005

Toscotec is certified to **ISO 14001:2015**

2011

Toscotec acquires Milltech, a leading provider of integrated paper drying and energy saving solutions, and expands its commercial and service network in Asia Far East and North America through the establishment of subsidiaries in China and USA

Installation of the first **PV system** at Toscotec's HQ. Successive installations will lead to a total nominal capacity of 260 MWh/year

2016

As the global pioneering leader in the Steel Yankee Dryer (SYD) market, we inaugurated a new facility dedicated to their production, Toscotec's **TT SYD Technology Center**, a totally integrated plant covering more than 5,000 sqm in Massa, very close to the seaport

2020

From 30th April 2020, **Toscotec is part of the Voith Group**

2023

Toscotec is certified to **ISO 45001:2018**



Key Figures

1948

Foundation year

162 M€

Revenues

159 M€

Distributed Economic Value

100%

Green Electricity at all production sites

258 MWh

Self-Generated Renewable Energy

3

Environmental Certifications (EMAS, ISO 14001, ISO 50001)

255

Employees

97%

Permanent contracts

25%

Women Managers

1st

Tissue Machine running on 100% Renewable Energy

60%

R&D investments in Carbon-free Technology

0

Work Injuries

1

Health & Safety Certification (ISO 45001)

1st

Global Supplier of Turnkey Tissue Projects

50+ across 6

Export Countries

Continents

In the current reporting year, we are members in associations which play an important role in our sector, including:



CONFINDUSTRIA TOSCANA NORD
Lucca Pistoia Prato

Confindustria Toscana Nord, founded with the objective of strengthening the representation, heightening the operational efficiency standards and maintaining and enhancing the interpretation and grounding of the territories of Lucca, Pistoia and Prato.



LU.ME, a project born in 2013 thanks to the joint effort of nine metalworking companies from Lucca - Toscotec amongst them - who wished to conceive, plan and implement useful and effective initiatives together for the local territory's development and its people.



Today, Toscotec's headquarters are still in Lucca, but our operational sites are also located in China and the USA. We have business relationships across the globe with tissue and paper producers who represent our customers, and with suppliers such as components manufacturers, electrical and electronic equipment manufacturers, service suppliers and consultants.

We design and manufacture equipment for tissue and paper making production lines and provide the services associated with our technology.



RAW MATERIAL SUPPLIERS



TOSCOTEC PRODUCTION

Tissue Technology
Paper & Board Technology
Nonwovens Technology
Spare Parts
Services



CUSTOMER PAPER MILLS



1.2 Tissue

We specialize in the design of systems for **stock preparation** and processing of virgin cellulose fibres, recycled and other non-wood fibres, with design solutions that offer significant energy and resource savings. The focus towards energy efficiency, along with developments in the reduction of resource usage, have contributed to fuelling our research and development efforts. These efforts resulted in the launch of process solutions and innovative components of stock preparation lines for tissue and paper and board machines, as well as for new complete plants and rebuilds.

Toscotec's **tissue machines** are designed to optimize your production process and minimize manufacturing costs through energy efficiency and resource savings.

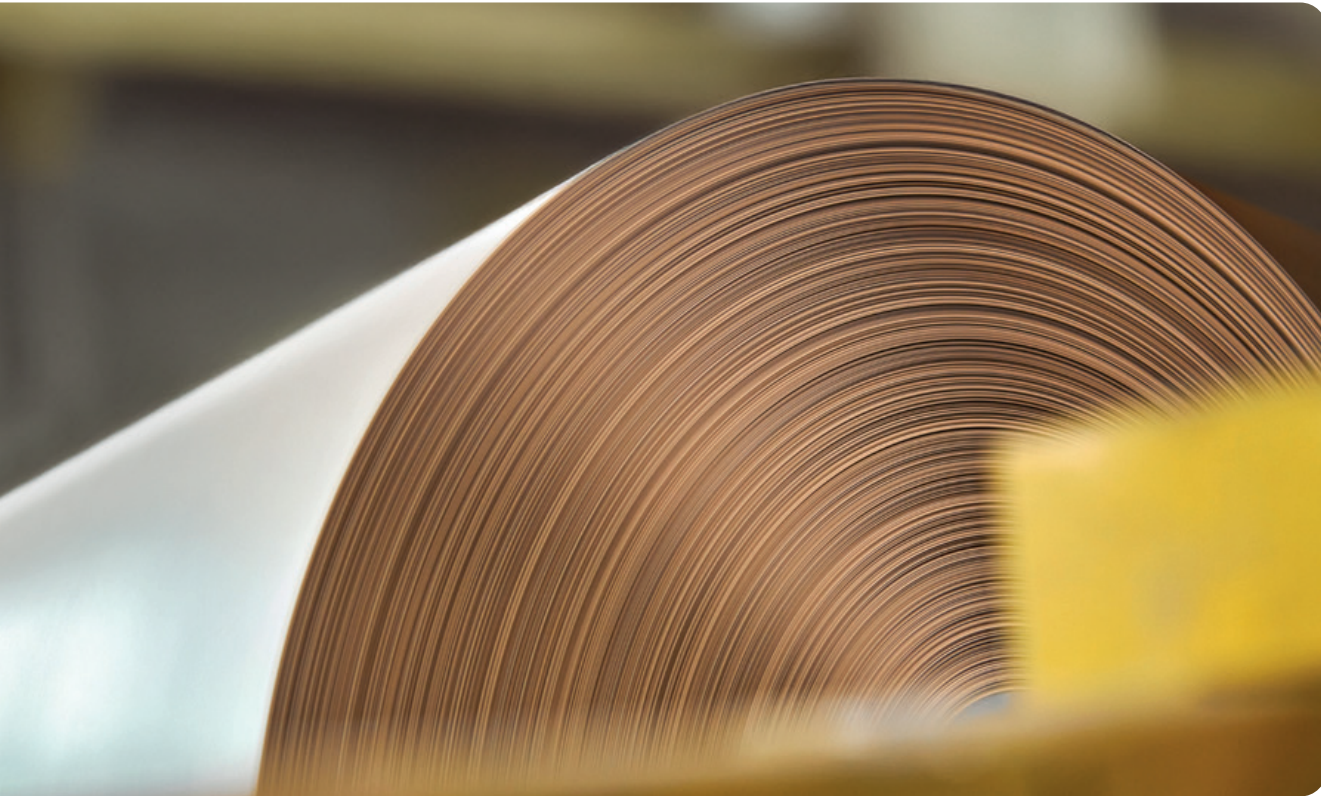
The AHEAD line is designed to produce high quality tissue (conventional wet press tissue or CWPT) of any grade. The TADVISION delivers superior bulk and absorbency and, thanks to the patented design of its drying section, significantly reduces the energy consumption of traditional Through Air Drying technology (TAD) machines.

Our expertise and innovative solutions have also yielded a range of single components and rebuilds, designed to enhance the performance and efficiency of tissue manufacturing processes.

Every single element is meticulously engineered to meet the highest industry standards, ensuring seamless integration into existing equipment. From steel Yankee dryers to Yankee hoods, from steam and condensate systems to energy recovery solutions, we supply a wide array of top-of-the-line components to optimize tissue production. Our rebuild projects are tailored to breathe new life into existing equipment, enhancing their performance and extending their durability whether it be a complete rebuild or upgrading specific sections of production line.

Toscotec's OPTIMA line is made of high-performance **rewinders** that represent the perfect match for Toscotec's AHEAD high-speed tissue machines.





1.3 Paper and board

Our technology portfolio includes:

- Complete lines from headbox to the winder, including stock preparation and main auxiliary systems.
- Paper machine rebuilds including components, machine sections, and major rebuild affecting several sections of the paper machine.
- Tailor-made products: TT SteelDryer, ropeless tail threading TT AirTail, headbox with dilution control system, and TT SizePress.
- Services and technological surveys.

Toscotec's product portfolio was developed to offer state-of-the-art technology, and it is tailored engineered for each specific installation.



1.4 Nonwovens

Toscotec offers a new generation of winding, rewinding and handling systems for all type of nonwovens production, based on high control, product care and high efficiency. Designed for medium and high-performance plants, OPTIMA Nonwovens End Line works to preserve the initial nonwovens properties starting from the winding of the parent reel.

1.5 Our mission

2-23, 2-24

As a company and as part of the Voith Group we are committed to making a demonstrable and lasting contribution to the sustainable development of the company, of society, and the environment.

Our mission is to offer advanced and sustainable technological solutions, establish trusted relationships with our stakeholders, guarantee special consideration to our employees, and integrate business growth with the well-being of people, protection of the planet, and support for our community.

Our vision pushes our business model to be driven by responsibility, where technology, people and the planet receive the same attention, to ensure a harmonious balance between business success and global well-being.

Toscotec applies Voith's Code of Conduct, which defines how the Group works internally and deals with its customers and business partners. It sets out clear standards that are aligned with established external charters and principles.

Key principles of the Code include:

- Upholding fundamental human rights, fair working conditions, and rejecting child and forced labour
- Protecting the lives and health of our employees, protecting the environment, and sustainable business practice
- Setting high quality standards for our products and the qualifications of our employees
- Respectful treatment, tolerance, and safeguarding equal opportunities
- Responsible handling of information, regarding confidentiality, data privacy and information security, insider knowledge, and due reporting obligations
- Law-abiding behaviour toward the public, in particular the prevention of money-laundering and full compliance with import and export control regulations, and tax obligations

- No corruption and bribery: neither offering, granting, or demanding bribes, nor accepting unfair advantages
- Respect for the rules of fair competition
- Avoiding conflicts of interest

In conjunction with our General Purchasing Conditions (GPC), the Code of Conduct defines our Group's basic understanding of partnership-based cooperation with suppliers and sets out guidelines on dealing with compliance issues, as well as environmental and social standards in the supply chain. Through the GPC the Code of Conduct thus becomes an integral part of our contractual relationships with suppliers: its breaching is met with disciplinary measures or with the termination of business relationships.

The Code, which is regularly updated, is applied within our company at all levels and is made public on our website. More generally, our team is aware of all relevant Voith directives and of each of our company's policy commitment and takes care to apply them throughout daily activities.

Our company's commitments in terms of compliance, integrity, transparency, fairness, and professional development are more explicitly formulated and contextualized in relation to national law through a **Code of Ethics**. This is part of the corporate model we have adopted in compliance to Legislative Decree n. 231/2001, hereafter called MoGC 231.

We also implement an **Anti-corruption policy** and a **Human Rights policy** with the aim of strengthening our company's due diligence.



2. ■ **Our approach to sustainability**

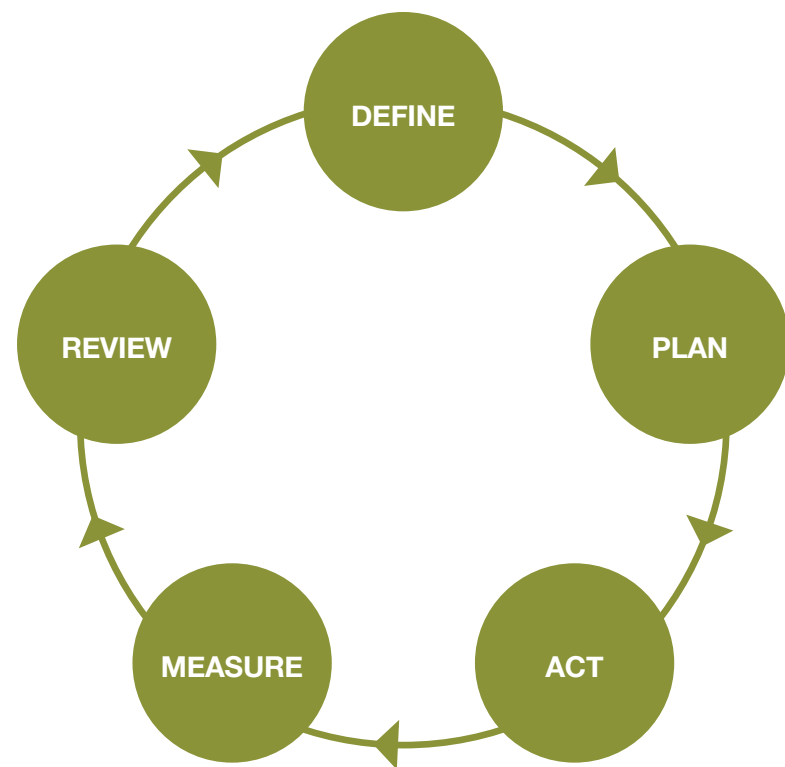
2.1 Reporting principles

2-2, 2-3, 2-5

Sustainability reporting has become a crucial tool for companies to transparently communicate their practices across the three dimensions of sustainability - environmental, social and governance (ESG) – to their stakeholders.

By publishing our first Sustainability Report, we aim to contribute to the global effort of enhancing company accountability by documenting our impacts on people and the environment, as well as our commitments to sustainable development.

We believe sustainability reporting can drive operational efficiencies and innovation, encouraging cost saving through reduced energy consumption and waste, as well as mitigate risks associated with regulatory changes, resource scarcity and reputational damage.



This document outlines our sustainability performance with reference to the same boundaries and reporting period as used in our financial statements. The entities included in our Sustainability Report encompass our Italian sites in Lucca, Massa and Pinerolo, including our headquarters and two secondary locations. All the information reported pertains to the fiscal year 2023-2024, from October 1st, 2023, to September 30th, 2024.



We have prepared this Report following the internationally recognized Global Reporting Initiative (GRI) guidelines. The Report was published on 27/03/2025 and can be consulted online at the following address: www.toscotec.com
Since this is our first reporting year, the content of this document has not been subject to external review; the possibility of such a review will be considered for future reporting cycle.

2.2 Stakeholder engagement

2-29

Defining our stakeholders was an essential step in our sustainability reporting journey. We have identified our primary stakeholder categories, both internal and external, using the AA1000 Stakeholder Engagement Standard developed by Accountability.

Responsibility, Influence, Proximity, Dependence, and Representativeness were the criteria guiding our assessment of our stakeholder categories, which are listed in the following table.

STAKEHOLDER CATEGORIES	DEFINITION
Workers	Individuals employed by or working on behalf of Toscotec, including their representatives (e.g. trade unions)
Suppliers	Entities that provide Toscotec with raw materials, services and technology
Clients	Users of Toscotec products, including consumer associations
Competitors	Organizations that represent the competition within Toscotec's industry sector
Society and local communities	The social context of the communities surrounding Toscotec's sites, which may directly or indirectly influence Toscotec's activities
Institutions	Institutions that can directly or indirectly impact Toscotec's activities (e.g. Region, Province, City Council where Toscotec's sites are located, Universities)
Investors	Individuals or entities that currently hold or may hold shares in Toscotec
Financial institutions	Banks and credit institutions that may contribute to the financing of Toscotec's activities
Associations and NGOs	Private, non-profit associations and organizations that may operate in areas directly or indirectly related to Toscotec's activities (e.g. environmental and industry associations)
Media	International, national, and local media outlets (e.g. television, press, radio and online media) that may directly or indirectly influence Toscotec's activities

An indirect stakeholder engagement activity was implemented for the 2023-2024 reporting period, consisting of a documentary analysis which aimed at identifying the sustainability topics of highest importance from our stakeholders' perspective. Additionally, we directly engaged our workers through a dedicated survey that served the same purpose.

2.3 Materiality assessment

3-1, 3-2

At the heart of this document is the materiality assessment, conducted to lay the foundation for Toscotec's first sustainability reporting cycle and to inform future cycles. According to the latest version of the GRI standards:

“Materiality is the principle that organizations should report on topic that are most relevant and material to their operations and stakeholders. Material topics are those that could reasonably be expected to have a significant impact on an organization's ability to create value in the short, medium or long-term. Materiality is determined through a process of assessing the potential impact of topics on an organization and its stakeholders, taking into account the perspectives and priorities of the latter.”

Our management was therefore involved in identifying and evaluating our company's actual and potential, positive and negative impacts on the economy, environment, and people. An in-depth analysis of our corporate context and industry, along with an understanding of external perspectives, expectations and needs, informed the identification and assessment of these impacts, although no applicable Sector Standard was available as reference.



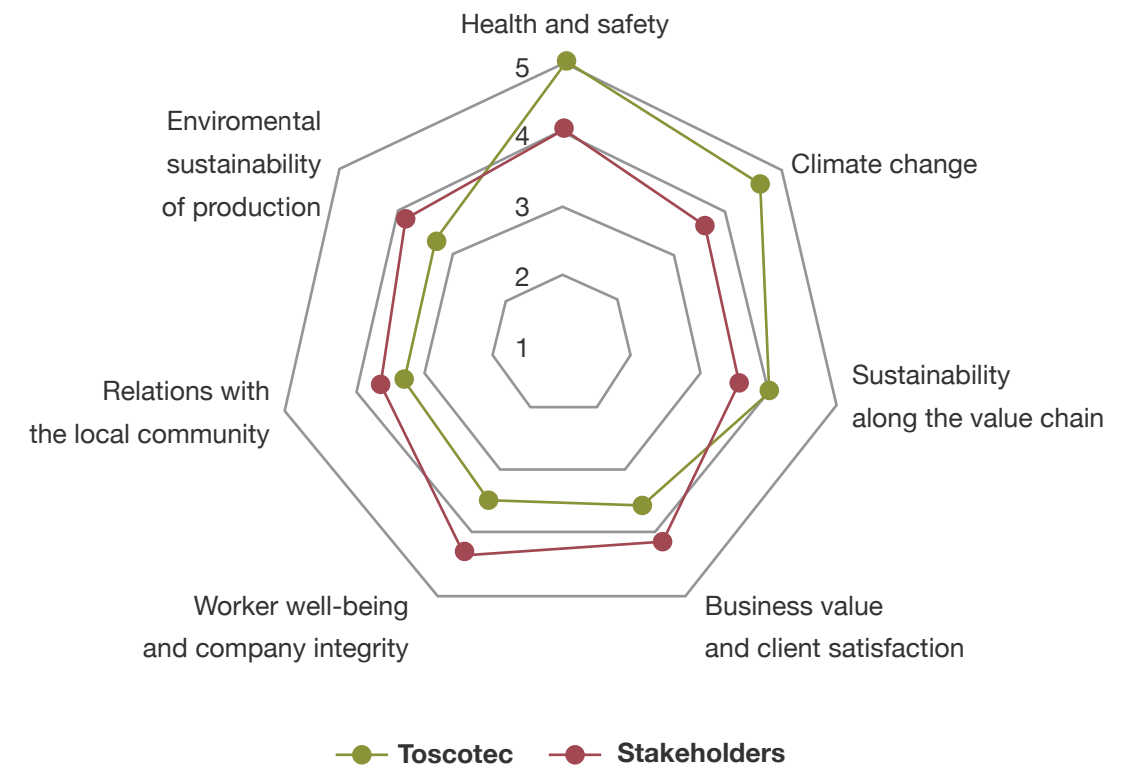
Each impact's relevance was assessed based on the likelihood of its occurrence and scope. Material impacts were grouped together and prioritized, resulting in a list of ESG topics material to our company.

The following table presents Toscotec's seven material topics ranked by relevance in descending order, each accompanied by our stakeholders' assessment of their significance.

MATERIAL TOPIC	DEFINITION	STAKEHOLDER ASSESSMENT ¹
Health and safety	Protecting the health, safety and psychophysical integrity of our collaborators, also in terms of workplace quality, by encouraging the development of a solid internal work culture and by adhering to the highest national and international standards on the topic.	+++
Climate change	Committing to monitor and reduce greenhouse gas emissions produced by our own activities and along our value chain, with the long-term goal to develop mitigation and adaptation strategies to changing climate conditions.	++
Sustainability along the value chain	Promoting environmental and social sustainability along the value chain through the development and distribution of carbon free technologies and of products with low impact on water as a resource, attention towards the well-being of ecosystems and biodiversity in relation to significant sites, as well as through a responsible selection of suppliers.	+
Business value and client satisfaction	Creating and distributing value through our company, its business relations, its direct and indirect economic impacts, and our endeavours to guarantee our stakeholders' safety and satisfaction. This includes practices regarding the quality of products and services offered, the transparency of commercial transactions, the management of clients' complaints and feedback, and the privacy and safety of clients' information.	+++
Worker well-being and company integrity	Guaranteeing a satisfying, inclusive and ethical workplace, through a constant attention towards equal wages and professional development opportunities, hiring and promotion processes based on merit, and supporting a sustainable life-work balance. All this while upholding a wider commitment towards maintaining high ethical standards and behaviours within the company, including the promotion of transparency, the prevention of corruption, the respect of laws and regulations, and the ethical management of stakeholder relations.	+++
Relations with the local community	Establishing interactions with local communities, defined as such with reference to the global economic context, for their benefit and support.	+
Environmental sustainability of production	Reducing, compensating and managing negative environmental effects produced by production through the adoption of a proactive approach to minimise the production process's ecological footprint and of actions and policies to reduce or eliminate the pollution of environmental matrices like air, water and soil such as emissions' control and sustainable waste management in favour of circularity.	+++

¹ The stakeholders' assessment is here expressed on a scale from + (minimum significance) to +++ (maximum significance)

Material topics' relevance



The materiality assessment revealed a high degree of alignment between our internal evaluation and our stakeholders' views on the sustainability topics material to our company.

Health and safety emerges as a top priority for both Toscotec and our stakeholders, reflecting the significant impact a business in our sector can have on people's well-being. Climate change and sustainability along the value chain are also key topics for our company and form integral pillars of our sustainable production strategies.

Our stakeholders place particular emphasis on client satisfaction, worker well-being, and company value and integrity, reflecting shared concerns about impacts on people's prosperity and our performance in social responsibility.

The materiality assessment will guide our commitments and actions in the three spheres of sustainability, ensuring our business evolves responsibly and positively over time.

3. ■ A path towards sustainable production

The Voith Group has set ambitious **environmental goals for its Paper Division** and the future of paper production:

- 100% carbon-neutral paper production by 2030, using energy-optimized products, digital solutions, renewable power, and innovative solutions.
- 90% freshwater savings through a completely new paper production process utilizing disruptive technologies by 2030
- 90% recycling rate with new fiber streams by 2030

As a Voith company, Toscotec is committed to contributing to the achievement of these goals by defining our own sustainability targets and the actions we implement to meet them.

3.1 “Lean” manufacturing

301-1, 302-1, 303-1,2,3,4, 305-6,7, 306-1,2,3,4,5

Efficiency is a key aspect of the strategy we follow to reduce the environmental impacts of our activities. Over the years, our company has consistently refined its production systems, eliminating any non-essential processes and outsourcing the manufacturing of certain components. This strategic optimization has not only streamlined our operations but also positioned us to improve our environmental performances, with a primary focus on reducing waste and minimizing resource consumption, ultimately making our production “leaner” and more **sustainable**.

In the reporting period, our **in-house manufacturing** required the use of 2,506 tonnes of metals, which represent the primary material category in our machines’ composition. When considering the manufacturing process and packaging together, we consumed a total of 2,527.8 tonnes of non-renewable materials, including metals and plastics, and 39.5 tonnes of renewable materials, represented by paper and wood.

A non-renewable material is defined as a natural resource that cannot be replenished within the average duration of a human lifetime once depleted². Metals and materials of fossil origin, such as plastics and fossil fuels, fall into this category.

The European Union has set ambitious targets for their recycling and reuse to reduce the negative impacts generated by the exploitation and depletion of virgin natural resources. The metals we acquire within the European Union contain quotas of recycled material, which vary depending on the type of metal.

² Source: European Commission. 2000. Analysis of the fundamental concepts of resource management

MATERIALS USED FOR PRODUCTION [Tonnes] ³		
CATEGORY		FY 23-24
Renewable	Paper	2.6
	Wood	36.8
Non-renewable	Metals	2,506.5
	Plastics	21.3
Total		2,567.3

We also strive to limit our use of energy resources of fossil origin. During the fiscal year 2023-2024, our **internal energy consumption** totalled **9,790 GJ**. While nearly 60% of this value was tied to the stationary combustion of fuels from non-renewable sources⁴, more than 40% of it was represented by the consumption of electricity from **renewable sources**.

The total amount of electricity we used this year was 3,953 GJ, of which 87.0% was purchased with a guarantee of origin, 1.4% was purchased from the grid, and 11.6% was self-produced with photovoltaic panels. This means that we purchased and consumed 3,439.6 GJ of electric energy from renewable sources, covering 100% of the electricity used in our production sites, while we purchased and used 56.3 GJ of electric energy from mixed sources, corresponding to the consumption of our non-productive site at Pinerolo. Nearly half of the total electrical energy generated by our **photovoltaic plant** was used within our organization, while the remaining 473 GJ was sold.

INTERNAL ENERGY CONSUMPTION [GJ]		
TYPE		FY 23-24
Fuels from non-renewable sources	Diesel fuel	207.4
	Natural Gas	5,627.0
	LPG	2.6
Purchased electricity		3,495.8
Self-generated electricity from photovoltaic panels		457.2
Total energy consumed		9,790.0

Our activities are not **water**-intensive, and our plants are not subject to any special authorization beyond the legal requirements applicable to civil water facility users. Nevertheless, we have calculated the environmental risk associated to our interactions

³ The data for FY 23-24 include inhouse products only and are based on the packing list filled in before shipping

⁴ It was not possible to include the company fleet combustion in the calculation

with water as a shared resource, taking into consideration that our operations occur in areas characterized by medium-high water stress levels⁵. Although the risk remains low in normal conditions, we monitor water use and potential negative impacts tied to it both in relation to our activities and to those of our suppliers and clients.

During the reporting period, we withdrew approximately 11.6 Megalitres of water for potable and industrial use from wells and the area's aqueduct and discharged an estimated equivalent amount in the local sewage system. The water thus discharged was characterized by total dissolved solids concentrations not exceeding 1,000 mg per litre, which meets the acceptable level of drinking water quality according to international standards.

WATER WITHDRAWAL AND DISCHARGE [MJ]		
CATEGORY		FY 23-24
Water withdrawal ⁶	from aqueduct	5.91
	from well	5.73
Water discharge ⁷	in sewage	11.64

Our environmental management systems include a careful analysis of the impacts we generate in relation to **waste** throughout our value chain. The most significant impacts related to our own activities and the waste they generate are the production of oils used for lubrication and of residual paint from the painting process of parts of the tissue machine structure conducted in a dedicated space. We also produce chemical waste from our pickling processes, which consist in a treatment of metal surfaces to remove oil and processing residues from them.

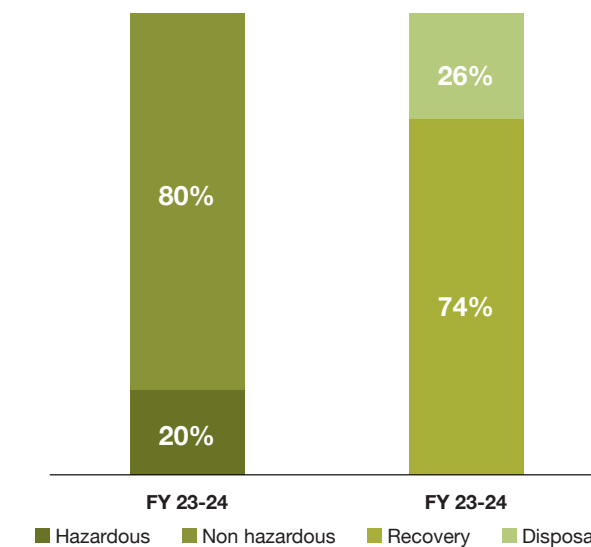
The lubrication oil and pickling residues are collected inside dedicated tanks and subsequently disposed of by a certified company. The paint residue was collected in special containers and disposed of according to the requirements for their specific European waste code (or EER) until early September 2024, when the painting activity was discontinued.

During the reporting period, we generated 1,024 tonnes of waste. Most of this was classified as non-hazardous (80.5%) and directed to recovery (73.6%). We carefully monitor and quantify our waste flows, implementing actions for our waste's storage and preparation for recovery or disposal operations managed by third parties.

The negative waste-related impacts along our value chain are limited since our suppliers' waste falls in categories similar to our own while our products are characterized by a very long useful life, often further extended by revamping interventions, as well as end of life treatments leading to material recovery.

WASTE GENERATED [Tonnes]		
CATEGORY		FY 23-24
Hazardous	Directed to disposal	200.0
	Directed to recovery	0.0
	Total	200.0
Non hazardous	Directed to disposal	70.5
	Directed to recovery	753.8
	Total	824.3
Total Waste Generated		1,024.3

Waste generated by type and end of life treatment



⁵ This categorization is based on the Water Risk Atlas definition of water stress (see <https://www.wri.org/aqueduct>)

⁶ The quantity of water withdrawn from the aqueduct derive from bills while that of water withdrawn from wells derive from meter readings

⁷ The quantity of discharged water was estimated as being roughly equivalent to the total amount of withdrawn water

The **atmospheric emissions** generated by our welding, painting, pickling, sharpening, sandblasting cutting, and chip removal processes are monitored through targeted annual analyses at all major emission points. We have managed to eliminate all ozone-depleting emissions from our air conditioning units by substituting HCFC 22 with R407 gas, which is not considered to be harmful to the ozone layer.

EMISSIONS IN THE ATMOSPHERE [Kg]	
CATEGORY	FY 23-24
Particulate matter (PM)	12,392.0
Volatile organic compounds (VOCs)	1,995.0
Hazardous air pollutants (HAPs)	179.2

3.2 Sustainability along the value chain for paper production

302-5

Promoting the sustainable use of natural resources along the value chain is just as important to us as responsibly managing our own material and energy efficiency.

We estimate that, assuming 2015 as our baseline year, in the reporting period of 2023-24 the reduction of the total energy requirement for one of our AHEAD 2.2L tissue machines is up to 500 MWh per ton of paper produced. This calculation took into consideration an annual production capacity of 60,000 tons of tissue for this tissue machine's model and assumed 100% production efficiency⁸.

As part of its strong effort to the decarbonisation of the tissue industry, Toscotec has developed the first high-performance tissue line in the world designed to operate 100% - both for its electric and thermal energy requirements - on green electricity coming from solar and wind plants.

In tissue production **water** is an essential component for fibre transportation, equipment cleaning, lubrication, cooling, and for achieving high tissue quality. Due to growing economic and environmental pressures, water-saving solutions are among the most important driving forces for paper technology development. It is important to underline that pushing the tissue making process toward actual water reduction has significant negative impacts on several technological operations, such as the accumulation of contaminants

⁸ These are average values of AHEAD 2.2L production lines that are customized on the specific needs of the customer. The calculation methodology is based on industry standards by TAPPI (Technical Association of the Pulp and Paper Industry), on principles of fluid dynamics, as well as data derived from measurements on the field

due to a progressive closure of the paper water loop, which may cause paper defects and deteriorate tissue machine performances.

In this context, it is crucial to establish the right balance between advantages and disadvantages relevant to water consumption restrictions. The water consumption of today's paper-making processes varies between 5 and 20 m³/ton paper. There are two main approaches to reduce water consumption, which can be combined to maximize water savings:

- Implementation of advanced water treatment processes for wastewater recycling and re-use
- Development of new technologies that reduce water consumption.

We have managed to lower freshwater consumption in our tissue-making plants significantly over time by developing and using best practices and most advanced available technologies, and by focusing on four main areas:

- 1) Machine showers
- 2) Suction roll and process equipment sealing technologies
- 3) Cooling utilities management
- 4) Stock preparation

In 2015, one of our high performance AHEAD 2.2L tissue machines consumed 6 to 7 m³ of water per ton of paper produced. In 2024, considering average values for this model, one AHEAD 2.2L plant consumes 4 to 5 m³ of water for the production of each ton of paper.

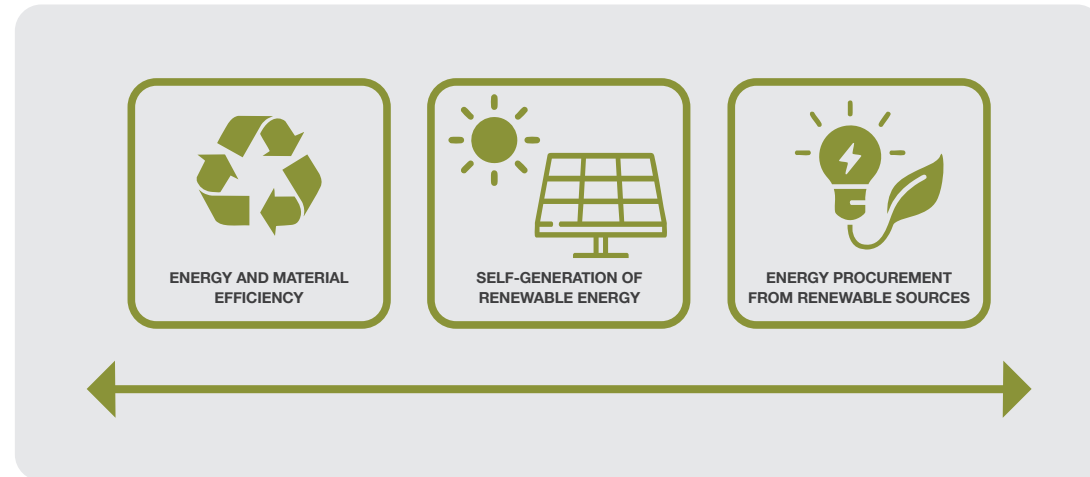
3.3 Decarbonizing the paper industry

305-1,2,4 302-3

Decarbonizing the paper industry is a fundamental part of our mission and central pillar in our **climate strategy**. It starts with actions regarding our own activities: measuring our energy-related performances, enhancing our efficiency and implementing actions to advance our independence from fossil resources.

Energy consumption is closely tied to **greenhouse gas (or GHG) emissions**, which are the primary drivers of global warming and are therefore used to measure impacts on the climate and more generally on the environment.

The use of fossil fuels generates considerable amounts of GHG emissions. As a result, increasing our energy efficiency and energy procurement from renewable sources represents the first step in lowering our company's **climate impact**.



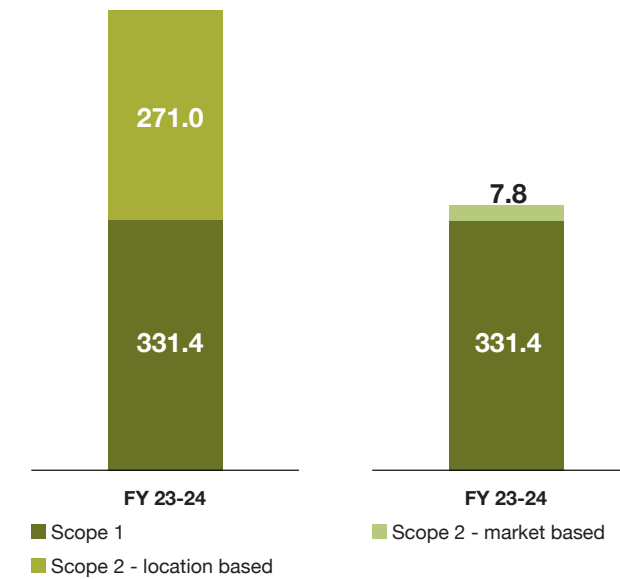
The following step is pushing our value chain towards reducing its GHG emissions, which is a complex undertaking we have already initiated in the context of our research projects and initiatives aimed at developing carbon-neutral technologies and low-emission products. Following the GHG Protocol guidelines, we calculated the GHG emissions we produced this year through our internal energy consumption. These emissions fall into the following categories:

- **Direct GHG emissions (Scope 1)**, or the GHG emissions that occur from sources that are owned or controlled by an organization. They are directly generated by an organization through the combustion of fossil fuels for heating, industrial processes or transportation.
- **Indirect GHG emissions (Scope 2)**, or the GHG emissions associated to the production of the energy acquired by an organization. They are indirectly generated by an organization's consumption of purchased electricity and may be calculated following the **location-based approach** or the **market-based approach**. The first requires the use of an emission factor tied to a region or country's average energy mix, while the second requires the use of an emission factor calculated with reference to a supplier's specific energy mix.

In the fiscal year 2023-2024, our total direct GHG emissions were **331.4 tonnes of CO₂ equivalent**. These correspond to our Scope 1 GHG emissions, generated by our use of fuels from non-renewable sources. According to the location-based calculation method, our Scope 2 GHG emissions amounted to **271.0 tonnes of CO₂ equivalent**. From a market-based perspective our Scope 2 GHG emissions were **7.82 tonnes of CO₂ equivalent**, since 98.4% of the electricity we purchased and used came from renewable sources.

GHG EMISSIONS SCOPE 1 AND 2 [tCO ₂ e]	
CATEGORY	FY 23-24
Direct GHG emissions Scope 1⁹	
Natural gas	315.71
Diesel fuel	15.52
LPG	0.16
Total	331.40
Indirect GHG emissions Scope 2 - location based¹⁰	
Purchased electricity	270.99
Total	270.99
Indirect GHG emissions Scope 2 - market based¹¹	
Purchased electricity	7.82
Total	7.82

GHG emissions [tonnes of CO₂ equivalent]



Our energy intensity this year amounted to 60.12 GJ/M€ of revenues, with reference to internal energy consumption, while our Scope 1 emissions intensity was 2.04 tCO₂e/M€. Tracking our emissions intensity in relation to revenues provides us with a sustainability performance metric which offers a tangible way to measure and manage our environmental impact relative to our financial performance.

⁹ Emissions factor from DEFRA 2023: natural gas 0.056 tCO₂e/GJ, diesel fuel 0.075 tCO₂e/GJ, LPG 0.064 tCO₂e/GJ

¹⁰ Emission factor from Ecoinvent 3.10: electricity location based 0.078 tCO₂e/GJ

¹¹ Emission factor from Ecoinvent 3.10: electricity market based for electricity purchased with guarantee of origin 0.000 tCO₂e/GJ. Emission factor from AIB European residual mix 2023: electricity market based for electricity purchased from grid 0.139 tCO₂e/GJ

4. ■ Solid foundations

4.1 Structure and responsibility

2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-26

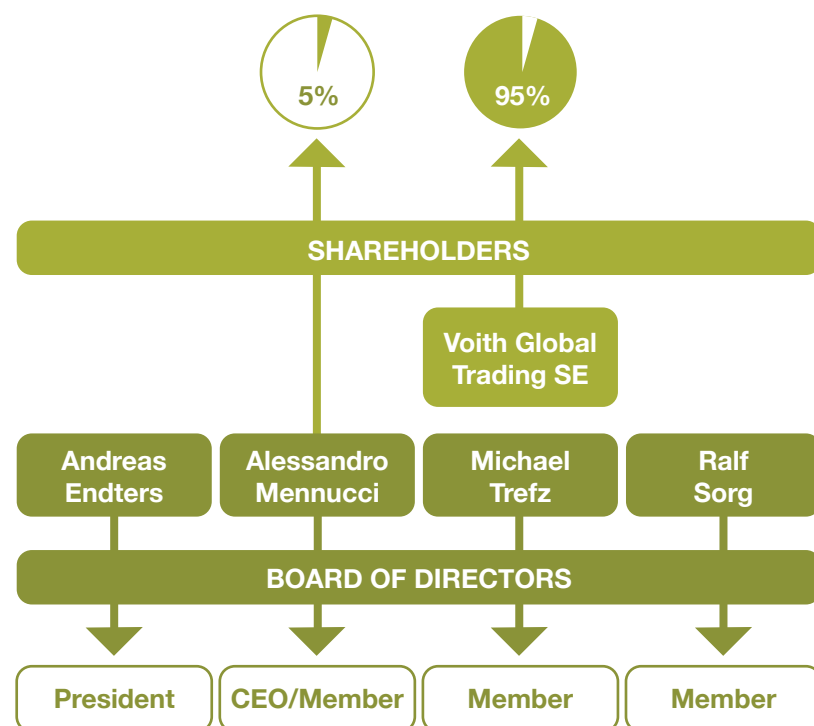
Our Group values underpin our corporate culture and management approach.



We have adopted a traditional governance model with a **Board of Directors** as the highest governance body, in charge of the strategical and operational management of the company, sided by three **statutory auditors**, in charge of controlling our company's financial statements, compliance with regulatory requirements and internal processes' effectiveness.

The Board is composed of the following members: Andreas Endters (the Board's President and President & CEO of Voith Paper), Alessandro Mennucci (our Chief Executive Officer), Michael Trefz (President of the Project Division of Voith Paper) and Ralf Sorg (CFO of Voith Paper).

Each member is appointed by the company's shareholders. The Board's President is the President and CEO of the Voith Paper Division and does not cover the position of senior executive in our company. Group directives are in place to prevent conflicts of interest from occurring within our company, such as the application, among other tools, of the four-eye principle. This controlling mechanism, which requires that an activity or decision must be approved by at least two people, facilitates delegation of authority and increase transparency within our governance processes.



Our CEO, Alessandro Mennucci, plays a crucial role in reviewing and approving corporate strategies, policies, and objectives, while our leadership team oversees the management of the impacts generated by our organization's activities, engagement with stakeholders, and review of Toscotec's internal processes. The latter reports its results relating to these management tasks to the Board through the Sustainability Report.

For these dynamics to effectively work and support a sustainable form of governance, it is important that the Board accrue its knowledge and skills regarding sustainable development topics over time. Our governing body does this with the aid of training programs, dedicated meetings, and reporting.

The sustainability of our governance model is also founded on the concept of **bottom-up action**. The communication of concerns and reporting of negative impacts is a crucial principle outlined and disciplined by our Code of Conduct and company policies. Stakeholders, both internal and external to our company, are encouraged to signal both grievances and critical issues related to our company's activities which need addressing.

We have set in place a **whistleblowing** procedure through which grievances can be communicated to our governing body through external supervisors. Many other internal channels exist, furthermore, which allow employees to seek advice and raise concerns, including meetings and moments dedicated to discussion with the leadership teams and daily exchanges between colleagues.

Certifying our processes is a final key factor playing into our idea of sustainable governance.



The Eco-Management and Audit Scheme (EMAS) guides us in the identification of our environmental impacts, establishment of objectives and targets to reduce them, implementation of a robust environmental management systems, evaluation the systems' effectiveness and reporting on environmental performance.



Our Environmental management systems are also ISO 14001 certified, strengthening their soundness by lending them authority based on international standards in addition to European regulations.



Most recently we have also implemented an ISO 50001 certified Energy management system with a view of upgrading our energy performance. This certification has been harmonized with our previous environmental certifications.



We have also certified our Occupational health and safety management in compliance with standard ISO 45001. Its key elements include leadership commitments, worker participation, hazard identification, risk assessment, legal and regulatory compliance, and incident investigation.

Our corporate sustainability strategy encompasses the achievement and long-term maintenance of key ISO certifications. Together, our Health, Safety, Environment (HSE) and Sustainability teams progressively increase our efforts to make our operations more sustainable through, amongst other things, the use of a PDCA (Plan, Do, Check, Act) cycle to guide constant improvement.



4.2 Nurturing value

201-1, 202-2, 204-1

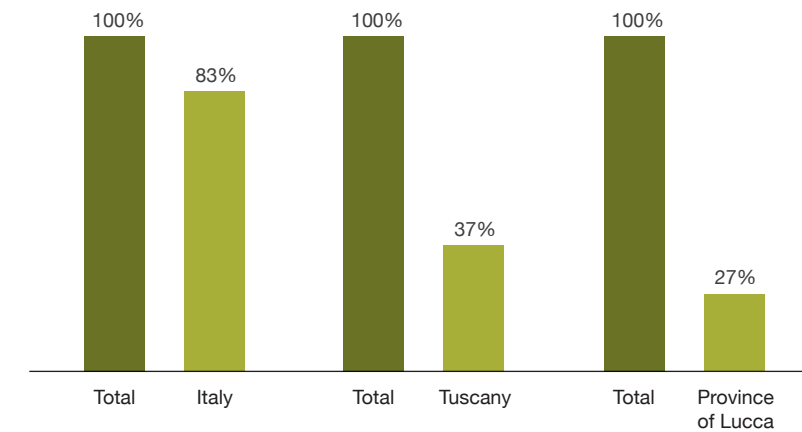
This year has marked a period of strong economic performance driving value creation and stability within Toscotec. Revenues exceeded 162 million €, reflecting a solid economic growth supported by robust market demand and improved operational efficiencies. Strategic investments and innovations have spurred our productivity in time, resulting in enhanced competitiveness in both local and global markets.

These positive trends have not only contributed to sustained economic expansion but also generated long-term value for stakeholders, reinforcing a foundation for future resilience. More than 97% of the total economic value our activities generated this year was distributed amongst our stakeholders, including our workers and suppliers, in the form of payments and operating costs.

GENERATED AND DISTRIBUTED ECONOMIC VALUE [k€]	
ECONOMIC VALUE	FY 23-24
Revenues	162,848
Distributed economic value	159,348
Operating costs	137,471
Employee wages and benefits	19,776
Payments to capital suppliers	-21
Payments to public administration	2,067
Investments in the community	55
Retained economic value	3,500

In the reporting period we spent around 120 million €¹² with our suppliers. While 17% of this value is tied to foreign supplying companies, 83% is associated to Italian suppliers or companies with a commercial base in Italy, more specifically in Tuscany (37%) and in the Province of Lucca (27%).

Supplier revenues by location FY 23-24



Our investment in local resources goes beyond our procurement practices; it includes a commitment to hiring our people from the local community. In the current fiscal year, all our executives reside in Tuscany, and most of them in the Province of Lucca.

In its capacity as a leading supplier of technology for the tissue and paper industry, Toscotec contributes to the industrial development of its territory through the creation of jobs and enhanced skills and knowledge in the paper technology sector, thanks to its sponsorships of education programs for the future professionals operating in the paper industry.

¹² This value represents our suppliers' taxable revenues and does not include intragroup supplying. Around 94% of the value is associated to 30% of Toscotec's suppliers.

As a company we also sponsor and donate to various local no-profit organizations and associations, such as Croce Verde, Telethon, Ospedale Meyer, Celsius Fondazione Lucchese per l'Alta Formazione e la Ricerca, A.S.D. Galaxy Baskin, and other sports associations in Lucca.

In June 2024, Toscotec organized “*Tissue Planet – Future Insights™*”, an event aimed at bringing together key players of the paper industry in a dialogue on the best available strategies and actions to make our industrial sector more sustainable.

At the *MIAC Tissue Conference 2023*, in a speech titled “Toscotec ramps up water and energy reduction in tissue making”, we presented leading-edge solutions to substantially reduce water consumption and our latest innovations in the drying section of the tissue machine aimed to achieve reductions in carbon emissions.



In October 2023, Toscotec sponsored the *Pianeta Terra Festival* for the second consecutive year. The festival aims to disseminate ideas and prompt conversations around sustainability and its second edition explored the theme of “The Network of Life”, i.e. the dense, ingenious network that binds together all living creatures.

We uphold the importance of partnership as a fundamental value and responded with enthusiasm to the festival’s theme and to the opportunity of taking part in a high-quality dialogue on sustainability with people from our province as well as visitors from other regions.

5. Our people

5.1 Integrity and well-being in the workplace

2-27, 205-1,3, 2-7, 2-8, 2-19, 2-20, 2-21, 2-30, 401-1,2,3, 404-1,3, 405-1,2

Integrity and transparency are fundamental values in our relationships with people both inside and outside of our company. We believe that fostering a culture of honesty and openness not only strengthens trust but also upholds our commitment to ethical business practices. To ensure we meet these high standards, we continually assess our operations for corruption risks and implement rigorous measures to detect and prevent unethical conduct.

These practices are supported by robust compliance systems, and we are proud to report that, in the reporting period, our company has not received any sanctions or penalties for non-compliance with laws and regulations.

We have identified and assessed risks related to corruption relevant for our activities, which fall in the following categories:

- Crimes against public order and governance
- Economic and financial crimes
- Corporate, labour, and occupational crimes
- Organized crime and criminal associations

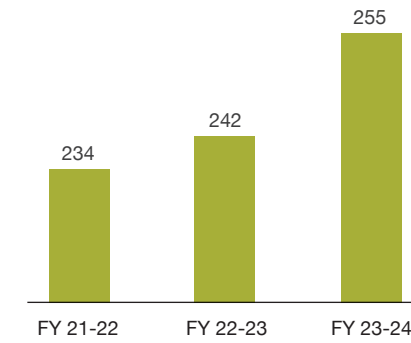
These risks are prevented, managed and controlled through our MoGC 231, anti-corruption policy and Supervisory Body in accordance with the latest regulation requirements.

Throughout the reporting period, we have not encountered any incidents of corruption or significant instances of non-compliance with laws and regulations relevant to our business and operational context.

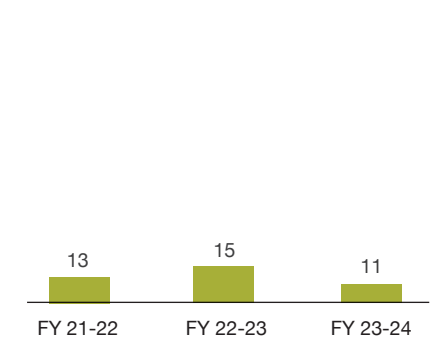
Our track record is largely due to the commitment our people demonstrate each day to act in accordance not only with our company's ethical business guidelines but also with strong personal values.

Our team has grown over the years and consists of 255 employees today. At the end of the current reporting period, we also had a total of 9 agency workers and 2 interns who contributed to our activities as non-employee collaborators.

Total number of employees



Workers who are not employees

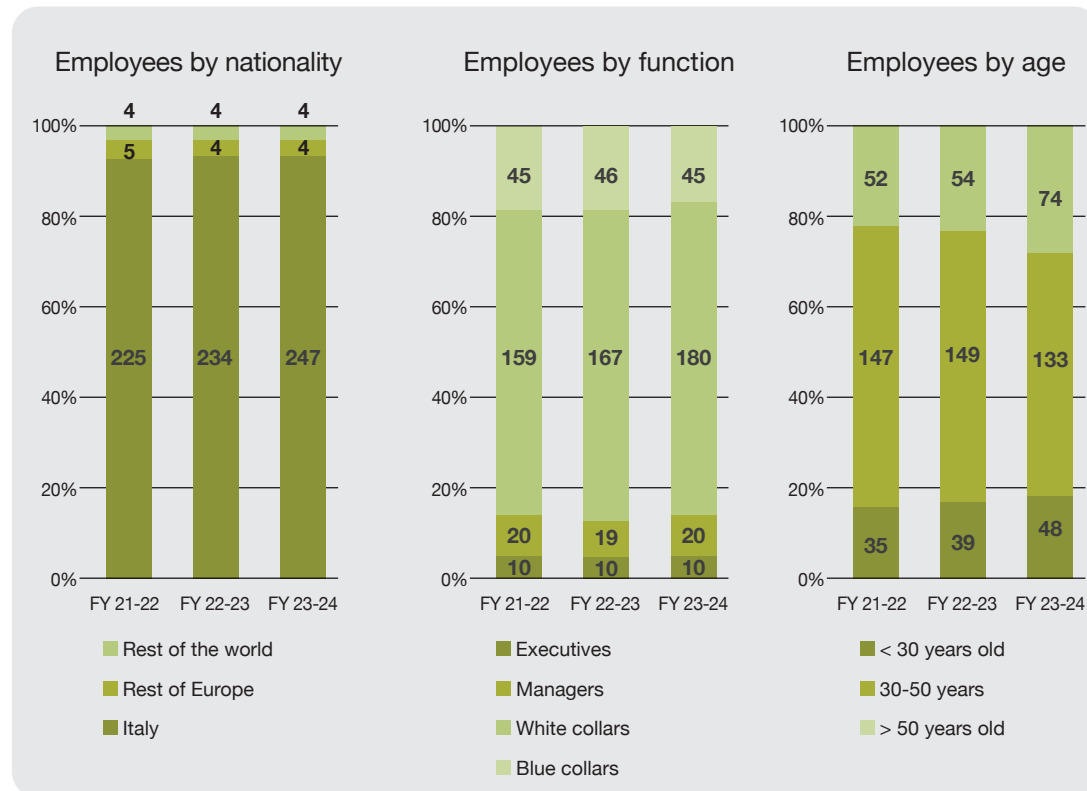


During each of the last three fiscal years more than 97% of our employees worked under permanent and full-time contracts. When hiring new resources, we aim to offer a set of contractual conditions suitable to accommodate a person's work-life balance while also ensuring their economic stability.

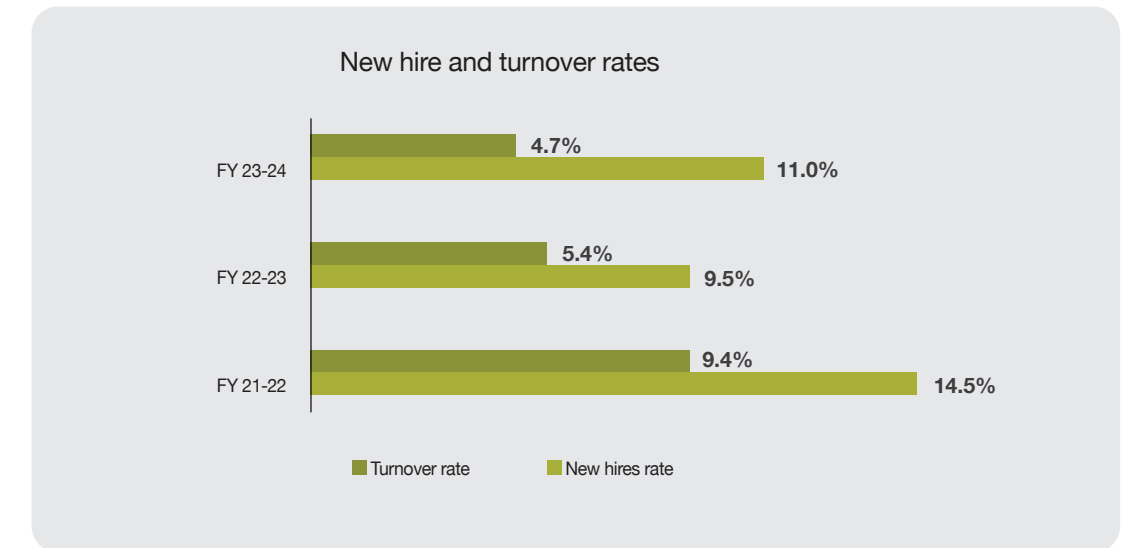
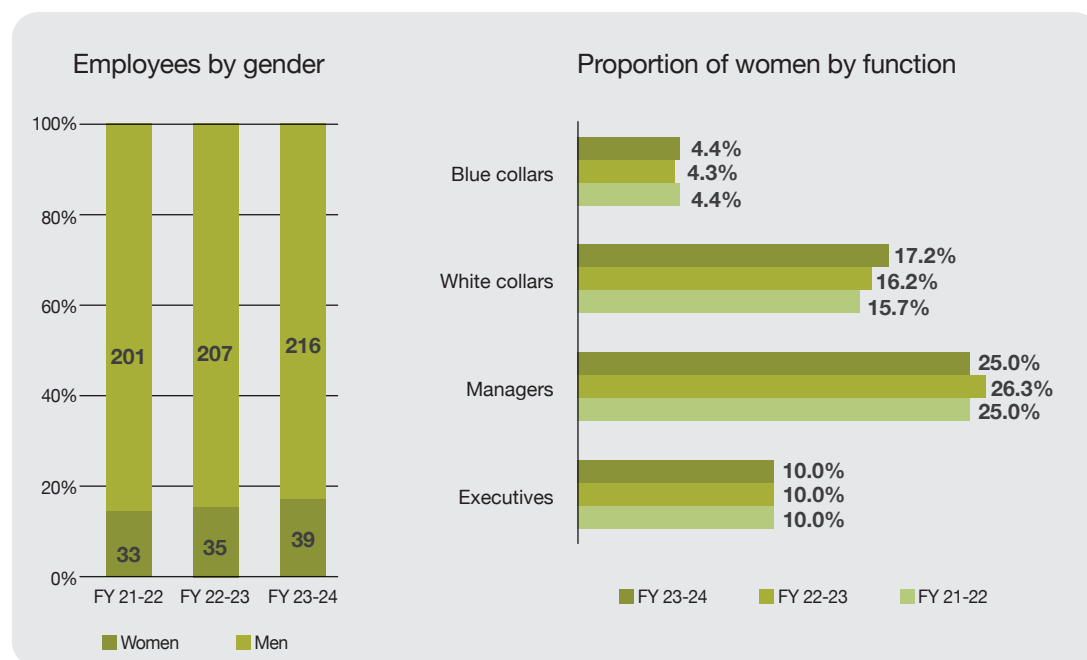
EMPLOYEES BY CONTRACT TYPE			
CONTRACT TYPE	FY 21-22	FY 22-23	FY 23-24
Permanent employees	227	236	249
Temporary employees	7	6	6
Full-time employees	228	236	249
Part-time employees	6	6	6

Our team's composition in terms of diversity and professional profiles has remained fairly stable since 2021. In the last fiscal year, there has been a more significant increase in the number of white-collar and of Italian employees than in that of employees belonging to other function and nationality categories.

In the current reporting year, the majority of our workers (52%) fell within the 30 to 50 year old age group, which represents the dominant age category for all functions with the exception of executives.



Today, women represent 15.3% of our staff and, more specifically, 10% of our executives, 25% of all managers, and 17% and 4% of our white collar and blue-collar workers respectively. The increase in female white-collar employees over the last three years aligns with this category's overall growth and our positive turnover during 2023-2024.



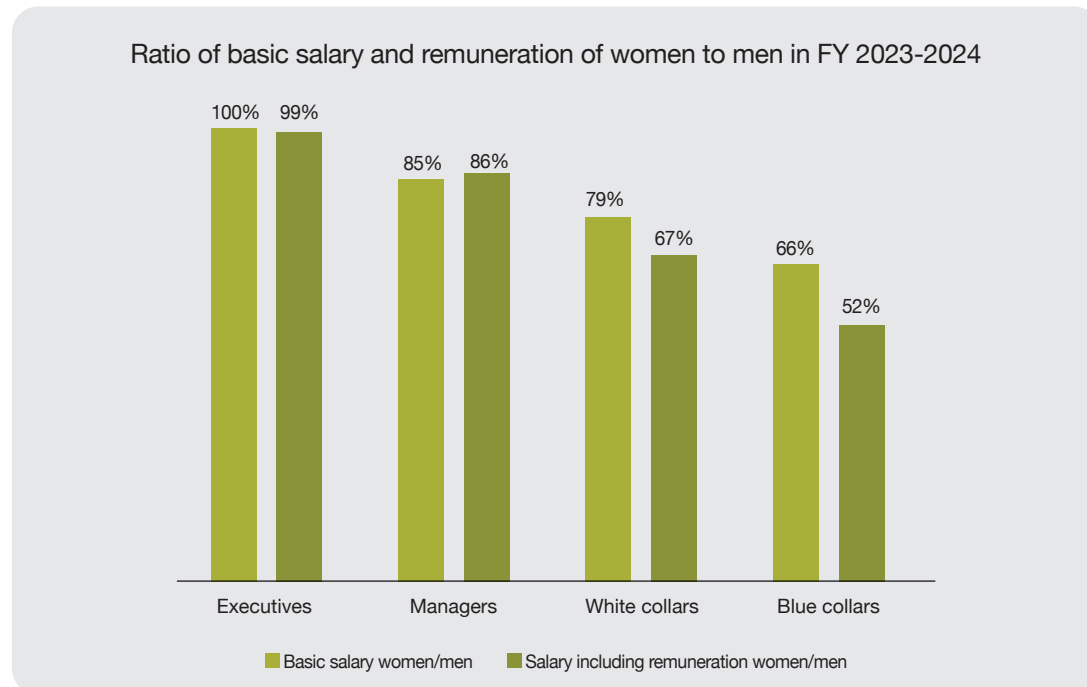
In 2023-2024 the annual total compensation ratio and the annual total compensation percentage increase ratio were respectively 7.12¹³ and 0.8¹⁴. At the end of the fiscal year the salary review is defined based on company results and on criteria determined by our CEO and HR department. In line with this, the CEO proposes salary increases and bonuses for senior executives to the Board of Directors, while the Board Director determines salary adjustments in favour of our CEO.

All our employees are covered by our sector's national bargaining agreement and internal contracts, which together ensure they receive benefits including health care and pension contributions and salaries going beyond the sector's minimum wages. Basic salaries and salaries after remuneration are differentiated based on the gender divergences present within our collective bargaining agreement of reference¹⁵, as expressed by the following ratios.

¹³ This value represents the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)

¹⁴ This value represents the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)

¹⁵ CCNL Metalmeccanico



Parental leave is an essential right that supports the well-being of individuals by allowing them to balance work and family responsibilities during significant life events. We believe that communicating clearly and enforcing what the law and our corporate policies grant in terms of parental leave for the benefit of all our workers without discrimination fosters a supportive environment that enhances employee satisfaction.

This belief is strengthened by the fact that all employees who were entitled to parental leave in the last three years took it and consequently continued working for us with a 100% return rate.

Finally, our company envisions ongoing training as both a legal requirement and a right in the professional environment. We constantly train our workers on occupational health and safety as prescribed by legislative decree n° 81/2008. At the same time, we treat our employees' training as an activity that enables them to develop both personal and professional skills, enhancing their expertise and fostering career advancement. Regular training not only helps individuals stay competitive in an ever-evolving job market but also supports personal growth and job satisfaction.

In addition to a total of 1,240 hours of mandatory training, we provided 1,375 hours of training on topics other than occupational health and safety, aimed at enriching transversal and technical skills.

NUMBER OF TRAINING HOURS PROVIDED			
CATEGORY		FY 23-24	
		TOTAL	PER CAPITA
Mandatory training	Executives	6	0.6
	Managers	72	3.6
	White collars	848	4.7
	Blue collars	314	7.0
	Women	110	2.8
	Men	1,130	5.2
	Total	1,240	4.9
Voluntary training	Executives	8	0.8
	Managers	72	3.6
	White collars	1,202	6.7
	Blue collars	93	2.1
	Women	144	3.7
	Men	1,231	20.9
	Total	1,375	5.4

We have consistently evaluated each of our employees' performance and professional development every year and without distinction by function.

5.2 Health and safety

403-1,2,3,4,5,6,8,9,10

Our occupational health and safety management systems follows all the requirements of legislative decree n° 81/2008. It covers all our workers and activities and is certified UNI EN ISO 45001: 2023 for our headquarter and production site in Lucca. Our HSE manager conducts a comprehensive risks assessment of all our work activities using analytical methodologies, internal procedures and following pertinent Group directives.

Training and briefing sessions are regularly planned to keep workers informed about work-related hazards, risks and safety procedures. Additionally, our HSE department, operations supervisors, and workers' safety representatives (RLSs) meet periodically to discuss and manage accident prevention. Dangerous conditions, near misses and workplace accidents can be reported through a dedicated internal procedure and a form, which ensure a prompt analysis of all reported occurrences while protecting reporters from any kind of retaliation.

Although there are no formal management-worker health and safety committees, the involvement of RLSs in training meetings and in safety audits ensures the continuous participation of our workers in the implementation of our health and safety management system, which is made available to all through Toscotec's IT portal.

Access to occupational health services is provided through the HSE department's continuous surveillance on site and its open interaction with workers, and through the opportunity open to everyone to raise specific points of interest during our periodic safety meetings, which are also attended by the company's occupational doctor. We have recently issued a new procedure to promote and facilitate workers' access to non-work-related medical and health care services, which specifically regards personnel vaccination, especially for workers travelling frequently and around the world.

During the reporting year, we recorded no work-related injury involving our employees and workers. We have had no recordable cases of occupational diseases or related fatalities.

NUMBER AND RATE OF WORK-RELATED INJURIES			
INFORMATION		FY 23-24	
		NUMBER	RATE ¹⁶
Employees	Man-hours worked	439,840	-
	Temporary injuries	0	0.0
	Permanent injuries	0	0.0
	Fatal injuries	0	0.0
Workers who are not employees	Man-hours worked	52,800	-
	Temporary injuries	0	0.0
	Permanent injuries	0	0.0
	Fatal injuries	0	0.0



¹⁶ The injury rates were calculated dividing the number of injuries multiplied by 1,000,000 by the number of man hours, thus standardizing the injury rate for every million man-hours worked

6. ■ Our targets

Our targets

MATERIAL TOPIC	GOAL	2024-25 TARGET
Health and safety	Strengthen the health and safety management system in the workplace over time and reduce potential negative impacts on the workforce	<ul style="list-style-type: none"> Keep the highest level of attention and awareness over health and safety culture to maintain the achieved outcome of zero injuries
Worker well-being and company integrity	Increase employee well-being through enhanced training and strengthen diversity as pillars of the company culture	<ul style="list-style-type: none"> Increase the number of training hours to 6 per capita
Relations with the local community	Increase the socioeconomic well-being of the local community	<ul style="list-style-type: none"> Double the investment aimed at increasing the awareness of sustainability issues within the local community for three consecutive years against spending in the reporting year
Business value and client satisfaction	Ensure the company's stability and its ability to meet the needs of its clients and stakeholders in general	<ul style="list-style-type: none"> Formalize a survey to assess and monitor customer satisfaction to ensure continuous improvement
Climate change	Reduce the company's carbon footprint	<ul style="list-style-type: none"> Include the quantity of fuels used by the company fleet in the calculation of internal energy consumption Implementation of 2 charging points for company and visitor vehicles
Environmental sustainability of manufacturing	Increase the environmental sustainability of the company's manufacturing processes	<ul style="list-style-type: none"> Further the substitution of halogen/incandescence lighting with LED lighting by at least 5%
Sustainability along the value chain	Increase sustainability throughout the value chain	<ul style="list-style-type: none"> Increase the quota of the R&D budget dedicated to investments in carbon free technologies from 60% (spending in the reporting period FY 2023-24) to 65-70% in the FY 2024-25

7

Appendix

Appendix - ESG data and trends

2-7: EMPLOYEES				
CATEGORY		FY 21-22	FY 22-23	FY 23-24
Permanent employees	Women	32	35	36
	Men	195	201	213
	Italy	218	228	241
	Rest of Europe	5	4	4
	Rest of the world	4	4	4
	Total	227	236	249
Temporary employees	Women	1	0	3
	Men	6	6	3
	Italy	7	6	6
	Rest of Europe	0	0	0
	Rest of the world	0	0	0
	Total	7	6	6
Non-guaranteed hours employees	Women	0	0	0
	Men	0	0	0
	Italy	0	0	0
	Rest of Europe	0	0	0
	Rest of the world	0	0	0
	Total	0	0	0
Full-time employees	Women	27	29	33
	Men	201	207	216
	Italy	219	228	241
	Rest of Europe	5	4	4
	Rest of the world	4	4	4
	Total	228	236	249
Part-time employees	Women	6	6	6
	Men	0	0	0
	Italy	6	6	6
	Rest of Europe	0	0	0
	Rest of the world	0	0	0
	Total	6	6	6
Total	234	242	255	

2-8: WORKERS WHO ARE NOT EMPLOYEES			
CATEGORY	FY 21-22	FY 22-23	FY 23-24
Internships	0	0	2
Agency workers	13	15	9
Professional work contracts	0	0	0
Total	13	15	11

401-1: NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER ¹⁷						
NEW HIRES	FY 21-22		FY 22-23		FY 23-24	
	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
< 30 Years	15	42.9%	11	28.2%	15	31.3%
30-50 Years	19	12.9%	12	8.1%	10	7.5%
> 50 Years	0	0.0%	0	0.0%	3	4.1%
Women	3	9.1%	4	11.4%	3	7.7%
Men	31	15.4%	19	9.2%	25	11.6%
Total	34	14.5%	23	9.5%	28	11.0%
TERMINATIONS	NUMBER	RATE	NUMBER	RATE	NUMBER	RATE
< 30 Years	6	17.1%	2	5.1%	3	6.3%
30-50 Years	14	9.5%	10	6.7%	6	4.5%
> 50 Years	2	3.8%	1	1.9%	3	4.1%
Women	2	6.1%	2	5.7%	1	2.6%
Men	20	10.0%	11	5.3%	11	5.1%
Total	22	9.4%	13	5.4%	12	4.7%

¹⁷ All new hires and terminations refer to Italy as the geographic area of reference for all Toscotec sites included in the reporting boundaries

401-3: PARENTAL LEAVE				
CATEGORY		FY 21-22	FY 22-23	FY 23-24
Number of employees that were entitled to parental leave	Women	0	0	0
	Men	0	0	0
Number of employees that took parental leave	Women	1	4	4
	Men	0	2	2
Number of employees that returned to work during the reporting period after parental leave ended	Women	1	4	4
	Men	0	2	2
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Women	1	1	4
	Men	0	0	2
Rate of employees that have taken parental leave returning to work at the company	Women	100%	100%	100%
	Men	100%	100%	100%
Rate of employees that have taken parental leave remaining in the company	Women	ND	100%	100%
	Men	ND	100%	100%

404-3: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS						
CATEGORY	FY 21-22		FY 22-23		FY 23-24	
	NUMBER	%	NUMBER	%	NUMBER	%
Executives	10	100%	10	100%	10	100%
Managers	20	100%	19	100%	20	100%
White collars	159	100%	167	100%	180	100%
Blue collars	45	100%	46	100%	45	100%
Women	33	100%	35	100%	39	100%
Men	201	100%	207	100%	216	100%
Total	234	100%	242	100%	255	100%

405-1: 2016 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES							
CATEGORY		FY 21-22	FY 22-23	FY 23-24			
Board of directors	< 30 Years old			0	0.0%		
	30-50 Years			1	25.0%		
	> 50 Years old			3	75.0%		
	Women			0	0.0%		
	Men			4	100.0%		
	Protected categories			0	0.0%		
	Total			4	100.0%		
Executives	< 30 Years old	0	0.0%	0	0.0%	0	0.0%
	30-50 Years	2	20.0%	2	20.0%	2	20.0%
	> 50 Years old	8	80.0%	8	80.0%	8	80.0%
	Women	1	10.0%	1	10.0%	1	10.0%
	Men	9	90.0%	9	90.0%	9	90.0%
	Protected categories	0	0.0%	0	0.0%	0	0.0%
	Total	10	100.0%	10	100.0%	10	100.0%
Managers	< 30 Years old	0	0.0%	0	0.0%	1	5.0%
	30-50 Years	15	75.0%	15	78.9%	12	60.0%
	> 50 Years old	5	25.0%	4	21.1%	7	35.0%
	Women	5	25.0%	5	26.3%	5	25.0%
	Men	15	75.0%	14	73.7%	15	75.0%
	Protected categories	0	0.0%	0	0.0%	0	0.0%
	Total	20	100.0%	19	100.0%	20	100.0%
White collars	< 30 Years old	30	18.9%	34	20.4%	41	22.8%
	30-50 Years	105	66.0%	106	63.5%	98	54.4%
	> 50 Years old	24	15.1%	27	16.2%	41	22.8%
	Women	25	15.7%	27	16.2%	31	17.2%
	Men	134	84.3%	140	83.8%	149	82.8%
	Protected categories	10	6.3%	10	6.0%	10	5.6%
	Total	159	100.0%	167	100.0%	180	100.0%
Blue collars	< 30 Years old	5	11.1%	5	10.9%	6	13.3%
	30-50 Years	25	55.6%	26	56.5%	21	46.7%
	> 50 Years old	15	33.3%	15	32.6%	18	40.0%
	Women	2	4.4%	2	4.3%	2	4.4%
	Men	43	95.6%	44	95.7%	43	95.6%
	Protected categories	1	2.2%	1	2.2%	1	2.2%
	Total	45	100.0%	46	100.0%	45	100.0%
Total	234		242		255		

405-2: RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN						
CATEGORY	FY 21-22		FY 22-23		FY 23-24	
	Basic salary women/men	Salary including remuneration women/men	Basic salary women/men	Salary including remuneration women/men	Basic salary women/men	Salary including remuneration women/men
Executives	100%	99%	100%	98%	100%	99%
Managers	86%	85%	82%	84%	85%	86%
White collars	87%	73%	79%	65%	79%	67%
Blue collars	66%	63%	64%	59%	66%	52%

306,3,4,5: WASTE GENERATED, DIRECTED TO DISPOSAL AND DIVERTED FROM DISPOSAL				
CATEGORY	EER	Description	FY 23-24	
			QUANTITY	END OF LIFE
Hazardous	EER 080318, EER 150111*, EER 120116*, EER 150110*, EER 150202*	Toner cartridges, paint spray can, abrasive disks (grinding machines), oil/grease/chemicals cans, absorbent materials	107.0	Disposal
	EER 110105*	Pickling acids	92.1	Disposal
	EER 120109*	Oil and grease residues	0.9	Disposal
	Total		200.0	
Non hazardous	EER 170405	Iron, carbon and stainless steel solids (residues)	529.4	Recovery
	EER 150103	Wood	109.6	Recovery
	EER 120101	Iron, carbon and stainless steel chipping	93.8	Recovery
	EER 150106	Other non hazardous substances	70.5	Disposal
	EER 170405	Iron, carbon and stainless steel others	19.2	Recovery
	ASCIT	Paper and Board	1.2	Recovery
	ASCIT	Plastic	0.6	Recovery
	Total		824.3	
Total waste generated			1,024.3	

Impact assessment

MATERIAL TOPIC	INSIDE-OUT IMPACT	PERIMETER
Worker well-being and company integrity	Contribution to the well-being of our workers through the contractual forms and/or welfare benefits we offer and/or our ability to attract qualified and diverse talent	Own workforce
	Contribution to the development of workers' skills through professional and/or cross-functional training and development programs	Own workforce
	Playing an active role in ensuring equal opportunities (gender, age, political opinions, etc.)	Own workforce
	Promotion of the development of a more ethical society, founded on respect for laws and the fight against corruption, by conducting our business ethically and transparently	Own workforce, local communities, suppliers, clients, investors
Climate change	Acceleration of the transition to a zero-emissions economy through our increasing use of energy from renewable sources	Suppliers, clients, local communities, investors, financial institutions
	Contribution to global warming and climate change through the adoption of processes and development of products that result in greenhouse gas emissions on the part of actors along our value chain	Suppliers, clients, local communities, investors, financial institutions
	Contribution to global warming and climate change through our adoption of processes and development of products that result in greenhouse gas emissions	Own workforce, suppliers, clients, local communities, investors, financial institutions
Relations with the local community	Contribution to the enrichment and socioeconomic development of the local territory through the expenditure of a percentage of our procurement budget with local suppliers	Local community
	Significant contribution to the socioeconomic well-being of the local territory through the funding of services and infrastructure or actions that produce changes in local organizations and economic sectors	Local community
Health and safety	Proper management of occupational health and safety within our company's operational and organizational context	Own workforce

Impact assessment

MATERIAL TOPIC	INSIDE-OUT IMPACT	PERIMETER
Environmental sustainability of production	Contribution to the consumption of non-renewable natural resources and/or depletion of renewable natural resource	Local communities, suppliers, clients, investors
	Significant energy consumption by our own production processes	Local communities, suppliers, clients, investors
	Contribution to reducing waste destined for disposal or incineration, thus reducing the environmental impacts caused by such waste management practices	Local communities, suppliers, clients, investors
	Significant contribution to decreasing the consumption of virgin natural resources through the use of recycled or recovered materials in our own production processes	Local communities, suppliers, clients, investors
	Significant water usage by our own production processes, leading to an increased competition for water resources	Local communities, clients, investors
	Generation of significant atmospheric emissions of substances such as NOx, SOx, VOCs, PM, etc., impacting air quality	Own workforce, local communities, clients, investors
Sustainability along the value chain	Generation of quantities of waste that may be critical due to the waste type or the treatment it requires	Local communities, clients, investors
	Acceleration of the transition to a zero-emissions economy through our development and implementation of carbon-free technologies	Local communities, clients, investors
	Contribution to increasing the sustainability of water management through the adoption and/or promotion of practices to mitigate negative impacts on water along our value chain	Local communities, clients, investors
Business value and client satisfaction	Damage to areas of high value for biodiversity caused by activities along our value chain	Local communities, investors, suppliers, clients
	Contribution to the enrichment and socioeconomic development of the local territory through the distribution among internal and external stakeholders of value we generate	Own workforce, local community, investors
	Contribution to the enrichment and socioeconomic development of the local territory through our adoption or exceedance of local minimum wage values and/or hiring of a percentage of workers from the local community	Own workforce, local community
	Protection of our clients' and end users' privacy and sensitive data	Clients

8 **GRI content index**

GRI content index

GRI CONTENT INDEX	
Statement of use	Toscotec has reported in accordance with the GRI Standards for the period from October 1st, 2023, to September 30th, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	8-15			
	2-2 Entities included in the organization's sustainability reporting	24-25			
	2-3 Reporting period, frequency and contact point	24-25			
	2-4 Restatements of information	Not applicable			
	2-5 External assurance	24-25			
	2-6 Activities, value chain and other business relationships	8-15			
	2-7 Employees	48-52, 60			
	2-8 Workers who are not employees	48-52, 61			
	2-9 Governance structure and composition	42-43			
	2-10 Nomination and selection of the highest governance body	42-43			
	2-11 Chair of the highest governance body	42-43			
	2-12 Role of the highest governance body in overseeing the management of impacts	42-43			
	2-13 Delegation of responsibility for managing impacts	42-43			
	2-14 Role of the highest governance body in sustainability reporting	42-43			
	2-15 Conflicts of interest	42-43			
	2-16 Communication of critical concerns	42-43			

	2-17 Collective knowledge of the highest governance body	42-43			
	2-18 Evaluation of the performance of the highest governance body	Still to be established			
	2-19 Remuneration policies	48-53			
	2-20 Process to determine remuneration	48-53			
	2-21 Annual total compensation ratio	48-53			
	2-22 Statement on sustainable development strategy	4-5			
	2-23 Policy commitments	16-17			
	2-24 Embedding policy commitments	16-17			
	2-25 Processes to remediate negative impacts	Still to be established			
	2-26 Mechanisms for seeking advice and raising concerns	42-43			
	2-27 Compliance with laws and regulations	48-52			
	2-28 Membership associations	8-15	No one in Toscotec covers significant roles in the associations		
	2-29 Approach to stakeholder engagement	26			
	2-30 Collective bargaining agreements	48-52			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	27-31			
	3-2 List of material topics	27-31			
CLIMATE CHANGE					
GRI 3: Material Topics 2021	3-3 Management of material topics	37-41, 58, 65-66			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	37-41			
	305-2 Energy indirect (Scope 2) GHG emissions	37-41			
	305-4 GHG emissions intensity	37-41			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 302: energy 2018	302-3 Energy intensity	37-41			
ENVIRONMENTAL SUSTAINABILITY OF PRODUCTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	32-35, 58, 65-66			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	32-35			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	32-35			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	32-35			
	303-2 Management of water discharge-related impacts	32-35			
	303-3 Water withdrawal	32-35			
	303-4 Water discharge	32-35			
	303-5 Water consumption	32-35			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	32-35			
	306-2 Management of significant waste-related impacts	32-35			
	306-3 Waste generated	32-35, 64			
	306-4 Waste diverted from disposal	32-35, 64			
	306-5 Waste directed to disposal	32-35, 64			
GRI 305: Emissions 2021	305-6 Emissions of ozone-depleting substances (ODS)	32-35			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	32-35			
SUSTAINABILITY ALONG THE VALUE CHAIN					
GRI 3: Material Topics 2021	3-3 Management of material topics	36-37, 58, 65-66			
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services	36-37			
Toscotec indicator	Water consumption of product	36-37			

BUSINESS VALUE AND CLIENT SATISFACTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	44-47, 58, 65-66			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	44-47			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	44-47			
RELATIONS WITH THE LOCAL COMMUNITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	44-47, 58, 65-66			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	44-47			
WORKER WELL-BEING AND COMPANY INTEGRITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	48-52, 58, 65-66			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	48-52			
	205-3 Confirmed incidents of corruption and actions taken	48-52			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	48-52, 61			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	48-52			
	401-3 Parental leave	48-52, 62			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	48-52			
	404-3 Percentage of employees receiving regular performance and career development reviews	48-52, 62			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	48-52, 63			
	405-2 Ratio of basic salary and remuneration of women to men	48-52, 64			
HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	53-57, 58, 65-66			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	53-57			
	403-2 Hazard identification, risk assessment, and incident investigation	53-57			
	403-3 Occupational health services	53-57			
	403-4 Worker participation, consultation, and communication on occupational health and safety	53-57			
	403-5 Worker training on occupational health and safety	53-57			
	403-6 Promotion of worker health	53-57			
	403-8 Workers covered by an occupational health and safety management system	53-57			
	403-9 Work-related injuries	53-57			
	403-10 Work-related ill health	53-57			



Contacts

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