

# SUSTAINABILITY REPORT 2023





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# Letter to Stakeholders

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Convinced that growth always brings greater responsibilities, we are pleased to share our first Sustainability Report.

Environment, people, and territory are the guiding principles that have always led our journey. They are part of our DNA and are the pillars of our commitment to stakeholders. In a year of significant growth like 2023, which confirms solid and steady development over the years for TTS, it felt natural to take an additional step by making our environmental criteria, social impact, objectives, strategy, and improvements to our organizational structure public, along with the traditional financial data.

This year, we evaluated our environmental performance, developed new projects to reduce consumption and improve energy efficiency. We have been actively committed to the professional growth of our staff and have begun the process of implementing ISO 14001 certification, based on the experience

gained with ISO 9001, which has been in place since 2011.

Every day, we aim to be part of a shift toward transitioning to a low-carbon economic development model, focused on energy efficiency. We are convinced that this is the right direction and work with dedication and consistency to achieve the 2030 European goals on energy efficiency, renewable sources, and CO2 emissions reduction.

Over the years, we have focused on bearings for the steel industry, as the performance required by plants, not necessarily state-of-the-art, is increasingly demanding, and the monitoring of these crucial bearings is becoming more precise. In a perspective of continuous development, and in close collaboration with the technical offices of our client companies, we have improved the intervals for extraordinary maintenance, allowing better and more efficient work management for the customer.

Alongside the decades-old dedicated design activity—a fundamental service in terms of relationship and support for the customer, even with a view to future investments—we have also added a more significant brand promotion service in the last year, with targeted marketing actions and dedicated trade fairs.

TTS was founded with the clear intent not to compete with the big brands in the sector, but rather to occupy those market niches where the major players cannot operate. Being a small and medium-sized enterprise (SME) implicitly carries our values along with the flexibility that characterizes our strategic choices.

The growth achieved in recent years also means greater responsibility towards our customers, those who work with and for us, the society and the territory in which we operate,

the environment, and ourselves. It is based on these paradigms that we present this document.

The drafting of TTS Srl's first Sustainability Report is part of a journey and represents an important opportunity to present not only the economic, social, and environmental results, but also to illustrate the medium-to-long-term strategic lines and their consistency with sustainable development. We believe that pursuing these objectives, which first and foremost represent values in which we firmly believe, is crucial to the continuous growth path of our company.

Throughout the year, we considered it important to constantly monitor our work and the objectives we had set for ourselves, and thanks to the definition of some KPIs, we were able to assess the satisfaction of our customers. The numerical results, but not only those, have always been excellent: outcomes of which we are justifiably proud. These results show us in real-time that the path we are on is the correct one and that our sustainability efforts follow and anticipate our business.

In our world, in the world we envision, responsible business management is not only about profit but about growth in all its facets, for all the people who are part of this company.

This is why we strongly believe in the values of diversity and inclusion, thanks to a multiethnic group of employees and collaborators characterized by high professionalism, with a strong focus on future development and the new generations.

To continue being a reference point in our sector and in the field of energy transition, it is essential to keep working with the same conviction and dedication as in recent years.

We are convinced that this is now an essential starting point but no longer enough. We must constantly work to maintain an agile yet solid company. A company where every employee is proud of their work, every customer feels important and at the center of attention, and every supplier can perform their work to the best of their ability, with the right profit.

The results achieved and the ambitious goals would never have been possible without the contribution of our women and men who, with responsibility, commitment, and dedication, have been the foundation that allowed us to reach the results we present today.

It is to them that I offer my personal thanks, along with heartfelt gratitude to all our stakeholders, who are a crucial driving force behind our growth process and for the constant motivation they provide to continue this journey of development and sustainability.

*Romolo Pelizzoni*

# Methodological Note

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This document represents the first Sustainability Report of TTS S.r.l.

The document contains information related to economic, environmental, and social topics, which are useful to ensure an understanding of the activities carried out by TTS, its progress, results, and the impact generated by these activities.

The Sustainability Report has been prepared by reporting on a selection of the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), as indicated in the GRI Content Index of this document, according to the "Referenced" reporting option.

It is noted that TTS does not fall under the scope of Legislative Decree No. 254 of December 30, 2016, which, in implementation of Directive 2014/95/EU, mandates the preparation of a Non-Financial Declaration (NFD) for public interest entities that exceed certain quantitative thresholds. This Sustainability Report is, therefore, prepared voluntarily and does not represent a Non-Financial Declaration.

The general principles applied in the preparation of the Sustainability Report are those established by the GRI Standards Foundation 2021:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability Context
- Timeliness
- Verifiability

The performance indicators selected are those provided by the reporting standards adopted, representative of the specific areas of sustainability analyzed and consistent with the activities performed by TTS and the impacts generated. The selection of these indicators was carried out based on a relevance analysis, as described in the "Materiality Analysis" section. In the various sections of the Sustainability Report, quantitative information for which estimates have been used is indicated.

The reporting scope of the qualitative and quantitative data and information refers to the performance of TTS S.r.l. (excluding its subsidiaries) from January 1, 2023, to December 31, 2023.

The Sustainability Report is prepared on an annual basis. In order to allow for the comparison of data over time and the evaluation of TTS's activities, data from the previous fiscal year are presented for comparison purposes.

The preparation process of the sustainability information involved the participation of the heads of the various TTS departments.



The Sustainability Report was approved by the shareholders of TTS S.r.l. on June 25, 2024, and has not been subject to review by an independent auditor.

The Sustainability Report is published on the company's official website at the following address: <https://www.tts-europe.com/>.

For further information, you can contact: [info@TTS-europe.com](mailto:info@TTS-europe.com)

# 1

**<<Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for. We are the change that we seek>>**

**Barak Obama 2008**

# 1. Identity and Strategy

Techno Total Solutions S.r.l. (TTS) is a manufacturing company from the Piacenza region specializing in the production of rolling bearings for industrial applications. The company designs, produces, and markets bearings for various industrial sectors, including metallurgy, material handling, and machine tools. TTS offers a broad product range, including ball bearings, axial radial bearings, roller bearings, pulleys, combined bearings, multi-row base bearings, angular bearings, self-aligning bearings, screw bearings, idler pins, radial bearings, thrust bearings, track rollers, counter-rollers, and leveling rollers. TTS also provides comprehensive technical and commercial consultancy services across all bearing applications.

The company oversees every step of the bearing production process, from technical design, material procurement, turning, and heat treatments, to grinding, assembly, marking, testing, and shipping. TTS positions itself as a single point of contact, ensuring optimal time management and 360-degree support for any need. Their goal is to go beyond being a manufacturer or supplier and work with clients to maximize the potential and productive benefits of their bearings.

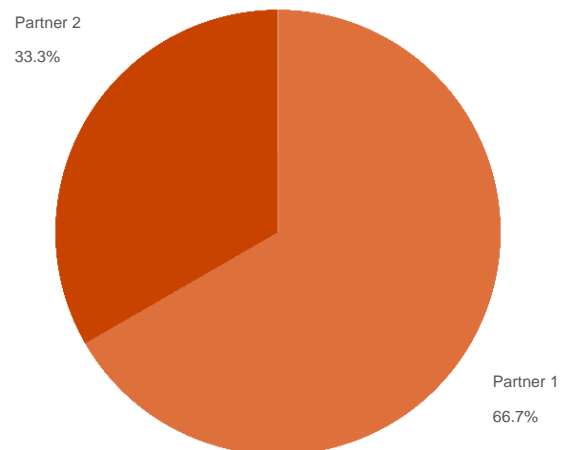
Bearings are at the heart of production, often operating in extreme conditions such as high temperatures, dusty environments, and highly variable thermal cycles. This requires highly specialized solutions capable of withstanding significant stress. For nearly 20 years, TTS has supported industries where standard bearings are not sufficient, providing durable, precise, and high-quality solutions. Their long-standing experience has allowed the company to diversify and tailor its offerings to the needs of various industries, with a particular focus on metallurgy, steel, machine tools, and material handling sectors.

The TTS logo and colors reflect the company's products. The gray and orange tones represent the different stages that steel undergoes during production: it becomes incandescent and orange during processing and returns to gray after cooling, symbolizing its renewed life.

Founded in 2007, TTS has established strong roots in Piacenza, initially targeting the Italian market before expanding internationally, including into countries like India. This global reach has been facilitated by the diversity of its multilingual team, who can communicate in eight different languages, adapting to the preferences of its clients.

The company's strategy aligns with the United Nations' 2030 Agenda and its Sustainable Development Goals, particularly Goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), and 12 (Responsible Consumption and Production).

SUMMARY OF THE COMPANY STRUCTURE

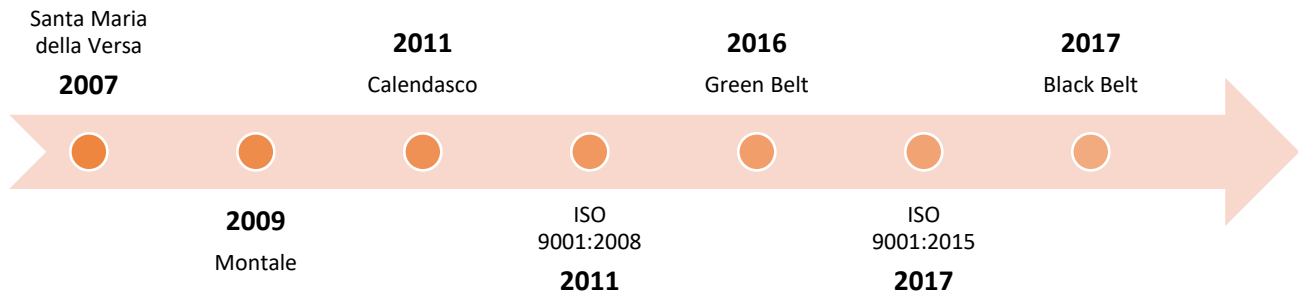




TTS S.r.l. recorded revenues of €7.15 million in 2023 and employs 23 people, including specialized workers, office staff, and technicians.

## A Growth Story

Since its founding in 2007, TTS has achieved steady growth, marked by several key milestones:



Techno Total Solutions was created by its founders, who sought to combine their personal expertise in production software, design, and project management. TTS is distinguished by its passion, constant commitment, and relentless drive for improvement, always focusing on the customer and their needs.

TTS is currently based in Calendasco (PC), Piacenza, reflecting the company's commitment to supporting the local community and contributing to its growth.

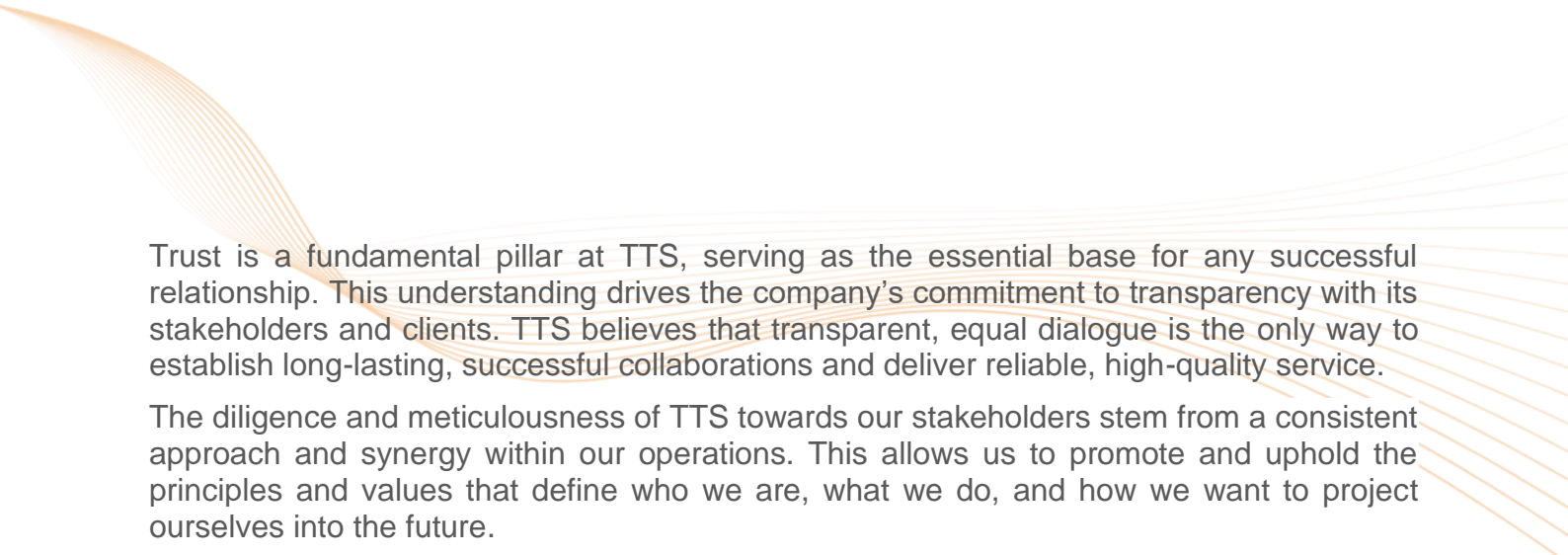
The story of TTS's headquarters mirrors the company's evolution and connection to its region. Initially located in a small office in Santa Maria della Versa, Piacenza, production was outsourced due to limited space. As business grew, the need for a larger facility led to the move to Montale (PC) in 2009. However, increasing demand quickly necessitated yet another relocation in 2011 to the current headquarters in Calendasco. This facility, with its ample space and in-house workshop, enabled TTS to handle most of its production internally, introduce new machinery, and optimize its operations, solidifying its presence as a robust and established company.

In 2018, TTS expanded the headquarters by acquiring an adjacent building, already equipped with photovoltaic panels. Between 2021 and 2023, TTS produced 51,705 kW of clean energy, which helped power its production processes. In 2023, the company initiated a repowering, revamping, and expansion process.

## Mission and Values

TTS's mission is to leverage its knowledge in metallurgy, steelmaking, material handling, and machine tools to manufacture bearings that enhance the reliability, efficiency, and durability of its clients' production cycles.

The company's values form the foundation of its identity and culture. Respect for people and the environment, honesty, and mutual assistance are core principles that have guided the company since its inception in 2007.



Trust is a fundamental pillar at TTS, serving as the essential base for any successful relationship. This understanding drives the company's commitment to transparency with its stakeholders and clients. TTS believes that transparent, equal dialogue is the only way to establish long-lasting, successful collaborations and deliver reliable, high-quality service.

The diligence and meticulousness of TTS towards our stakeholders stem from a consistent approach and synergy within our operations. This allows us to promote and uphold the principles and values that define who we are, what we do, and how we want to project ourselves into the future.

TTS prioritizes its people. Its employees are the lifeblood of the company, and their diverse ideas and perspectives strengthen the company's structure, making it resilient enough to overcome any future challenges. The company is committed to investing in its employees' education, knowing that acquiring new skills not only enriches individuals but also enhances the quality of services provided. TTS believes that a highly qualified team can deliver The operational activities of TTS are guided by four key pillars. First, the company's extensive mechanical and technological expertise allows it to produce a wide range of high-precision, safe, reliable, and durable products. TTS is dedicated to offering the most personalized and efficient service possible by collaborating closely with clients. Second, punctual deliveries increase the company's reliability, strengthening supplier-client relationships and becoming a strategic asset. Third, TTS values quick and easy communication, made possible by its well-trained, diverse team. Multilingual staff enable the company to respond swiftly and conveniently to clients' needs. Lastly, precision in the products is a crucial value.

The "Pentagon of Values" at TTS is the result of collective efforts from all its employees. It represents a continuous process of participation and engagement, fostering unity, enthusiasm, and cohesion within the company, which has allowed TTS to define these essential "milestones".



Prevention of conflicts of interest and transparency



Protection of human rights and workers' rights



Honesty, fairness, and integrity



Freedom of association



Equality



Professional growth



Privacy and processing of personal data



Health and safety



Transparency

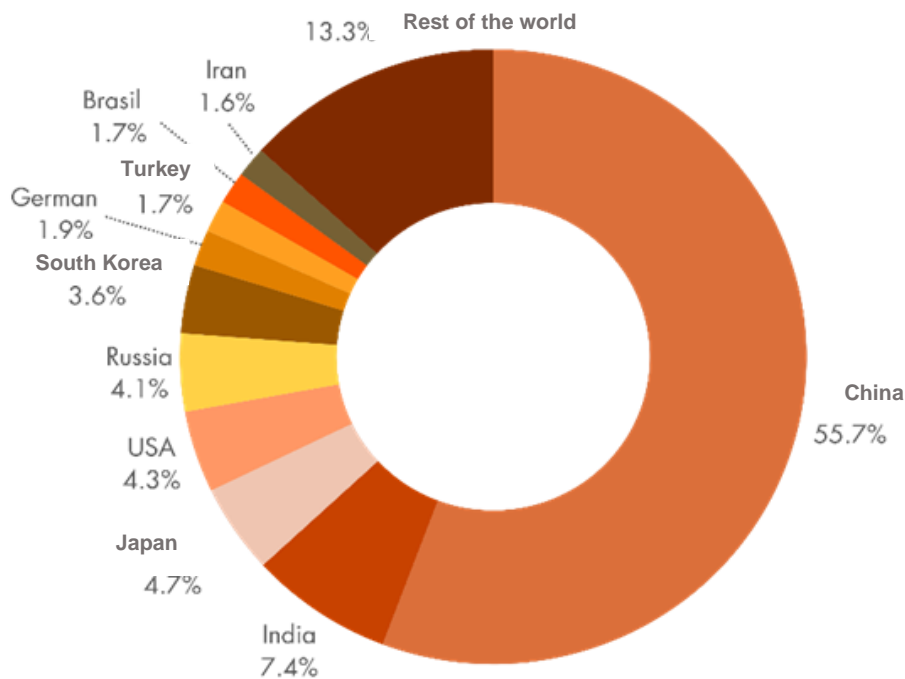


Loyalty and fidelity

# Target Market

TTS's primary market is the steel industry.

Globally, 2023 marked a slowdown in steel production, with contrasting dynamics: while Asia saw continued growth, Europe experienced a significant decline. World Steel Association data shows a slight increase in steel output overall, but Europe posted the worst performance, with an 8.8% drop in production, down to 106.8 million tons from 117.1 in 2022. In contrast, Asia's production rose by 1.6%, with the Asia-Oceania region producing 1,165.2 million tons, 75.1% of which was produced by China, the global leader. Following China is India, which recorded a 12.1% growth in steel production compared to the previous year. Other leading producers include Japan, the United States, Russia, South Korea,



Germany, Turkey, Brazil, and Iran.

Italian steel mills, like the rest of Europe, saw a sharp slowdown, though their performance was above the European average, with a 3.4% decrease in production compared to 2022. According to ISTAT data from January to August 2023, Italy's trade balance showed a deficit of 7.6 million tons and a net decrease of 736,000 tons compared to the same period the previous year.

After an apparent recovery in the European steel market in 2021-2022, the 2023 data indicates a significant slowdown. Production and market volumes are the lowest in the last decade, excluding 2020. Decreasing demand has been exacerbated by fluctuating raw material prices, making an already difficult situation more complex. 2024 is expected to be a year of uncertainties due to price volatility and the scheduled expiration of the European



steel import safeguard system in June. Initially introduced in 2018 to counteract U.S. protectionist measures, the system's removal would destabilize the European market. An extension of the system for two years is expected, but it has not yet been confirmed, and its elimination would disrupt the balance of the entire continent<sup>1</sup>.

## The Bearing Market

Bearings are crucial mechanical components for the operation of numerous machines and systems across various sectors. These precisely designed devices aim to reduce friction between moving parts and facilitate the smooth and efficient rotation or linear movement of components. Generally, rolling bearings consist of two concentric rings: an inner ring, fitted onto a rotating shaft or axis, and an outer ring, which remains stationary. Small rolling bodies, usually made of high-quality steel or ceramic, are positioned between these rings. The rolling bodies are evenly spaced along the rolling tracks to best distribute the applied load.

The fields of application for bearings are vast due to their ability to meet all needs, covering the entire dimensional range from the smallest high-precision bearings to large sizes capable of bearing heavy loads typical in steel production, electronic circuits through copper processing, various industrial machinery, automotive transmissions, household appliances, aerospace systems, and heavy lifting machines used in various sectors such as port handling, etc.

The unique feature of reducing friction and their low maintenance requirements make bearings indispensable and reliable components capable of enhancing a wide range of products and systems.

The specialized bearing sector is experiencing strong growth, expected to exceed \$29 billion by 2030, up from the current \$23 billion, with an expected annual growth rate of 4.5%<sup>2</sup>.

Several factors are driving the expansion of this sector. Firstly, the automotive sector, where bearings are used in critical components such as engines, transmissions, and wheel assemblies. Increased demand, innovation, advancements in traditional internal combustion engines, and especially electric vehicles are all dynamics influencing the demand for precise, reliable, and efficient bearings. Following this, the industrial automation and robotics sector increases the annual demand for precision rolling bearings to ensure speed and accuracy. Additionally, the energy sector is developing wind energy.

Finally, significant momentum in the sector is represented by the growth of developing countries and the increasing demand for large bearings used in the production of cement, concrete, and steel used in reinforced concrete.

The main obstacle to the market is the volatility of raw materials for their production; indeed, fluctuating price trends pose a source of difficulty and uncertainty.

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<sup>1</sup> "Speciale 23" di Siderweb

<sup>2</sup> <https://exactitudeconsultancy.com/it/blog/2023/12/02/mercato-dei-cuscinetti-a-sfere/>

## Macroeconomic Trends

The year 2023 has been marked by global growth in the world economy, reinforcing the results recorded in 2022 with an increase of 3.5%<sup>3</sup>. Global growth still remains below the average recorded in the years preceding the pandemic. A significant trend that deeply impacted 2023 has been inflationary. In this regard, international geopolitical developments, energy and food prices, the monetary policies of major central banks, and the state of global supply chains have a profound influence on determining trends and fluctuations in rates. Overall, it is expected that in Europe, average annual inflation will decrease from 5.4% in 2023 to 2.3% in 2024, 2.0% in 2025, and 1.9% in 2026<sup>4</sup>.

Global trade in goods in 2023 reported a decline of 1.0%, a legacy of the contractions at the end of 2022 and the early months of this year. Growth rates remain significantly below pre-pandemic levels, also due to ongoing uncertainties, tensions, and trade barriers. In contrast, the exchange of services, which had dramatically decreased due to the COVID shock, is now seeing a notable increase. The main structural components include technological and commercial factors. Overall, a greater fragmentation is observed in exchanges, resulting from various dynamics such as the return of tariffs (starting with the Trump administration), the invasion of Ukraine, tensions in the Middle East, and the recent Israeli-Palestinian conflict.

Italy, the primary market for sales of the TTS group, recorded GDP growth of 0.7%. This growth has been driven by consumption and public investments linked to the National Recovery and Resilience Plan (PNRR)<sup>5</sup>. Consumption has remained resilient despite inflation reaching 5.6%, which forecasts suggest will decline in 2024.

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<sup>3</sup> BCE Bollettino economico 2 / 2024 – Andamenti economici, finanziari e monetari - Contesto esterno

<sup>4</sup> BCE Bollettino economico 2 / 2024 – Andamenti economici, finanziari e monetari - Contesto esterno

<sup>5</sup> Comunicato stampa ISTAT del 30 gennaio 2024

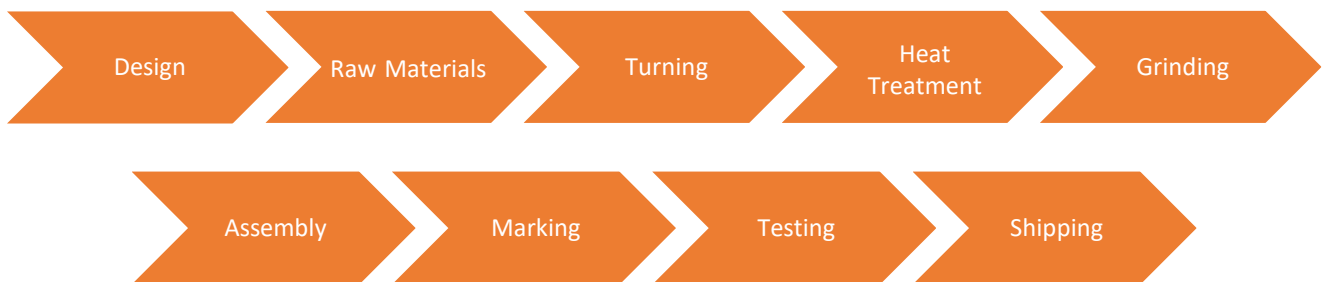
## Business Model

TTS produces and markets industrial bearings. The products are characterized by high precision and quality, stemming from skilled labor specialization, continuous training, and the selection of the best materials, along with quantifiable economic benefits in increased production and the elimination of replacement costs due to the precision and durability of TTS bearings.

## Value Chain

The business model of TTS is based on direct control of the entire production process, from design to distribution and shipping of the bearings. The system is oriented towards Make-to-Order, meaning products are manufactured following customer orders.

Thanks to an integrated management of the entire production cycle, TTS can handle the high complexity of its product range while ensuring reduced delivery times that do not compromise quality and efficiency.



## Production Process

### 1. Design

Techno Total Solutions provides robust technical support for both standard bearing applications and the development of special products tailored to customer specifications. For custom products, our Technical Office, starting from the product assembly defined in collaboration with the client, develops each individual component with the aim of continuously optimizing production times, costs, and ensuring maximum quality. This is made possible by the extensive experience gained in various sectors over many years by our technical staff and the use of cutting-edge software for 2D and 3D projects.

### 2. Raw Materials

Based on the technical requirements defined during the design phase, TTS carefully selects raw materials.

In accordance with major international standards, particularly ISO 683-17, which guide the choice of the most suitable steels for different applications, the most commonly used steels are bearing steels and case-hardening steels.

The former are employed in standard applications, while the latter are used in applications with significant shock loads.

Depending on specific operating conditions, in addition to the aforementioned types, other steels such as quenched steels, nitrided steels, stainless steels, and hot work-resistant steels may be used.

Certificates of origin and specific analysis (micrographs, non-metallic inclusion content, carbide distribution, etc.) can be requested.

### 3. Turning

Often underestimated, this phase in the production of rolling bearings is critically important. In fact, if executed correctly, it can reduce the costs of subsequent processing. In some cases, by properly assessing the deformations from heat treatment (including tests on samples), it is possible to eliminate the usual excess material.

Techno Total Solutions, in addition to processing rolling bearing components, can also provide turning services for custom mechanical parts.

### 4. Heat Treatment

To obtain a quality product, it is essential to carry out proper heat treatment.

TTS collaborates with highly qualified companies in the sector and, thanks to a continuous flow of information from applications not strictly related to rolling bearings, ensures ongoing qualitative improvement. The well-known range of heat treatments for bearings (hardening, carburizing, nitriding, and tempering) has thus been expanded with treatments specifically designed and developed for particular needs (bainitic hardening, martensitic hardening with salt quenching, etc.).



Techno Total Solutions can provide, upon request, accurate material analyses of treated products, whether they are custom parts or samples provided by the customer.

### 5. Grinding

TTS uses only state-of-the-art grinders that allow for the production of parts with various geometries and extremely tight dimensional and shape tolerances.

The wide range of possible grinding options enables us to provide bearings for any application, from the heaviest (steel and metallurgy) to the most precise (machine tools), or for applications requiring specific external profile shapes (handling, leveling of sheets).

Additionally, for more demanding needs, we can perform superfinishing and lapping processes.

## 6. Assembly

TTS relies on highly qualified suppliers and personnel for the purchase of standard commercial components and the assembly of bearings. Supplier selection is based on ISO requirements, and in particularly important cases, products are subjected to specific tests before being included in regular production.

Commercial parts are appropriately identified and segregated in a designated area to ensure that the assembly operator does not make mistakes. Assembly takes place in a climate-controlled, dry, and clean environment to ensure the absence of moisture inside the bearing and prevent contamination of the rolling elements.

## 7. Marking

The marking phase in the production of rolling bearings ensures product traceability. This is very useful for customers, allowing them to manage statistics on the lifespan of each individual bearing.



## 8. Testing

In the testing phase, TTS personnel follow a specific control procedure that defines what to check, the percentage of items to be tested, the tools to be used, and how to use them. The standard procedure includes checks on dimensional and shape precision, surface hardness, surface finish, and other characteristics related to the type of bearing being examined (e.g., axial or radial play, run-out, etc.), and can be supplemented with additional tests agreed upon with the customer during order definition.



. Additionally, more detailed checks such as metallographic and micrographic analyses, as well as hardness distribution from the surface to the core, can be performed to provide objective evidence of the quality of the raw materials used and the heat treatments applied.

The instrumentation is periodically calibrated by an accredited third party to ensure total reliability.

## 9. Shipping

TTS ensures robust packaging in wooden crates that prevent damage from vibrations during transport.

We also provide our customers with a PHYTOSANITARY certificate according to ISPM-15 from the FAO.

## Product Lines

TTS specializes in the design, production, and marketing of bearings for applications in various manufacturing sectors. The product range includes ball bearings, radial shafts, roller bearings, pulleys, combined bearings, basic bearings, multi-row bearings, angular bearings, self-aligning bearings, bearings for seals, plain bearings, radial bearings, thrust bearings, counter-rollers, and spacers.

### Bearings for the Steel Industry

In the steel industry, the bearings used operate under extreme conditions, from the extraction and handling of raw materials to casting. They are exposed to high temperatures, dusty environments, and highly variable thermal cycles. Thanks to the expertise developed in the steel sector, TTS can design long-lasting, resistant, and reliable bearings, improving performance while reducing costs.

In addition to the product, TTS offers its customers a service to verify the suitability of the chosen support for the machine, the ability to develop supports that meet specific needs, and the capability to produce large-size bearings in small batches with quick delivery times.



## Bearings for the Metallurgical Industry

The metallurgical industry is dominated by extremely flexible and versatile companies that can easily adapt to innovative situations and changes.

TTS meets the demand for high-performance bearings associated with machinery and processing lines. The goal is to achieve maximum resistance to various forms of stress and withstand the dynamic processing cycles of the metallurgical industry and the equipment used.

TTS also offers a service aimed at ensuring the reliability of bearings for safe and functional operation, catering to specialized market niches, if necessary, with custom-designed bearings. Finally, it provides services to verify the adequacy of supports for machines and equipment.



## Bearings for the Machine Tool Industry

Machine tools were historically powered by hand, water, and steam, but today they are powered by motors. TTS helps improve the performance of machine tools and spindles. To achieve this, Techno Total Solutions offers a wide range of solutions that meet every application requirement, aligned with market needs, and backed by high-quality service. Precision and high rigidity are the main characteristics of bearings for machine tools.

The services associated with this type of product include evaluation and verification of the support's adequacy for the machine, the development of custom products



upon customer request, the production of medium-small batches, and the prompt delivery of primary types of bearings, which are fully interchangeable with those from leading brands.

## Bearings for the Handling Industry

The handling system is a fundamental part of a flexible production system. One of the most important aspects is the type of mechanical equipment used to perform the functions of movement, storage, control, and protection of materials, goods, and products. In handling and lifting systems, counter-rollers and plain bearings are widely used across all industrial sectors.

During the 1980s, the fixed combined bearing was considered the best guarantee of total reliability and the right compromise between quality and price. Subsequently, the development of bearings with axial adjustability has been essential to compensate for inevitable coupling errors between parts.

Lifting and handling systems are subjected to high dynamic and static loads, impacts, and vibrations. Thanks to its industry experience, TTS guarantees reliability, precision, and sturdiness.

Alongside the products, services are offered to ensure reliability, verify the adequacy of supports for machines, and develop custom supports in non-standard sizes and executions for high or low temperatures, in stainless steel, etc.



## Some applications

TTS bearings are applicable to a variety of functions. These include:

- Forklift mast assemblies in multiple forms and functions, for both light and extremely heavy-duty applications, such as handling in the maritime sector.
- Lifting mechanisms for machinery in the construction and mining industries



- The steel industry
- Steel transformation processes
- Sheet metal processing
- Machine tools
- The agricultural sector
- Plain bearings and rollers

## Characteristics of the TTS Model

The distinguishing factors of TTS's business model are as follows:

- Integral control of the production-distribution process.
- A "make to order" procurement system.
- The presence and establishment of our products in many markets.
- Reliability derived from market diversification.
- High product quality.
- The ability to design customized solutions.
- A wide range of available products.



99%

**Satisfied customers**

99%

**Compliant processes**

100%

**Respect for delivery  
deadlines**

# Materiality Analysis

## Concept of Materiality and Double Materiality

In an increasingly sustainability-focused context—environmental, social, and economic—companies are progressively adopting a range of practices and tools to transparently and accurately communicate their performance in this area. Among the most widely used tools for identifying, evaluating, and communicating companies' sustainable impacts are the materiality matrix and double materiality<sup>6</sup>.

The materiality matrix serves as an important strategic methodology through which companies can identify and prioritize issues that are relevant and significant to internal and external stakeholders. This analysis allows organizations to focus efforts and resources on topics that have a significant impact on the company itself and on society as a whole.

The concept of materiality has gradually evolved into the concept of double materiality. This new concept, increasingly recognized and adopted in the context of sustainability reporting and required by leading international standards such as GRI and EFRAG as an analysis requirement, goes beyond merely considering the impacts of the company on external stakeholders. It extends to evaluating the impacts of stakeholders on the company itself. This bidirectional approach recognizes the interdependence between the company and the society in which it operates, incorporating factors that influence the company's resilience and long-term value creation capacity into the assessment.

In the sustainability report, the process of developing and applying the materiality matrix and double materiality is explored in detail, highlighting the importance of this tool in guiding corporate strategies toward greater sustainability and social responsibility. Through a thorough analysis of material issues and the dynamics of double materiality, a clear and comprehensive view of the company's sustainable impacts is provided, promoting The materiality matrix and double materiality not only represent fundamental management tools for companies committed to sustainability but also an effective means of fostering constructive dialogue and a trusting relationship with stakeholders, thus contributing to generating shared value and promoting long-term sustainable development.

## Context Analysis

When discussing context analysis in the ESG (Environmental, Social, and Governance) field for materiality, it refers to an evaluation process aimed at understanding the external environment in which a company operates and identifying the most relevant and significant ESG themes for the company itself and its stakeholders.

### ENVIRONMENTAL ANALYSIS

In the environmental context, ESG context analysis focuses on identifying and assessing issues related to the management of natural resources, the environmental impact of business activities, climate change, waste and emissions management, biodiversity conservation, and other critical environmental aspects. This analysis considers

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<sup>6</sup> [Draft] EFRAG IG 1: Materiality assessment implementation guidance

environmental regulations, industry trends, climate change-related risks, and stakeholder expectations regarding environmental sustainability.

### SOCIAL ANALYSIS

From a social perspective, ESG context analysis examines issues related to community engagement, worker health and safety, diversity and inclusion, human rights throughout the supply chain, social responsibility, and stakeholder engagement. This analysis takes into account social and cultural dynamics in the geographical context in which the company operates, emerging social trends, and stakeholder expectations regarding corporate social responsibility.

### GOVERNANCE ANALYSIS

In the governance context, ESG context analysis evaluates aspects related to corporate structure and transparency, risk management, business ethics, executive compensation, regulatory compliance, and the overall ethical behavior of the company. This analysis considers best practices in corporate governance, industry regulations, reputational risks associated with poor business practices, and stakeholder expectations regarding corporate transparency and integrity.

### INTEGRATION INTO MATERIALITY ANALYSIS

ESG context analysis provides a comprehensive framework of relevant issues for the company and its stakeholders, which are then integrated into the materiality analysis process. This process involves identifying and assessing the most relevant and significant issues, considering both the company's impact on external stakeholders (external materiality) and the impact of stakeholders on the company itself (double materiality). Therefore, ESG context analysis plays a fundamental role in providing the necessary information for this decision-making process, helping to ensure that the most relevant issues are adequately considered in the company's strategy and sustainability reporting.

The context analysis has led to the definition of the following ESG themes:

- Biodiversity
- Brand reputation
- Climate Change
- Fair competition
- Decent working conditions
- Environmental criteria in supplier selection
- Social criteria in supplier selection
- Dialogue with the local community: Schools, universities, and communities
- Structured dialogue with stakeholders
- Digitalization/Dematerialization
- Distribution of generated value to the local community
- Diversity, inclusion, and equal opportunities
- Energy Management
- Training on sustainability issues
- Management of plastic materials
- Supply chain management and engagement
- Responsible business management
- Waste management
- Greenwashing
- Innovation and eco-design

- Technological innovation
- Sustainable mobility
- Organizational model and business ethics
- Employment
- Economic and financial performance
- Corruption prevention
- Carpooling projects
- Inclusion projects
- Risk Management propensity
- Data protection (personal and cybersecurity)
- Product quality, compliance, and safety
- R&D of new eco-sustainable products
- Relations with trade unions
- Profitability and business solidity
- Respect for human rights
- Health and safety at work
- Local supplier selection
- Sustainable supply chain management
- Support for the territory and the community
- LCA studies
- Talent Attraction
- Transformation into a benefit corporation
- Protection of consumer health and safety
- Enhancement, training, and development of skills
- Impact assessment on services and workers
- Water Management
- Corporate welfare and employee well-being

## Definition of Stakeholders

Stakeholders are all parties interested in or affected by a company's activities, decisions, and performance. In terms of double materiality, they can also influence the company from the outside in its strategic choices. In the process of analyzing and identifying TTS's sustainable development goals, it is essential to identify and understand who the relevant stakeholders are and what their expectations and concerns regarding sustainability may be. Below is a qualitative description of the macrocategories of stakeholders commonly considered during the strategic goal-setting process:

**Investors and Shareholders:** :\*\* Investors and shareholders are concerned with the company's financial performance, but they are increasingly considering environmental, social, and governance (ESG) aspects as indicators of risk and opportunity.

**Customers and Consumers:** Customers and consumers are interested in the quality of the products and services offered by the company, as well as ethical and sustainable business practices. Sustainability can influence purchasing decisions and brand reputation.

**Suppliers:** Suppliers are interested in establishing business relationships with companies that adopt sustainable practices throughout the supply chain, ensuring transparency, fairness, and respect for human rights.

**Employees:** Employees seek a safe, inclusive, and equitable work environment, with opportunities for development and well-being.

**Local Communities:** Local communities are affected by the company's activities in terms of environmental impact, employment, community investments, and engagement in sustainable development initiatives.

**Government and Regulators:** Government bodies and regulators are concerned with ensuring that the company complies with environmental, social, and governance laws and regulations, as well as promoting transparency and corporate accountability.

**Non Governmental Organizations (NGO) and Interest Groups:** NGOs and other interest groups may monitor the company's actions and advocate for change in specific areas, such as environmental protection, human rights, and social justice.

**Media and Public Opinion:** Media and public opinion can influence the company's reputation and credibility through media coverage and public debate on relevant sustainability issues.

Identifying and engaging relevant stakeholders is crucial for developing effective sustainability strategies and for transparently and responsibly communicating the company's sustainability performance through sustainability reports.

The context analysis has led to the definition of the following stakeholders for TTS:

- Shareholders and Board of Directors
- CEO
- ESG Committee
- Investors and financiers
- Insurers
- Workers and their representatives
- Employers' organizations and trade associations
- Visitors
- Relatives of workers
- Medical services and Health and Safety at Work
- Local institutions, national and international government entities
- Control bodies and oversight organizations
- Local communities and neighbors
- Environmental associations (NGOs)
- Local businesses
- End customers
- Suppliers and partners
- Energy suppliers
- Media
- Scientific clusters: universities, schools, and research centers
- Certification bodies
- Transporters and couriers

## Material Issues

The relevant aspects<sup>7</sup>, to be reported in the sustainability report in accordance with the GRI Standards are those that reflect the significant economic, environmental, and social impact of the organization. In this context, impact refers to the effects that an organization has on the economy, environment, and/or society (both positive and negative), as well as to the expectations, interests, and assessments of its stakeholders towards TTS.

According to the European Union's approach, defined in the European Commission's Communication published in June 2019, which contains guidelines on climate change reporting under the Non-Financial Reporting Directive (NFRD) - Directive 95/2014, material issues are those sustainability areas that can have significant impacts on a company's development, performance, and value. At the same time, a material issue is defined concerning social and environmental areas and themes on which the company, through its activities, can have a significant impact. The two "directions" of materiality are interconnected.

TTS has conducted a materiality analysis in accordance with the GRI Standards, following the process outlined below:

Process: Phases	
1	Stakeholder identification and mapping
2	Guidelines of the industrial plan and related objectives
3	Documentary analysis of the reference scenario: sector regulations and megatrends (EU Green Deal, EU Next Generation Plan, and PNRR)
4	Sector benchmark analysis: sustainability reporting of national and international comparables
5	SASB Materiality map analysis: <ul style="list-style-type: none"> <li>• Building Products &amp; Furnishings</li> <li>• SICS Industry: Industrial Machinery &amp; Goods</li> </ul>
6	Stakeholder <ul style="list-style-type: none"> <li>• In-depth exploration of recurring engagement activities conducted with the various categories of stakeholders</li> <li>• Expectations from context analysis</li> </ul>
7	Evaluation of management and function heads, also from the perspective of their respective specific stakeholders
8	Validation of materiality issues and priority level by top management

The main significant material issues identified from the analysis are as follows:

- Sustainable mobility;
- Waste management;
- Climate change;
- Environmental criteria in supplier selection;

<sup>7</sup> GRI 3: Temi materiali 2021 – ed. 2024

- Energy Management;
- Water Management;
- LCA studies;
- Innovation and eco-design;
- Social criteria in supplier selection;
- Talent Attraction;
- Dialogue with the community: schools, universities, and community;
- Corporate welfare and employee well-being;
- Diversity, inclusion, and equal opportunities;
- Data protection (personal data and cybersecurity);
- Health and safety at work;
- Valuing, training, and developing skills;
- Economic and financial performance;
- Corruption prevention;
- Profitability and business solidity;
- Organizational model and business ethics;
- Responsible business management;
- Brand reputation;
- Technological innovation;
- Sustainability processes within Governance.

To evaluate the relevant material issues, a questionnaire was sent to stakeholders, asking them to assign a score for each relevant theme (from 1 = not relevant to 5 = extremely relevant).

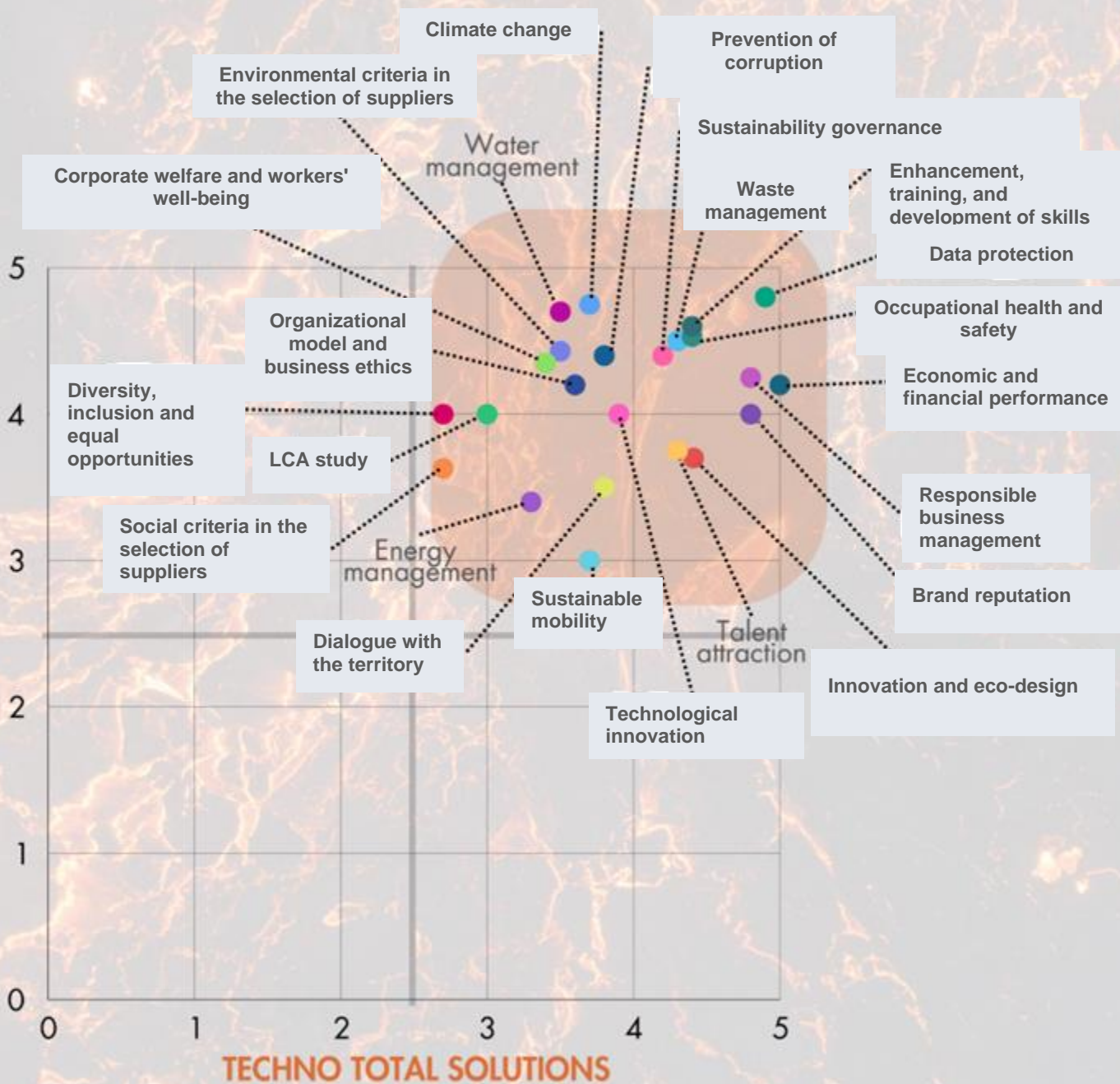
The Materiality Matrix thus identifies the relevant material issues, defined as those aspects that can generate significant economic, social, and environmental impacts on the company's activities, and that, by influencing the expectations, decisions, and actions of stakeholders, are perceived by them as critical, both positively and negatively.

Once all assessments were collected, they were analyzed and consolidated. The resulting materiality matrix provides a summarized representation of the analyzed themes.

This matrix offers a synthesis and an overall view of the topics concerning their impact, taking into account the evaluations and interests of stakeholders.



STAKEHOLDER



# Strategy and Sustainability

## Strategic Development Lines

In 2023, TTS developed a sustainable development strategy following three basic directions: the use and production of clean energy, environmental certification, and health and well-being. With these steps, we hope to embark on a path that leads to economic growth while also paying attention to and being sensitive toward the planet and the community.

### Clean Energy

- Solar energy production
- Expansion of solar energy production

On the roof of TTS's headquarters in Calendasco (PC), photovoltaic panels are installed to contribute to production activities. Currently, the produced power is not sufficient to cover the entire energy demand; however, one of the objectives set for 2024 is to expand the photovoltaic installations and revamp and repower the existing panels. This will increase and optimize production, allowing us to take an important step toward a greener future.

### Environmental Certification

In 2023, TTS has been working to enhance its production process with the aim of obtaining ISO 14001 environmental certification. Achieving this certification is a process we are pursuing with determination and commitment, as we believe in the value of effective and efficient management systems and our ability to leverage the potential we already have while further enhancing it. The official attainment is expected in 2024.

### Use of Eco-sustainable Lubricants

For several years, TTS has been adopting eco-sustainable lubricants in its production processes, in line with the company's strategy to reduce the environmental impact of its production.

### Health and Well-being

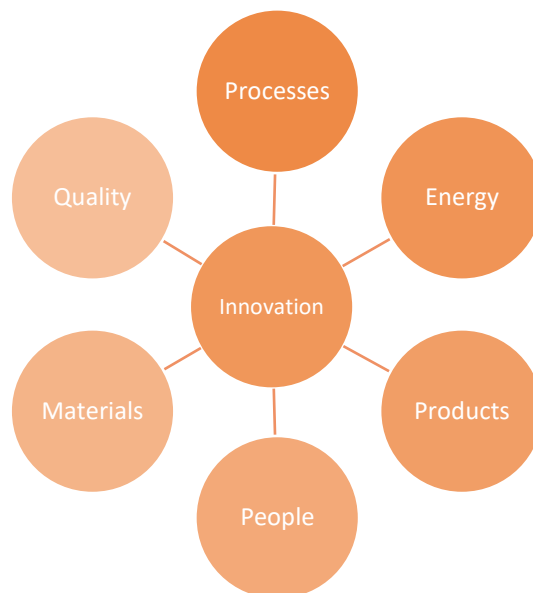
TTS is aware of the importance of the people who make up our organization, which is why we have long undertaken policies aimed at their enhancement. Specifically, a relaxation area has been set up at the headquarters in Calendasco (PC) where employees, guided by a certified personal trainer, can engage in physical activities and follow a health improvement program. For TTS, this attention extends externally as well, sponsoring the local cycling team. In 2024, we aim to maintain the achieved goals.

## TTS and Sustainability

For TTS, innovation has always been the driving force around which ideas, projects, products, designs, and development processes revolve. Innovation is fueled by research

that fosters the development of ideas and the sharing of knowledge to support various market sectors. Moreover, innovation also produces sustainable and inclusive development, serving people, businesses, communities, and territories while respecting environmental sustainability.

For over 15 years, TTS has been dedicated to creating increasingly effective and efficient bearings. Our focus is twofold: one direction is outward, toward our customers' performance, and the other is inward, toward our production processes. TTS embraces the innovation process not only by adopting new production systems or acquiring machinery with new technologies but also by valuing the human aspect, which remains an essential element of our activities. This involves continuous training and updating cycles for all staff, tailored to their roles and interests.



Bearings make the world go round, and we at TTS want to be aware of the importance of making it turn in the right way.

Starting from innovation, TTS has identified drivers that regulate the Company's processes and operations in line with its development goals:

QUALITY	TTS considers innovation as a driver to maintain the quality and safety of its products, which is the foundation of its reputation and brand perception in the market, as well as the high level of customer satisfaction.
PROCESSES	TTS has always worked to innovate production processes to optimize the product manufacturing cycle and minimize production times, also through enabling technologies.

ENERGY	TTS's focus on reducing the energy consumption of its products and minimizing environmental impact during the production phase has always been a fundamental driver in the development of new projects.
PRODUCTS	The importance of offering a diversified and, if necessary, customized range of products drives the adoption of cutting-edge technologies that can ensure products stand out in the market.
PEOPLE	TTS places particular attention on its employees and their health, thereby creating a healthier, more motivating, and high-performing work environment.
MATERIALS	The search for the most durable and high-quality materials, along with their maintenance using sophisticated equipment, allows TTS to offer long-lasting solutions that ensure a reduction in environmental impact, production, and waste management.

## Sustainable Development Goals





TTS has always pursued an industrial development model that embodies the principles of transparency and quality, and in recent years, we have increasingly incorporated the principle of sustainability. Following these guiding values, we have made commitments and organizational choices aimed at creating shared value for all stakeholders, including people, communities, territories, and the environment.

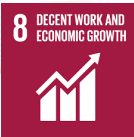






TTS approaches the sustainability journey it began this year with the United Nations Sustainable Development Goals (SDGs) established in the 2030 Agenda as a cardinal point.

The global dynamics we have experienced over the past year compel us to confront a series of environmental and social situations that we have long ignored or postponed. TTS intends to play its part by enhancing and making its activities sustainable, thus contributing to the achievement of the SDGs.

In this report, TTS has conducted a preliminary consistency analysis of its business model and strategic objectives concerning the SDGs. This has allowed us to identify the goals for which we can make a significant contribution and those we need to work on.







Driver	SDG	SDG target	Actions
PRODUCTS		<p><b>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</b></p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological progress, and innovation, with a particular focus on high-value-added and labor-intensive sectors</p>	<ul style="list-style-type: none"> <li>- Create innovative products that enable economic growth and waste reduction</li> </ul>
QUALITY		<p><b>Provide quality, equitable, and inclusive education and lifelong learning opportunities for all</b></p> <p>4.3 Ensure, by 2030, equal access for all women and men to affordable, quality technical, vocational, and tertiary education, including university</p> <p>4.4 Significantly increase by 2030 the number of youth and adults with relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p>	<ul style="list-style-type: none"> <li>- Provide constant, numerous professional training courses, specific to various functions</li> <li>- Offer basic Italian courses to employees who need them, and other non-production-related courses essential for a fulfilling and safe work life.</li> </ul>
PROCESSES		<p><b>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</b></p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological progress, and innovation, focusing on high-value-added and labor-intensive sectors</p>	<ul style="list-style-type: none"> <li>- Innovate production processes to foster economic growth and increase product development productivity</li> </ul>
		<p><b>Peace, justice, and strong institutions</b></p> <p>16.6 Develop effective, accountable, and transparent institutions at all levels</p>	<ul style="list-style-type: none"> <li>- Develop a supply chain policy to enhance responsible governance and combat corruption</li> </ul>







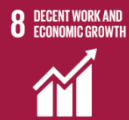





	 <p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p>	<p><b>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</b></p> <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, particularly women and those in precarious employment</p>	<p>- Ensure workplace safety, especially in dependent production processes</p>
ENERGY	 <p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p>	<p><b>Ensure access to affordable, reliable, sustainable, and modern energy for all</b></p> <p>7.2: By 2030, significantly increase the share of renewable energy in the global energy mix</p>	<p>- Install photovoltaic panels that allow for the reduction of energy produced from combustion and promote the use of clean energy.</p>
	 <p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p>	<p><b>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</b></p> <p>9.1 Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on equitable access for all</p>	
PEOPLE	 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<p><b>Ensure healthy lives and promote well-being for all at all ages</b></p> <p>3.d Strengthen the capacity of all countries, especially developing countries, to identify early, reduce, and manage national and global health risks</p>	<p>- Foster economic growth through the creativity of innovative, functional design forms</p>

<b>MATERIALS</b>		<p>Ensure sustainable consumption and production patterns</p> <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil to minimize their adverse impacts on human health and the environment</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p>	<ul style="list-style-type: none"> <li>- Create efficient and durable products that reduce waste</li> <li>- Source chemicals for mechanical processing from suppliers using biodegradable plant-based formulas</li> </ul>
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## TTS Goals




The integration of the drivers of TTS's industrial plan and the material themes identified through the materiality analysis has led to the definition of the 2024 objectives and the related actions to be undertaken. The following table highlights the results of this integration:

SDGs	DRIVER (Material theme)	Targets	Actions
   	<p>Sustainable Mobility</p>	<p>Improve the quality of life for people through mobility policies and reducing environmental impact throughout the entire value chain.</p>	<p>Appointment of the Mobility Manager and development of a corporate mobility plan (Home-Work Travel Plan/PSCL).</p>
 	<p>Waste Management</p>	<p>Improve waste differentiation and lifecycle through concrete waste management actions.</p>	<p>Development of a waste separation plan that involves the company headquarters.</p>




 			
   	<p>Climate Change</p>	<p>Establish emission management plans for greenhouse gases, considering the positive indirect climate impact of TTS's activities</p>	<p>Development of a plan to reduce the company's carbon footprint, quantifying the carbon footprint by 2024 according to an international GHG protocol or ISO for Scope 1 and Scope 2 activities.</p>
   	<p>Environmental and Social Criteria in Supplier Selection</p>	<p>Implement supplier selection systems throughout the supply chain that consider environmental and social criteria.</p>	<p>Develop better certification systems by incorporating environmental criteria into the supplier evaluation process, such as highlighting suppliers who may impact ESG ratings.</p>
 	<p>Engagement with the Community: Schools, Universities, and Communities</p>	<p>Involve the community in developing human, economic capital and land preservation.</p>	<p>Further develop existing collaborations and identify new training centers to undertake initiatives supporting specific professional pathways.</p>



 			
   	Talent Attraction	Enhance human capital through training and gender equality policies to attract new talent.	Promote internal projects for staff development and skills improvement through social media and marketing channels.
   	Diversity, Inclusion, and Equal Opportunities	Promote diversity, inclusion, and equal opportunities through dedicated policies.	Design and implement themes through a systemic approach linked to national and international voluntary technical standards.
 	Data Protection (Personal and Cybersecurity)	Improve data security management policies, considered essential for the company, whether personal or corporate data.	Implement cybersecurity systems through the adoption of new technologies and the development of existing processes.

  	<p>Health and Safety at Work</p>	<p>Continuous improvement of health and safety aspects at work, respecting the well-being of workers and local, national, and international regulations.</p>	<p>Constantly improve corporate safety levels</p>
  	<p>Valuation, Training, and Skill Development</p>	<p>Enhance human capital through specific training and skill development policies.</p>	<p>Develop internal training plans and pathways for improving technical skills and soft skills for all professional roles.</p>
  	<p>Economic and Financial Performance</p>	<p>Ability to improve the profitability and solidity of the company for the benefit of all stakeholders.</p>	<p>Development of strategic market positioning to support growth plans for 2024.</p>

<p>3 GOOD HEALTH AND WELL-BEING</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>13 CLIMATE ACTION</p> 	<p>Responsible Business Management</p>	<p>Implement governance practices that promote transparency and ESG accountability in business choices</p>	<p>Establishment of a management and risk assessment system that considers ESG topics</p>
<p>3 GOOD HEALTH AND WELL-BEING</p>  <p>5 GENDER EQUALITY</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>10 REDUCED INEQUALITIES</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>13 CLIMATE ACTION</p> 	<p>Organizational Model and Business Ethics</p>	<p>Create a safety culture and adopt organizational models that account for ESG issues</p>	<p>Train and raise awareness among staff on ethics, legislative compliance, and social responsibility.</p>
<p>4 QUALITY EDUCATION</p>  <p>5 GENDER EQUALITY</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Brand reputation</p>	<p>Consider brand values as fundamental to business development, promoting ethics and integrity.</p>	<p>Promote the brand through industry events, fairs, and publications. Develop social media activities through the creation of a dedicated working group.</p>

  	<p>Sustainability Processes within Governance</p>	<p>Develop processes that consider sustainability aspects within decision-making and governance processes.</p>	<p>Continuous evaluation by the sustainability committee of initiatives aimed at promoting sustainability in corporate strategic choices and communication of these to internal stakeholders.</p>
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# 2

**The world needs new leaders, but the new leadership is about working together.**

- Jack Ma

## 2. Governance

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### Responsible Business Management

We firmly believe that defining specific procedures regulating the management of the company aimed at creating shared value is essential for pursuing the sustainable success of the company.

It is from the commitment of TTS's leadership to guide the company toward increasingly sustainability-oriented strategies that this Sustainability Report is born. It implements the external communication activities that TTS regularly issues to promote transparent, timely, and accurate information to stakeholders regarding the latest strategic and operational developments of the company.

### Governance Structure

TTS adopts a traditional governance system comprising the following bodies:

- A Sole Administrator (responsible for the management of the Company);
- A multi-person collegial body for administration and accounting control

### Administration System

The company has been managed by a Sole Administrator since December 2019 on an indefinite basis.

The administrator meets the professional and integrity requirements set by regulations. Among the rights and duties of the administrator are:

- Ordinary and extraordinary management of the company;
- Assessment of the general performance of management;
- Involvement of management, whose activities are crucial for achieving the Group's objectives;
- Definition of the nature and level of risk compatible with the Group's strategic objectives, focusing on the medium-to-long-term sustainability of the company's activities;
- Promotion of the Group's commitment to sustainability, approval of the sustainability strategy and report, and annual evaluation of socio-environmental performance. The approval of the sustainability report occurs concurrently with that of the financial statements
- On June 25, 2024, the administrator approved the Sustainability Report for 2023, along with the financial statements. During this occasion, the overall level reached in the sustainability goals planned for the coming years was also analyzed.
- The Sole Administrator has not formally delegated the management of impacts; however, they are monitored by the Sustainability Committee, as described in the materiality section.

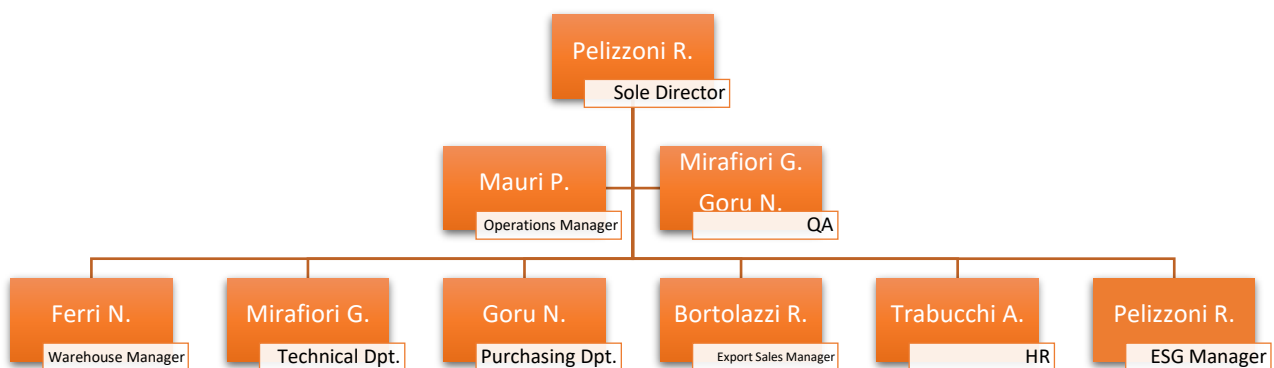
Regarding the communication of critical issues, the administrator promptly reports to the ESG committee about problems and criticalities that arise during their activities or of which they have become aware, so that the competent bodies can take appropriate initiatives. In 2023, there were no such communications.

## Organizational Structure

The organizational structure expresses the system of functions, powers, delegations, decision-making processes, and business procedures, providing a clear identification of tasks and responsibilities for each individual concerning the company's activities.

The organizational structure of TTS S.r.l. is strongly oriented toward providing governance for the Company, as well as defining the principles of business organization, process management, and resource management. Each function is further divided into specific sub-functions.

From TTS's decision and commitment to embark on a journey in the world of sustainability, the need to establish an ESG Committee has naturally arisen. This committee has competently worked on the present report and the projects contained herein. The committee members include Romolo Pelizzoni, Geraldo Mirafiori, Paola Mauri, and Alessandro Trabucchi, with Romolo Pelizzoni as the responsible member.



## Code of Ethics

TTS S.r.l. achieves its mission with an awareness of the social and ethical responsibility it has toward all internal and external stakeholders, believing that the achievement of business objectives must accompany not only the respect of corporate values but also current regulations and the general values of honesty, integrity, and transparency.

The Code of Ethics outlines the ethical principles and values to which TTS S.r.l. adheres in carrying out its activities and insists on the strictest compliance from all individuals present in the company, and more generally, from all those who cooperate and collaborate with it.

To achieve its objectives, TTS conforms to the following principles:

- Principle of loyalty and fidelity
- Ethical and behavioral principles
- Conflicts of interest and principle of impartiality
- Principle of confidentiality and personal data processing
- Human and labor rights
- Professional growth of employees
- Principle of equality
- Health and safety
- Freedom of association and right to collective bargaining
- Environmental protection
- Protection of company assets

The Code of Ethics also regulates organizational aspects of the company such as disciplinary procedures, working hours, remuneration, control procedures, information protection, and ethical norms towards third parties.

## Management Systems

Over time, the company has structured its management system in compliance with international standards through certifications that attest to its ability to provide increasingly competitive products and develop continuous improvement processes focused on enhancing business effectiveness and efficiency.

TTS obtained its first ISO 9001:2008 quality certification in 2011, maintaining it and updating it to ISO 9001:2015 from 2017, with reconfirmation in March 2023. Driven by the desire to further improve processes, the TTS team specialized in the application of Lean Six Sigma methodologies, achieving Green Belt certification in 2016 and Black Belt certification in 2017.

One of the goals for 2024 is to obtain the ISO 14001:2015 environmental certification, for which we are already actively working.

## Risk Management

TTS has a Disaster Recovery Plan that includes a detailed description of the operational procedures necessary to assess emergencies or disasters and the phases for restoring hardware and software resources to return to normal work activities.

The threats identified by TTS arise from natural disasters (floods, earthquakes, lightning, etc.), accidental causes (incidents, flooding, computer breakdowns, etc.), and external causes (riots, vandalism, socio-political events, etc.).

The physical integrity of the infrastructure is ensured by TTS's compliance with current workplace safety and fire prevention regulations. Additionally, UPS devices are available to provide electricity for up to 30 minutes in the event of failures or drops in the main generator.



Regarding data integrity, TTS has a secondary replication server synchronized with the primary server every 15 minutes and a storage system for daily backups of virtual machines. Three main sources of threat to data security have been identified:

- Events related to human behavior
- Events related to IT tools
- Events related to the physical-environmental-infrastructure context

TTS has taken targeted actions to mitigate these threats and has established a data security and safeguarding policy.

The Disaster Recovery Plan is periodically subjected to a review test to evaluate its adequacy, which consists of simulating data loss and the complete restoration of the affected device. If changes or necessary updates arise, prompt modifications will be made accordingly.

The risk management procedure at TTS is structured in several preparatory phases:

- Identification of Centers and Sources of Danger for Workers.
- Identification of Workers Exposed to Risks. Workers whose activities expose them to the identified dangers are grouped into Homogeneous Groups (HG) based on actual risks.
- Quantitative Risk Assessment for HG. This involves identifying necessary interventions to reasonably reduce foreseeable risks, along with planning for periodic interventions and/or controls.

Certain risks, deemed more complex to evaluate, require specific in-depth assessments, including:

- Machine Risk Assessment.
- Biomechanical Overload Risk Assessment.
- Chemical Exposure Risk Assessment.
- Assessment of Carcinogenic and Mutagenic Exposure.
- Biological Agent Exposure Risk Assessment.
- Fire Risk Assessment.
- Risk Assessment from the Formation of Explosive Mixtures.
- Physical Agent Exposure Risk Assessment: Noise.
- Physical Agent Exposure Risk Assessment: Mechanical Vibrations.
- Physical Agent Exposure Risk Assessment: Electromagnetic Fields.
- Physical Agent Exposure Risk Assessment: Artificial Optical Radiation.
- Assessment of Ionizing Radiation Exposure
- Risk Assessment from External Personnel Activities in the Workplace (pursuant to Art. 26 – D.Lgs. 81/2008).
- Risk Assessment for Pregnant, Postpartum, or Breastfeeding Workers (pursuant to Art. 11 – D.Lgs. 151/2001).

## Adherence to External Initiatives and Membership

TTS is a member of the CNA of Piacenza. Through membership in the National Committee for Crafts and SMEs, we benefit from various advantages, including free access to studies conducted in areas of our interest and a wide network across sectors and throughout Italy.

## Cybersecurity and Data protection

In line with corporate values regarding personal data protection, ethical principles, and the duties established in the Codes of Conduct, TTS governs the following policies:

- Use of IT equipment,
- Security and Privacy
- Controls executed in compliance with the principles of necessity, proportionality, impartiality, transparency, and protection of personal data

As of now, no external complaints or regulatory violations regarding data protection laws or personal data rights have been reported to the Company.

In July 2023, we conducted a vulnerability assessment of our servers through an external cybersecurity firm. This helped us gain greater awareness of our practices and identify areas where our performance has gaps. Based on these evaluations, we are making improvements to ensure that TTS is increasingly protected from all types of cyber threats.

## Regulatory Compliance

In 2023, as in the previous year, no events led to penalties or disputes for non-compliance with environmental laws, regulations, or standards. Similarly, at the time of drafting this Sustainability Report, there are no ongoing environmental disputes.

No external complaints or regulatory violations regarding social and economic laws have been reported to the Company, nor have penalties been imposed for violations of product safety regulations, industrial and intellectual property laws, marketing activities, or anti-competitive behaviors.



# 3

**Innovation is the ability to see change as an opportunity – not a threat.**

- Steve Jobs

## 3. Infrastructure Capital

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### Innovation and R&D

At TTS, we firmly believe in the importance of research and development and the added value that innovation can bring to our reality in terms of competitiveness, quality, efficiency, and overall service and product offerings. We have always been attentive to novelties in our sector and strive to remain updated and, when possible, pioneering.

Based on this commitment, we are making substantial investments in research and development, collaborating with leading Italian universities, particularly the Politecnico di Milano. Over time, we have established a fruitful and significant relationship with the Milanese university, generating a virtuous cycle of expertise exchange and fresh ideas from young graduates and students.

This continuous bidirectional flow allows us to meet the ever-changing needs of our clients and anticipate market trends.

Under the guidance of our technical office, development continues with a focus on improving and innovating production methods while simultaneously advancing the digitalization of processes.

### Production Methods

With the purchase of new machine tools, we have been able to bring significant improvements to our production methods.

Specifically, we have installed and activated a new Biglia lathe, a well-known Italian brand in the CNC machining sector. This model represents one of the latest innovations in our production range, recognized for its extreme speed in machining and significant flexibility in production processes. Thanks to these features, we can achieve shorter processing cycles and considerable cost advantages.

The Biglia lathe is equipped with a direct drive motor that reaches 6000 rpm and has a tool magazine with a capacity of 16 positions. The ability to operate at very high speeds allows TTS to reduce both production times and initial machine setup times. This type of investment expands our capabilities in manufacturing special rotary products with complex geometric shapes, such as special cylindrical bearings, sliding wheels for industrial trolleys, and special combined bearings. Another key feature of this machine is the possibility of integrating a robotic arm



into the FMS (Flexible Manufacturing System). This investment is part of the Industry 4.0 project, in line with TTS's strategic vision.

## Digitalization

We have implemented a MES (Manufacturing Execution System) software from TeamSystem, which is equipped with intuitive and highly configurable dashboards that provide a detailed and immediate view of operational performance. These dashboards allow effective monitoring of key parameters such as machine efficiency, production rates, and product quality. Additionally, the software offers predictive analytics capabilities, enabling us to identify and resolve potential issues before they can disrupt production.



# 4

**Behind every successful enterprise, there is someone who made a courageous decision.**

- Peter Ferdinand Drucker

# 4. Relational Capital

## Customer Relations

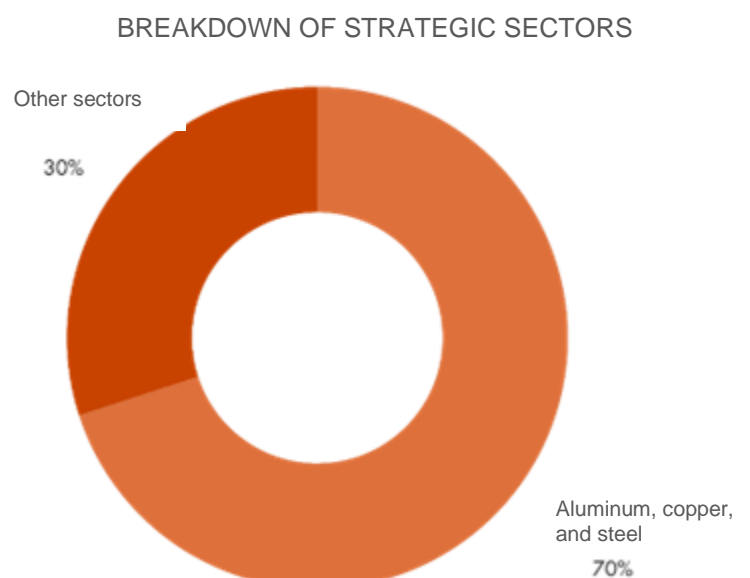
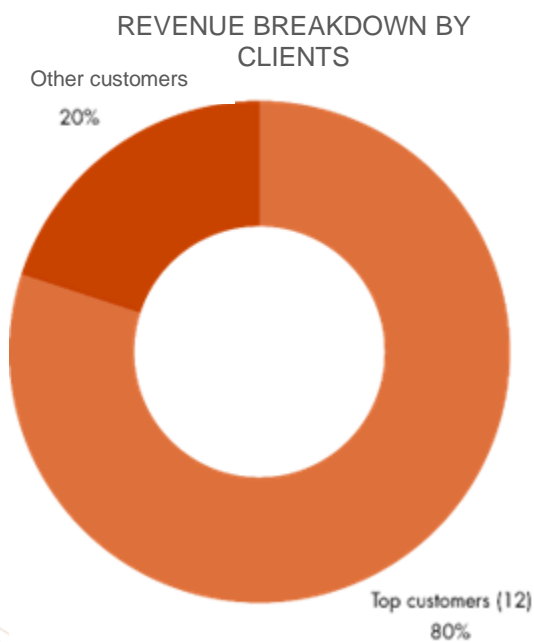
TTS operates in a highly specialized sector where brand perception and customer satisfaction are fundamental assets for establishing and maintaining competitiveness. This is why we always prioritize our customers.

Our bearings are designed and manufactured to meet customer needs, often offering the possibility to customize them for specific uses, dimensions, and specifications. TTS's service is based on high technical qualifications combined with craftsmanship and flexibility, all while never compromising on product quality.

The added value derived from this combination of factors allows TTS to maintain a solid and international market presence; we sell our bearings throughout Italy and Europe, and we have successfully established ourselves in significant international markets, such as India.

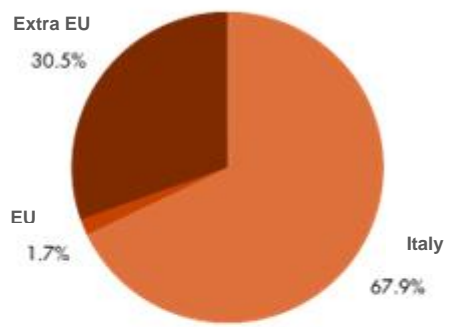
Our customers are primarily industries. Seventy percent of our annual revenue comes from clients engaged in the production of aluminum, copper, and steel, including their semi-processing stages and, in some cases, final processing.

Our revenue is diversified, providing us with a solid and secure foundation for developing future business, guaranteed by business continuity. In particular, our top twelve clients account for 80% of revenue, with the remaining 20% spread across smaller clients.

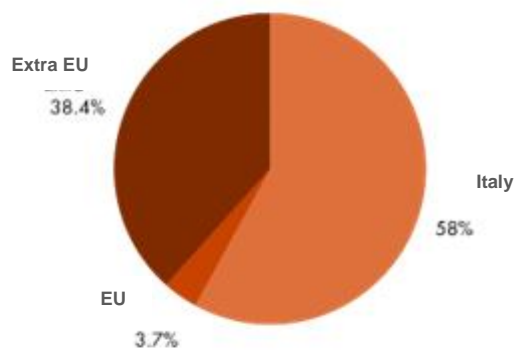


From our base in Italy, particularly in Piacenza, we have managed to expand beyond national boundaries, achieving success first in Europe and then in non-EU international markets, thanks to the quality of our products, the mastery of our processes, and the professionalism of our services. Currently, the Italian market remains our largest, but the non-EU market shows the highest growth rate.

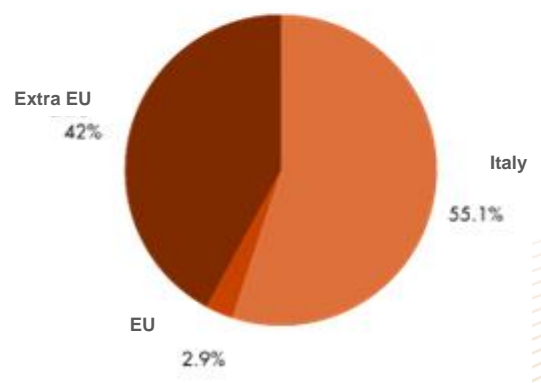
2021



2022



2023





Our customer base is widespread across the globe:



## Guidelines for Customer Relations

As outlined in the Code of Ethics, TTS efficiently and courteously manages relationships with clients, aiming for maximum customer satisfaction. TTS and its employees commit to maintaining correct and ethical behavior, avoiding gifts, favors, and any form of corruption.

## Steel Industry

The steel sector is our primary clientele. TTS can satisfy customers operating both directly and indirectly in the sector by supplying and producing complete plants as well as equipment and accessories for these plants. In this application sector, we provide both OEM (Original Equipment Manufacturer) and Spare Parts.

## Metallurgical Sector

The metallurgical clientele represents a significant percentage of our customer portfolio. Most of them are manufacturers and repairers of cutting and leveling lines for sheet metal, processes applied across various sectors, from automotive to large appliances, and including manufacturers that use sheets or strips of steel, copper, or aluminum. This vast range of applications ensures that TTS-branded bearings can be found in many processing areas within the sector.

## Machine Tools Sector

Currently, TTS's clientele in the machine tools sector represents a smaller percentage compared to other sectors; however, it has significant potential due to its versatility. Our

bearings, thanks to the customization services we offer, are adaptable to various situations and find application in a wide range of products.

## Handling Sector

In the handling sector, our bearings have prominent applications, made possible by the customization provided by our technical team. TTS bearings are widely used in port handling, forklifts, and elevating conveyors. We interface with both the primary manufacturers of complete systems and service centers to sell and produce specific spare parts.

## Quality, Safety, and Reliability of Products

TTS's production processes are highly specialized, technically qualified, and focused on maximizing quality. This allows customers to receive customized, cutting-edge, and durable products, all within reduced times thanks to our centralized internal production.

TTS holds the UNI EN ISO 9001:2015 certification for its Quality Management System, which covers all stages of the production process, from design to production and marketing.

## Customer Satisfaction

For TTS, product and service quality are fundamental and constant throughout the relationship, from the first meeting to the delivery of the finished product. In this regard, communication plays a key role and is developed on various levels. Before accepting any order, our team ensures, through a series of questions, that we can produce what is requested while meeting TTS's high quality standards. The communication channel remains open even after production begins for any changes or additional requests, and becomes essential for obtaining honest and transparent feedback from customers once products are delivered.

TTS has developed a customer satisfaction monitoring system based on interviews with clients, focusing on the following aspects:

- Ease of communication
- Price competitiveness
- Timeliness of deliveries
- Reliability of deliveries
- Product quality

Internally, TTS commits to reprocessing the collected data, integrating it with the monitoring of significant indicators such as turnover, longevity of customer relationships, complaints received, and their severity.

The results obtained are used to demonstrate corporate compliance and the effectiveness of the quality system, as well as to implement improvements aimed at increasing customer satisfaction.

## Marketing Activities

TTS has developed and adopted a marketing strategy managed internally and supported by an external agency.

This strategy encompasses multiple directives, with the corporate website (<https://www.tts-europe.com/>) serving as the primary communication line, constantly updated with the latest product and service news. Considering our diversified and international clientele, we have also created a parallel website specifically for them (<https://tts-europe.ru/>).

Over time, TTS has equipped itself with various marketing materials, such as brochures and previews, showcasing who we are and what we do, focusing on different aspects as needed. Our staff has access to these materials to distribute at their discretion.

Participating in metallurgical industry trade fairs offers TTS numerous advantages. These events allow us to showcase our latest innovations and technologies, attract new potential customers, and strengthen relationships with existing partners. We believe trade fairs represent a unique opportunity to stay updated on market trends and gather direct feedback on our products. Additionally, participating in these events significantly increases our brand visibility, reinforcing our market presence. Trade fairs provide the added value of face-to-face interactions with industry professionals, facilitating the development of collaborations essential for business growth and expansion.

TTS is also developing an immediate communication line through social media. We currently have a presence on LinkedIn, a platform well-suited for our business, allowing us to connect directly with our target customers. Our account is continuously monitored and updated with posts about our company.



## Awards and Recognitions

The value and quality of TTS have been recognized, and we have been certified as a Cribis Prime Company. This important recognition confirms our economic and commercial reliability and our virtue in payments to our suppliers.

TTS has received the Legal Rating recognition from the Italian Competition Authority (AGCM), which is a composite indicator of adherence to high legal standards.

Plimsoll is a company dedicated to market research and producing financial analyses based on national and international databases and dialogue with customers. Being recognized as the second company for growth in our sector is a significant source of pride for us at TTS, reaffirming our capabilities and business model.

## Suppliers: Supply Chain Management

TTS utilizes outsourced processes and services, particularly regarding:

- Products and services incorporated into TTS's final products
- Products and services sold directly to customers by third parties on behalf of TTS
- Production processes, or parts of them, carried out by external entities at TTS's request

## Guidelines for Supply Chain Management

As outlined in the Code of Ethics, TTS's relationships with suppliers are selected by management. The selection and determination of purchasing conditions are based on an objective assessment of prices, quality, services offered, and guarantees of the supplier's integrity. TTS rejects favoritism, favors, and any form of corruption. Payment methods are established during negotiations, and TTS commits to adhering to them.

## Procurement Process

The purchase of materials and products necessary for TTS's production cycle falls under our Purchasing Department. This department is responsible for all supply chain activities and specifically handles:

- Identifying and ensuring the source of materials
- Ensuring the purchase of materials and products that meet the company's production requirements and current regulations
- Negotiating prices for products and raw materials and placing orders
- Tracking delivery times and supplier punctuality
- Implementing a supplier evaluation system in collaboration with the Quality Department
- Supporting management in defining prices for new products offered

Once orders are delivered to our facility in Calendasco, it is the responsibility of the warehouse manager to ensure that what has been received matches the order, that the quality of the material meets TTS's required standards, that no damage occurred during transport, and finally, to appropriately store the received orders and attached documents. It is also their responsibility to promptly inform the Purchasing Department about any shortages of materials and products to facilitate timely reordering before stocks run out.

## Supplier Selection Criteria

In selecting suppliers, we apply a two-level selection process. In the first level, TTS:

- Ensures that outsourcing does not impact the quality of the product and/or service offered
- Defines controls regarding the supplier and the products provided
- Considers the potential impact of outsourcing on the company's ability to meet customer expectations and the effectiveness of the controls guaranteed by the supplier
- Determines the necessary activities to verify that the supplier meets all criteria established by TTS

TTS pre-evaluates suppliers by selecting those who meet specific criteria:

- The products and services offered
- The analysis and approval of products and services; methods, processes, and tools; the marketing of products and services
- Competence, including personal qualifications
- Interactions with TTS

- Control and monitoring processes adopted by the potential supplier
- Verification of the validation activities undertaken by the potential supplier

## Relationships with the Community

For several years, we have been collaborating on research and development with the Polytechnic University of Milan and the Department of Chemistry at the University of Milan. At TTS, we believe that collaboration with universities represents added value, stemming from the combination of academic expertise and practical sector knowledge.



**POLITECNICO  
MILANO 1863**



**UNIVERSITÀ  
DEGLI STUDI  
DI MILANO**

The research conducted in synergy fosters innovation and the development of new technologies, ensuring access to highly specialized knowledge and resources, impacting the company's competitiveness.

Additionally, universities with their laboratories, research activities, and emerging talents represent a pool of fresh ideas and innovative approaches—key elements to ensure a future of growth and sustainability for both workplaces and society as a whole.

The collaboration focuses on research activities, technological development, design, aesthetic ideation, and analytical studies in the chemical field aimed at determining the nature of a plastic material component.

## Sponsorships

As TTS, we have decided to support some local sports associations with the goal of promoting the typical values of sports that we wish to help disseminate, while also developing meaningful connections with the local community.

This initiative aims to encourage participation among young people—and adults alike—and foster talent development, contributing to social well-being and sustainable growth in our Piacenza community.

Through support for sports associations and their educational and sports programs, we aim to play our part in spreading principles such as fair play, solidarity, and respect. Moreover, collaboration with local associations allows us to enhance local resources and create positive synergies and opportunities for economic and social development. In particular, TTS has developed ties with BOXE Piacenza 1968, ASD Ribelli Dentro Pallavolo di Rottofreno, and ASD Zeropercento Ciclismo Piacenza.



# 5

Starting a new path is frightening. But with each step we take, we realize how dangerous it was to stay on the outside.

- Roberto Benigni

# 5. Economic and Financial Capital

## Management Progress

TTS operates worldwide. From our base in Piacenza, we have gradually expanded first to the national market, then to Europe, and today to the international market. The latter is currently the most rapidly developing market, capturing our increasing attention. Our bearings reach many countries, with Asia showing the greatest potential, driven by geopolitical dynamics and the Chinese market.

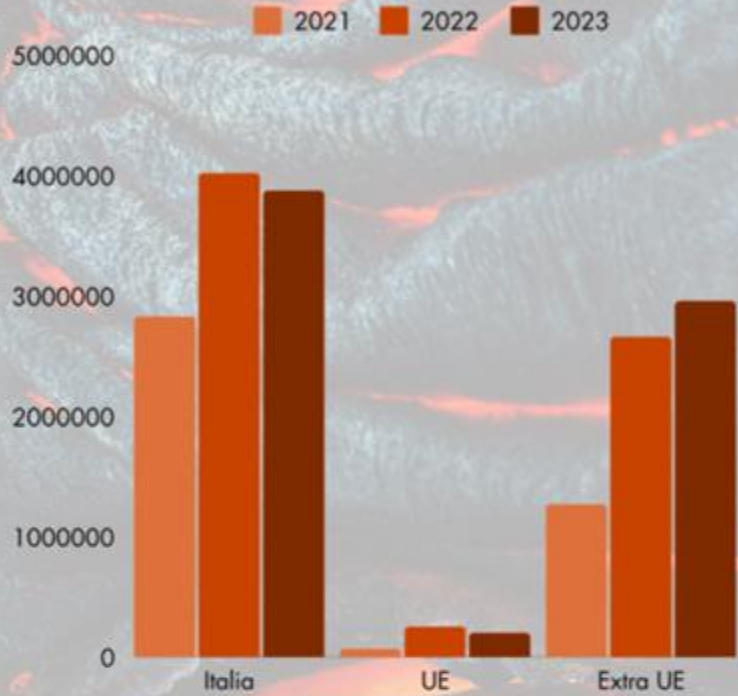
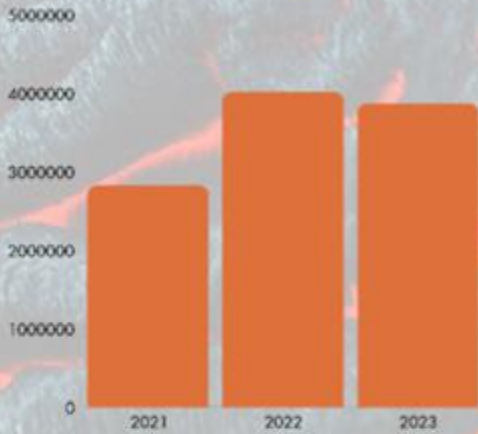
Revenue by geographic area (amounts in €/000)	2023		2022		2021	
	Revenue	%	Revenue	%	Revenue	%
Italy	3,875,781.26 €	55.1	4,021,797.80 €	58.0	2,828,261.48 €	67.9
EU	201,813.61 €	2.9	253,511.92 €	3.7	69,159.04 €	1.7
Rest of the world	2,957,713.18 €	42.0	2,661,152.96 €	38.4	1,268,626.03 €	30.5
<b>Total</b>	<b>7,035,308.05 €</b>	<b>100</b>	<b>6,936,462.68 €</b>	<b>100</b>	<b>4,166,046.55 €</b>	<b>100</b>

## Economic Value Generated and Distributed

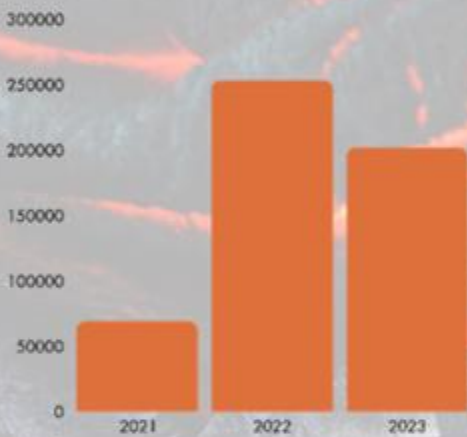
Economic value	2023	2022	2021
Net revenues	6,992,477	6,831,720	4,110,134
Other operating revenues	159,002	69,644	213,248
Financial income			2
Other operating costs (losses on receivables)			-
<b>Total Economic value generated</b>	<b>7,151,479</b>	<b>6,901,364</b>	<b>4,323,384</b>
Costs for raw materials and consumables	-3,346,266	-4,293,372	-1,937,146
Costs for services	-2,108,233	-1,186,382	-1,181,774
Depreciation	-113,238	-100,706	-75,156
Total economic value distributed to suppliers	-5,567,738	-5,580,460	-3,194,076
Employee compensation	-1,153,848	-855,047	-666,470
Total economic value distributed to human resources	-1,153,848	-855,047	-666,470
Other operating expenses	-132,531	-61,500	-39,214
Total economic value distributed to shareholders and financiers	-132,531	-61,500	-39,214
Income taxes	-42,796	-101,209	-57,601
Other operating costs (taxes and duties)	-110,478	-53,293	-27,846
Total economic value distributed to the public administration	-153,274	-154,502	-85,447
<b>Total economic value distributed</b>	<b>-7,007,391</b>	<b>-6,651,509</b>	<b>-3,985,207</b>
<b>TOTAL ECONOMIC VALUE RETAINED (generated – distributed) GRI 201-1</b>	<b>144,088</b>	<b>249,855</b>	<b>338,177</b>

## COMPARISON OF REVENUE TRENDS BY GEOGRAPHIC AREA

### REVENUE TREND IN ITALY

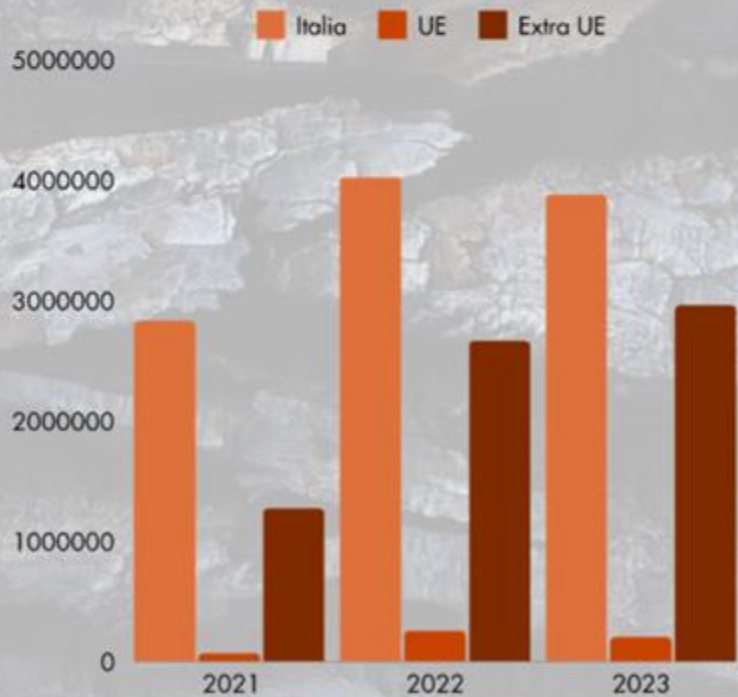
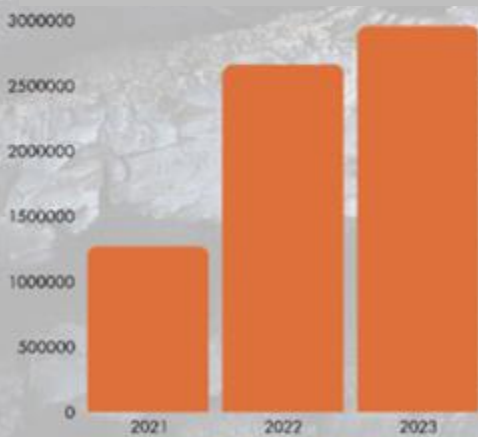


### REVENUE TREND IN THE EU



## COMPARISON OF REVENUE TRENDS BY YEAR

### REVENUE TREND OUTSIDE THE EU





## Investments

In 2023, the main areas of investment were as follows.

### Software

We invested in implementing a MES software - TeamSystem, an innovative monitoring system that allows for efficient and accurate tracking of productivity at any given moment. The software features user-friendly dashboards that enable us to manage machinery operations and downtime effectively.

### Infrastructure

Due to our growth, in 2023 we invested in expanding our goods storage area by constructing a mezzanine in the warehouse.

### Machine Tools

We acquired two machine tools that have allowed us to broaden our range of services and enhance the quality of our products. Specifically, we purchased a CNC lathe and a parallel lathe.

The CNC lathe (Computer Numerical Control) is a crucial tool for modern production. Its precision and automation enable us to produce complex components with minimal tolerances and high repeatability. This technology reduces processing times and material waste, thereby increasing production efficiency. Additionally, the CNC lathe allows for rapid programming and immediate modifications to projects, making it ideal for various production scales.

The parallel lathe, on the other hand, is essential for traditional mechanical processing. Primarily used for cylindrical machining, it allows for the precise and flexible creation of parts. Its ability to work with a wide range of materials makes it ideal for producing customized products and prototypes. The parallel lathe offers direct manual control, enabling our operators to make immediate adjustments during the machining process. Robust and reliable, it is a *must-have* for our production and growth.

### Equipment

Investments in this area included:

- A high-performance roundness gauge, which allows for measurements of shape, roughness, and profile, considering micro-irregularities of an object's surfaces with extreme precision down to the micron.
- Various testing tools, which streamline our operational processes, simplifying and supporting the work of our production team.
- A STILL forklift, necessary for our warehouse operations.

## Fiscal Approach

TTS is committed to complying with national and international regulations to ensure legal and operational compliance. We pay particular attention to adherence to laws and regulations related to workplace safety, personal data protection (GDPR), and environmental protection, aiming to create a resilient and reliable workplace. Additionally, as stated in our Code of Ethics, TTS implements strict internal policies to prevent corruption and uphold the rights of workers, customers, suppliers, and local entities, ensuring transparency and accountability in all operations.

A large, stylized orange number '6' is positioned in the upper left corner of the image. The background is a dramatic volcanic landscape at night, featuring a bright, glowing lava flow that winds across a dark, textured terrain. The lava flow is the central focus, with a large, intense fireball at its source in the upper right, casting a warm, orange glow over the scene. The overall atmosphere is one of raw power and natural beauty.

**The goals achieved today are the impossible feats  
of yesterday.**

- Robert H. Schuller

# 6. Human Capital

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At TTS, we firmly believe that people are the driving force and the key strategic element that defines who we are today. Valuing our employees, their knowledge, and their experiences is a natural consequence of the quality we recognize in them.

TTS is committed daily to improving working conditions, ensuring optimal environments where individuals can fully express their potential and actively contribute to the collective growth of our company, both in purely professional terms and in personal well-being.

Personnel management is guided by core values of fairness, impartiality, and respect for fundamental rights. Favoritism and discrimination are prohibited, leaving room for professionalism and the skills of the worker, thereby creating a completely meritocratic system. TTS expects equally correct behavior from employees while pursuing corporate objectives, adopting attitudes consistent with professional ethics, applicable laws, the Code of Ethics, and company protocols.

Personnel management is inspired by principles of fairness and impartiality, avoiding favoritism or discrimination while respecting the professionalism and skills of the worker. At the same time, in pursuing the company's objectives, employees must operate with the understanding that ethics represent a primary concern for TTS and must therefore always conform to the Code of Ethics and company protocols in their actions.

## Personnel Selection Policy

At TTS, we apply personnel selection and compensation policies inspired by values of non-discrimination, professionalism, competence, and merit.

The phases of selection, hiring, and career advancement are guided by objective evaluations based on our expectations, the characteristics of the desired profile, and their alignment with the examined profile. Hiring occurs with a regular employment contract, fully complying with current regulations and promoting the complete integration of the new hire into the existing environment.

TTS ensures the full protection of our employees' privacy by aligning with the safety standards established by law in ways that best fit our needs and characteristics.

The growth of individuals is one of our core values. From the recruiting phase throughout their employment, we are committed to implementing policies and behaviors aimed at strengthening the bond between the company and employees, recognizing their strategic added value, and constantly improving working conditions.

We believe that healthy interpersonal relationships, based on mutual respect and trust, influence individual activity, corporate climate, and overall performance. Thus, the well-being of workers becomes a strategic choice that can be a decisive factor for the company's long-term success and sustainability.

## Selection Process

In line with the values established in our Code of Ethics, the selection process is impartial, non-discriminatory, and merit-based, focused on knowledge and experience.

The process begins with our HR personnel drafting a job description, utilizing functional staff if necessary to outline technical requirements. This is followed by an initial interview to assess the candidate's soft skills and expectations. Once this preliminary screening is passed, a second interview takes place to evaluate the candidate's skills relevant to the position, involving specific and competent personnel.

Once a candidate is selected and the employment contract is signed, a mentorship phase begins to ensure effective integration both professionally and personally.

## Compensation Policies

At TTS, we believe that compensation policies should reflect a balance between internal equity, external competitiveness, and financial sustainability. To achieve the correct balance, we have established fair salary levels that align with the market, taking into account the skills and responsibilities of each role.

To motivate our team towards achieving strategic goals, we integrate variable incentives, such as performance-related bonuses, into regular pay. We also offer non-monetary benefits aimed at enhancing our employees' personal development, including training, work flexibility, and professional development plans, with the overarching goal of creating an attractive work environment and reducing turnover.

We renew our commitment daily to uphold values of transparency, fairness, and non-discrimination while actively pursuing salary equity. Through transparency and communication, we hope to strengthen our employees' trust in TTS and increase their engagement.

Average annual gross	2021			2022			2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Managers	-	-	-	-	-	-	-	-	0.00%
Executives	-	0.00%	-	-	0.00%	-	-	0.00%	103.64%
Office workers	-	103.53%	-	63.66%	66.31%	0.00%	62.94%	116.74%	-
Workmen	0.00%	44.24%	-	0.00%	0.00%	-	0.00%	0.00%	-

"- " indicates that the comparison is not possible because there are no professional figures in that position.

"0,00%" indicates that there are no female figures for that position.

## Diversity, Equal Opportunities, and Welfare

TTS cares about the well-being of its employees. We have established a relaxation area where, with the assistance of a dedicated certified personal trainer, our employees can work out safely. This initiative significantly impacts employees' psycho-physical well-being, promoting a dynamic lifestyle and encouraging staff to be more active throughout the day, making physical exercise an integral part of their routine. Regular training not only reduces stress and anxiety, improving mental well-being, but can also increase workplace productivity, creating a sense of community and solidifying interpersonal relationships. By enhancing overall health, physical activity reduces the risk of chronic diseases, contributing to a healthier and more vital workforce. Providing a relaxation area with the professional assistance of a personal trainer demonstrates a tangible commitment to employee well-being, significantly contributing to creating a more positive and stimulating work environment that enhances employee satisfaction and loyalty to the company.

At TTS, we are fortunate to work in a multicultural environment where cultures and customs blend, creating an inspiring and ever-surprising atmosphere. The richness of diversity is based on deep mutual respect and the desire to know and listen to one another. At TTS, we particularly find employees from India, Albania, Morocco, and Tunisia.





# 76%

Employee growth rate  
over the last 3 years

# > 6000

Training hours delivered  
in 2023

# 0

Injuries in the last three  
years

# Employees

2021			2022			2023		
Men	Women	Total	Men	Women	Total	Men	Women	Total
9	4	13	16	4	20	21	2	23

The number of employees has significantly increased over the past three years, directly reflecting our growth as a company and our establishment in the market.

TTS hires all employees exclusively with regular employment contracts. Metalworkers are hired under the National Collective Labor Agreement for Metalworkers, while clerical staff are employed under the National Collective Labor Agreement for the Tertiary Sector.

## Forms of Employment

Number of employees by type of contract	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term				2		2	2		2
Permanent	9	4	13	14	4	18	19	2	21
<b>TOTAL</b>	9	4	13	16	4	20	21	2	23

TTS employs fixed-term contracts minimally, primarily as a precursor to permanent employment.

Number of employees by type of employment	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	9	4	13	16	4	20	20	2	22
Part time							1		1
<b>TOTAL</b>	9	4	13	16	4	20	21	2	23

Part-time work is generally not adopted; however, it remains an available option to accommodate our employees' needs. The flexibility offered by part-time arrangements allows our staff to better balance work life with personal time, increasing satisfaction and improving overall productivity.

## Diversity

Number of employees by category/gender	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers									
Executives	2	1	3	3	1	4	4	1	5
Office workers	4	2	6	6	2	8	6	1	7
Workmen	3	1	4	7	1	8	11		11
<b>TOTAL</b>	9	4	13	16	4	20	21	2	23

The high male component, especially in the production area, directly results from the types of operations that characterize our production process.

Below are the percentages of employees categorized by type and gender, as related to the total number of employees as of December 31 for the years 2021, 2022, and 2023.



Percentage of employees by category/gender	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	0%	0%	0%	0%	0%	0%	0%	0%	0%
Executives	15%	8%	23%	15%	5%	20%	17%	4%	22%
Office workers	31%	15%	46%	30%	10%	40%	26%	4%	30%
Workmen	23%	8%	31%	35%	5%	40%	48%	0%	48%
<b>TOTAL</b>	69%	31%	100%	80%	20%	100%	91%	9%	100%

Number of employees by category/age	2021			2022			2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Managers									
Executives		2	1	3	1		3	2	
Office workers	1	5		3	5		2	5	
Workmen	1	3		3	4	1	2	8	1
<b>TOTAL</b>	2	10	1	6	12	2	4	16	3

Percentage of employees by category/age	2021			2022			2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Managers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Executives	0.0%	15.4%	7.7%	0.0%	15.0%	5.0%	0.0%	13.0%	8.7%
Office workers	7.7%	38.5%	0.0%	15.0%	25.0%	0.0%	8.7%	21.7%	0.0%
Workmen	7.7%	23.1%	0.0%	15.0%	20.0%	5.0%	8.7%	34.8%	4.3%
<b>TOTAL</b>	15.4%	76.9%	7.7%	30.0%	60.0%	10.0%	17.4%	69.6%	13.0%

## Turnover

Recruitment	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30				8		8	3	2	5
30-50	2		2	7		7	5		5
>50				1		1	1		1
<b>TOTAL</b>	2		2	16		16	9	2	11

The increase in hiring reflects the overall growth of the company. As business volume has grown, production has required more specialized personnel with targeted skills.

Employment terminations	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	1		1	4		4	3	3	6
30-50	1		1	4		4	2		2
>50				1		1	1		1
<b>TOTAL</b>	2		2	9		9	6	3	9

Reason for terminations	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Resignations	2		2	9		9	5	3	8
Terminations							1		1
<b>TOTAL</b>	2		2	9		9	6	3	9

All cases of termination have been voluntary resignations, with the exception of one dismissal in 2023 due to prolonged unauthorized absence.

Turnover rate	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	7.7%	0.0%	7.7%	60.0%	0.0%	60.0%	31.6%	26.3%	57.9%
30-50	23.1%	0.0%	23.1%	55.0%	0.0%	55.0%	36.8%	0.0%	36.8%
>50	0.0%	0.0%	0.0%	10.0%	0.0%	10.0%	10.5%	0.0%	10.5%
<b>TOTAL</b>	<b>30.8%</b>	<b>0.0%</b>	<b>30.8%</b>	<b>125.0%</b>	<b>0.0%</b>	<b>125.0%</b>	<b>78.9%</b>	<b>26.3%</b>	<b>105.3%</b>

Turnover percentages have been calculated based on the total number of employees as of December 31 of each year, in accordance with GRI Standard requirements. Fluctuations in turnover rates over the years are attributed to business growth and the need to quickly find personnel, as well as the challenges and specificities of the operations typical of our production process. These two factors have led to staff turnover, which, as shown by the data, is returning to normal levels.

## Training and Skills

Training hours	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers									
Executives	148	40	188	32		32	16	48	64
Office workers	204	124	328	94	89	183	204		204
Workmen	140	32	172	143	5	148	390	17	407
<b>TOTAL</b>	<b>492</b>	<b>196</b>	<b>688</b>	<b>269</b>	<b>94</b>	<b>363</b>	<b>610</b>	<b>65</b>	<b>675</b>

TTS strongly believes in the value of training, which is why we invest significantly in this area. All employees undergo specialized courses to better understand company operations, improve production efficiency, and enhance product quality. A foundational training course provided to all workers is, for example, a course in bearing technology. This is supplemented by a variety of specialized courses, such as advanced measurement techniques for bearings, metrology, project management, data transformation, and general data management.

Training hours include all safety training as required by current regulations.

Average training hours	2023		
	Men	Women	Total
Managers		0	0
Executives	4	48	52
Office workers	34		34
Workmen	35,41		35.41
<b>TOTAL</b>		<b>73.41</b>	<b>121.41</b>

For years, we have collaborated with Diego Parassole to combine training with lighter and more engaging moments. Our goal is to create a more pleasant, welcoming, and harmonious work environment that, during challenging periods, can alleviate pressure and stress, making work life more sustainable and less oppressive for everyone.

## Corporate Welfare

Corporate welfare initiatives mainly concern flexibility in work modalities, including access to remote working for eligible positions and access to dining services through the provision of daily meal vouchers.

Remote working is currently available for managerial positions and one commercial role and is regulated by individual agreements as required by current regulations.

## Health and Safety at Work


TTS firmly believes that the protection of health and safety at work is a fundamental value, without which sustainable, effective, and lasting business development cannot be planned. As a company, we are committed to ensuring health and safety in the workplace, complying with all training obligations under current regulations, promoting awareness of risks, and encouraging responsible behavior among employees. Additionally, we implement preventive measures to protect the health and safety of workers. Training and awareness-raising for all employees aim to make them aware of their obligations and responsibilities, thereby creating a true culture of health and safety within the company.

TTS combats unsafe and unhealthy work habits by promoting safe behaviors through information, training, and the development of our collaborators. We continuously identify hazards present in our activities and proactively assess risks for each new activity or process, adopting preventive solutions against injuries and occupational diseases. We prevent accidents, injuries, and occupational illnesses with the active participation of employees and collaborators, improving internal processes and working environments. We pursue ongoing improvement in health and safety levels through continuous updates of technologies and management methods. TTS also raises awareness among contractors and suppliers to ensure compliance with the company's safety policies, laws, and commitments. The internal company system is periodically updated, striving for constant performance improvement and encouraging participation, involvement, and awareness across all company components. Finally, the company ensures the availability and suitability of protective equipment, making sure it is compliant and used correctly.

## Injuries

Injuries	2021	2022	2023
Number of deaths due to work-related injuries	0	0	0
Number of work-related injuries with serious consequences	0	0	0
Number of work-related injuries	0	0	0
<b>Work injury rate</b>	<b>0</b>	<b>0</b>	<b>0</b>
Number of hours worked	24533	30761	39428.5
Number of deaths due to occupational diseases	0	0	0

The rate of recordable work injuries has been calculated as follows: number of work injuries per hours worked multiplied by 200,000.



In the three-year period from 2021 to 2023, we have maintained a record of 0 workplace injuries. We are extremely proud to have achieved this milestone, which demonstrates that our efforts to raise awareness, train our collaborators, and develop a genuine culture of safety within the company have paid off. We hope to maintain this achievement in the coming years, fully aware that we cannot take this trend for granted and must always maintain a high level of attention.

## Internal Communication

We have developed an internal communication system based on an intranet network. This investment has allowed us to streamline our production, achieving a level of cooperation among various departments that has translated into reduced delivery times while maintaining the high quality standards typical of TTS and sought by our customers.



**Every company has the responsibility to improve the world.**

- Ban Ki Moon

# 7. Environmental Capital

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TTS considers environmental protection essential for quality of life and sustainable development. We aim to align economic development and value creation with environmental respect and protection.

The primary goal of TTS is to develop business activities with a view to improving performance while respecting the environment. The company, aware of the lower impact of innovative technological solutions, directs its choices and strategies accordingly.

## Environmental Responsibility

TTS has always committed to initiating initiatives aimed at continuously reducing the environmental impacts of its activities by adopting the best possible practices and fostering collaboration with suppliers and partners.

In this regard, TTS has implemented an environmental management system in accordance with the EN ISO 14001:2015 standard, which will be certified in 2024. The Environmental Management System encompasses the processes, tools, and models implemented by a company to meet the requirements set forth by reference standards. These tools are vital for sustainable development, as a certified company makes a concrete commitment to limit direct environmental impacts resulting from its activities and to monitor indirect impacts related to the environmental behaviors of its suppliers, aiming to enhance emission reductions, promote waste recycling, and uphold correct environmental practices. Eco-sustainability and the adoption of green practices are the primary commitments of a certified company striving for continuous improvement of its performance in respect of and protection for the environment.

## TTS's Environmental Commitments

Our management, aware of its role and obligations towards the environment in which it operates, has embarked on a path to improve its performance and that of its client companies, aiming to develop valuable and sustainable solutions in compliance with regulations and capable of meeting the requests and expectations of its stakeholders.

The main objectives of the environmental policy are summarized as follows:

- Compliance with laws, regulations, and existing standards related to the sector and any additional commitments made by the Company
- Involvement of personnel, ensuring a high level of professionalism, even on sustainability issues
- Operating in a manner that reduces waste production, prevents pollution, and disposes of waste in accordance with current regulations.
- Managing natural resources and energy sustainably within company premises, minimizing waste and monitoring and controlling environmental aspects.

# Procurement and Material Efficiency

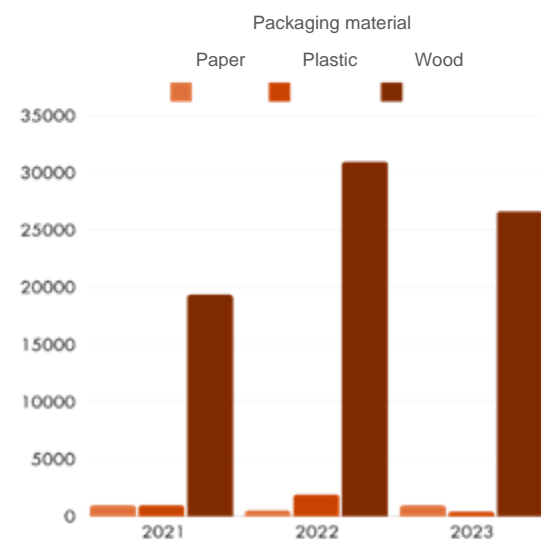
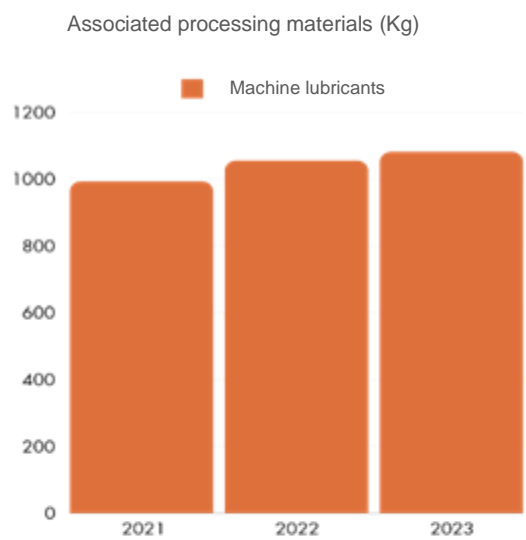
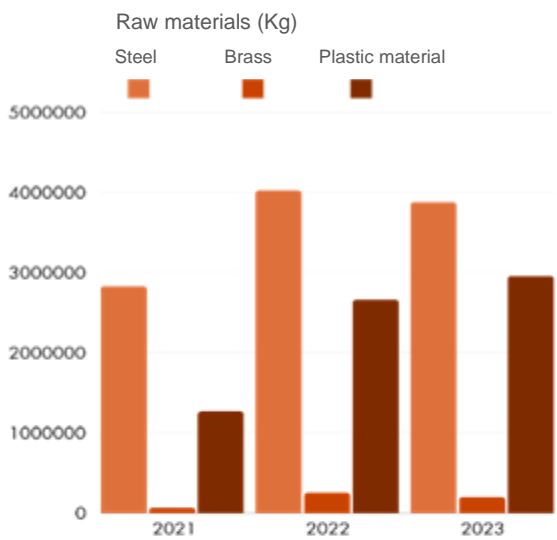
The primary material used in our production is steel. Its consumption trend shows how the efficiency of production processes, aligned with waste reduction, has led to a significant decrease in the use of raw materials.

Regarding processing lubricants, there has been a slight increase primarily due to increased production levels.

For packaging materials, we have achieved a significant reduction in plastic usage, thanks to a policy aimed at minimizing plastic waste in packaging.

Overall, there has been a noticeable reduction in the use of raw materials in TTS's production process, approximately 19% from 2022 to 2023.

Materials used	2021	2022	2023
<b>Raw material</b>			
Steel	303311.00	461923.00	378817.00
Brass	7853.00	15682.00	11502.00
<b>Associated processing materials</b>			
Machine lubricants	993.00	1055.00	1081.00
<b>Packaging materials</b>			
Paper	971.00	496.00	956.00
Plastic	974.00	1905.00	426.00
Wood	19351.00	30958.00	26633.00
<b>Total</b>	<b>333453.00</b>	<b>512019.00</b>	<b>419415.00</b>



## Energy Consumption

Energy consumption, mainly from electric and gas sources, has increased over the three-year period, which can be attributed to the increase in production during this time.

TTS is equipped with a photovoltaic system that provides about 20% of its energy from renewable sources. This percentage has gradually decreased, especially in 2023, nearly halving due to the ongoing revamping of the photovoltaic system.

Energy consumed (kW)	2021	2022	2023
<b>Electricity</b>	<b>123407.00</b>	<b>137581.00</b>	<b>148554.00</b>
Purchased electricity	102114.00	118748.00	136975.00
<i>From renewable sources</i>			
<i>From non renewable sources</i>	102114.00	118748.00	136975.00
Self generated electricity	21293.00	18833.00	11579.00
<b>Fuels</b>	<b>5753.00</b>	<b>7502.00</b>	<b>6832.00</b>
Natural gas	5753.00	7502.00	6832.00
Diesel			
<b>Total consumption</b>	<b>129160.00</b>	<b>145083.00</b>	<b>155386.00</b>





# 51MW

**Self-produced energy in the  
three-year period 2021 - 2023**

# 19%

**Reduction of raw materials  
used**

# 50%

**Reduction of plastic used  
for packaging**

## Water Resources

TTS sources its water primarily from the public aqueduct, with the company's consumption mainly related to domestic water use. Yearly fluctuations can largely be attributed to the presence of personnel on-site.

Water withdrawal (Smc)	2021	2022	2023
Third-party water resources - water suppliers (total) - aqueduct	406	264	326

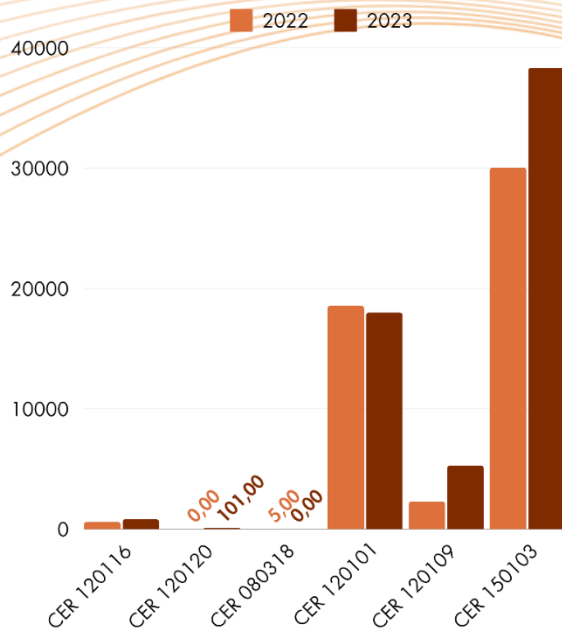
## Production and Waste Management

Waste produced (kg)	2022	2023
<b>Hazardous waste by type of material</b>		
CER 120116	614.00	830.00
CER 120120	0.00	101.00
<b>Non - hazardous waste by type of material</b>		
CER080318	5.00	0.00
CER120101	18580.00	18000.00
CER 120109	2300.00	5300.00
CER 150103	30050.00	38350.00
<b>Total</b>	<b>51549.00</b>	<b>62581.00</b>

TTS S.r.l. manages different types of waste, categorizing them according to the relevant CER codes. The main quantities of industrial waste produced pertain to the following clusters:

- CER 080318 – Used printer toner
- CER 120101 – Metal filings and shavings
- CER 120109 – Non-halogenated emulsions and solutions for machinery
- CER 120116 – Waste abrasive materials containing hazardous substances
- CER 120120 – Expired cutting tools and grinding materials containing hazardous substances

• CER 150103 – Wooden packaging



As can be noted, the only significant increase concerns CER Code 150103, related to wooden packaging. This increase is mainly due to the disposal of old pallets that were reused multiple times until their complete decommissioning due to obsolescence.

# GRI INDEX



# GRI Index

<b>Declaration of use</b>	Techno Total Solutions s.r.l. has reported the information mentioned in this GRI content index for the period from January 1, 2023, to December 31, 2023, referring to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE</b>
<b>GRI 2: General Disclosures 2021</b>		
	2-1 Organizational details	<a href="#">Page 9</a>
	2-2 Entities included in the organization's sustainability report	<a href="#">Page 6</a>
	2-3 Reporting period, frequency, and contact point	<a href="#">Page 6</a>
	2-4 Restatements of information	<a href="#">Page 6</a>
	2-5 External assurance	<a href="#">Page 6</a>
	2-6 Activities, value chain, and other business relationships	<a href="#">Page 17</a>
	2-7 Employees	<a href="#">Page 71</a>
	2-8 Workers who are not employees	<a href="#">Page 58</a>
	2-9 Governance structure and composition	<a href="#">Page 45</a>
	2-10 Nomination and selection of the highest governance body	<a href="#">Page 44</a>
	2-11 Chair of the highest governance body	<a href="#">Page 44</a>
	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">Page 44</a>
	2-13 Delegation of responsibility for managing impacts	<a href="#">Page 44</a>
	2-14 Role of the highest governance body in sustainability reporting	<a href="#">Page 44</a>
	2-15 Conflicts of interest	<a href="#">Page 45</a>
	2-16 Communication of critical concerns	<a href="#">Page 44</a>
	2-17 Collective knowledge of the highest governance body	<a href="#">Page 44</a>

	2-18 Evaluation of the performance of the highest governance body	<a href="#">Page 44</a>
	2-19 Remuneration policies	<a href="#">Page 68</a>
	2-20 Process to determine remuneration	<a href="#">Page 68</a>
	2-21 Annual total compensation ratio	<a href="#">Page 68</a>
	2-22 Statement on sustainable development strategy	<a href="#">Page 32</a>
	2-23 Political commitments	<a href="#">Page 45</a>
	2-24 Incorporation of political commitments	<a href="#">Page 45</a>
	2-25 Processes to remedy negative impacts	<a href="#">Page 29</a>
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Page 45</a>
	2-27 Compliance with laws and regulations	<a href="#">Page 48</a>
	2-28 Membership associations	<a href="#">Page 48</a>
	2-29 Approach to stakeholder engagement	<a href="#">Page 27</a>
	2-30 Collective bargaining agreements	<a href="#">Page 71</a>
<b>GRI 3: Material Topics 2021</b>		
	3-1 Process to determine material topics	<a href="#">Page 29</a>
	3-2 List of material topics	<a href="#">Page 29</a>
	3-3 Management of material topics	<a href="#">Page 29</a>
<b>GRI 201: Economic Performance 2016</b>		
	201-1 Direct economic value generated and distributed	<a href="#">Page 62</a>
	201-2 Financial implications and other risks and opportunities due to climate change	<a href="#">Page 29</a>
	201-3 Defined benefit plan obligations and other retirement plans	Not applicable as it is not considered relevant in the context analysis
	201-4 Financial assistance received from the government	No financial assistance was received from the government during the reporting period

<b>GRI 202: Market Presence 2016</b>		
	202-1 Ratio of standard entry-level wage by gender compared to local minimum wage	<a href="#">Page 68</a>
	202-2 Proportion of senior management hired from the local community	<a href="#">Page 71</a>
<b>GRI 203: Indirect Economic Impacts 2016</b>		
	203-1 Infrastructure investments and services supported	<a href="#">Page 66</a>
	203-2 Significant indirect economic impacts	Not applicable as it is not considered relevant in the context analysis
<b>GRI 204: Procurement Practices 2016</b>		
	204-1 Proportion of spending on local suppliers	Not applicable as it is not considered relevant in the context analysis
<b>GRI 205: Anti-corruption 2016</b>		
	205-1 Operations assessed for risks related to corruption	<a href="#">Page 46</a>
	205-2 Communication and training about anti-corruption policies and procedures	Not applicable as it is not considered relevant in the context analysis
	205-3 Confirmed incidents of corruption and actions taken	Not applicable, the organization did not detect any cases of corruption during the reporting period
<b>GRI 206: Anti-competitive Behavior 2016</b>		
	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	During the reporting period, no critical issues were communicated to the highest governance body
<b>GRI 207: Taxes 2019</b>		

	207-1 Approach to tax	<a href="#">Page 65</a>
	207-2 Tax governance, control, and risk management	<a href="#">Page 65</a>
	207-3 Stakeholder engagement and management of tax-related concerns	<a href="#">Page 44</a>
	207-4 Country-by-country reporting	Not applicable, activities are conducted within national borders
<b>GRI 301: Materials 2016</b>		
	301-1 Materials used by weight or volume	<a href="#">Page 78</a>
	301-2 Recycled input materials used	<a href="#">Page 78</a>
	301-3 Reclaimed products and their packaging materials	<a href="#">Page 78</a>
<b>GRI 302: Energy 2016</b>		
	302-1 Energy consumption within the organization	<a href="#">Page 79</a>
	302-2 Energy consumption outside of the organization	<a href="#">Page 79</a>
	302-3 Energy intensity	Data not available for the reporting period
	302-4 Reduction of energy consumption	<a href="#">Page 79</a>
	<b>302-5 Reductions in energy requirements of products and services</b>	<a href="#">Page 79</a>
<b>GRI 303: Water and Effluents 2018</b>		
	303-1 Interactions with water as a shared resource	<a href="#">Page 81</a>
	303-2 Management of water discharge-related impacts	<a href="#">Page 81</a>
	303-3 Water withdrawal	<a href="#">Page 81</a>
	303-4 Water discharge	<a href="#">Page 81</a>
	303-5 Water consumption	<a href="#">Page 81</a>
<b>GRI 304: Biodiversity 2016</b>		
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable, no operational sites owned, leased, or managed in or



		adjacent to protected areas or areas of high biodiversity value outside protected areas
	304-2 Significant impacts of activities, products, and services on biodiversity	Not applicable, no significant impacts of activities, products, and services on biodiversity reported
	304-3 Habitats protected or restored	Not applicable
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable, no IUCN Red List species or national conservation list species with habitats in areas affected by operations reported

### GRI 305: Emissions 2016

	305-1 Direct (Scope 1) greenhouse gas emissions	Data not available for the reporting period
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	Data not available for the reporting period
	305-3 Other indirect (Scope 3) greenhouse gas emissions	Data not available for the reporting period
	305-4 Greenhouse gas emissions intensity	Data not available for the reporting period
	305-5 Reduction of greenhouse gas emissions	Data not available for the reporting period
	305-6 Emissions of ozone-depleting substances (ODS)	Data not available for the reporting period
	305-7 Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Data not available for the reporting period

<b>GRI 306: Wastes 2020</b>		
	306-1 Waste generation and significant waste-related impacts	<a href="#">Page 81</a>
	306-2 Management of significant waste-related impacts	<a href="#">Page 81</a>
	306-3 Waste generated	<a href="#">Page 81</a>
	306-4 Waste diverted from disposal	<a href="#">Page 81</a>
	<b>306-5 Waste directed to disposal</b>	<a href="#">Page 81</a>
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
	308-1 New suppliers that were screened using environmental criteria	<a href="#">Page 58</a>
	308-2 Negative environmental impacts in the supply chain and actions taken	Not applicable, no negative environmental impacts in the supply chain have been reported
<b>GRI 401: Employment 2016</b>		
	401-1 New employee hires and employee turnover	<a href="#">Page 72</a>
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Page 68</a>
	401-3 Parental leave	All applicable regulations regarding parental leave are followed
<b>GRI 402: Labor/Management Relations 2016</b>		
	402-1 Minimum notice periods regarding operational changes	<a href="#">Page 71</a>
<b>GRI 403: Occupational Health and Safety 2018</b>		
	403-1 Occupational health and safety management system	<a href="#">Page 74</a> <a href="#">Page 46</a>
	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">Page 46</a>
	403-3 Occupational health services	<a href="#">Page 74</a>

	403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">Page 74</a> <a href="#">Page 46</a>
	403-5 Worker training on occupational health and safety	<a href="#">Page 73</a>
	403-6 Promotion of worker health	<a href="#">Page 74</a>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">Page 46</a>
	403-8 Workers covered by an occupational health and safety management system	<a href="#">Page 46</a>
	403-9 Work-related injuries	<a href="#">Page 74</a>
	403-10 Work-related diseases	<a href="#">Page 74</a>
<b>GRI 404: Training and Education 2016</b>		
	404-1 Average hours of training per year per employee	<a href="#">Page 73</a>
	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Page 73</a>
	404-3 Percentage of employees receiving regular performance and career development reviews	Data not available for the reporting period
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
	405-1 Diversity of governance bodies and employees	<a href="#">Page 44</a> <a href="#">Page 71</a>
	405-2 Ratio of basic salary and remuneration of women to men	<a href="#">Page 68</a>
<b>GRI 406: Non-discrimination 2016</b>		
	406-1 Incidents of discrimination and corrective actions taken	Not applicable, no incidents of discrimination have been reported
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>		
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Page 58</a> During 2023, TTS did not identify any suppliers where the right to freedom of association and

		collective bargaining may be at risk
<b>GRI 408: Child Labor 2016</b>		
	408-1 Operations and suppliers at significant risk for incidents of child labor	<u>Page 58</u> During 2023, TTS did not identify any suppliers at risk of child labor
<b>GRI 409: Forced or Compulsory Labor 2016</b>		
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Page 58</u> During 2023, TTS did not identify any suppliers where the right to freedom of association and collective bargaining may be at risk
<b>GRI 410: Security Practices 2016</b>		
	410-1 Security personnel trained in human rights policies or procedures	Not applicable as it is not considered relevant in the context analysis
<b>GRI 411: Rights of Indigenous Peoples 2016</b>		
	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable, no incidents of violations involving rights of indigenous peoples have been reported
<b>GRI 413: Local Communities 2016</b>		
	413-1 Operations with local community engagement, impact assessments, and development programs	<u>Page 59</u>
	413-2 Operations with significant actual or potential negative impacts on local communities	Not applicable, no operations with significant actual or potential negative impacts

		on local communities have been reported
<b>GRI 414: Supplier Social Assessment 2016</b>		
	414-1 New suppliers that were screened using social criteria	<a href="#">Page 58</a>
	414-2 Negative social impacts in the supply chain and actions taken	Not applicable, no negative social impacts in the supply chain have been reported
<b>GRI 415: Public Policies 2016</b>		
	415-1 Political contributions	TTS does not make any contributions, directly or indirectly, to political parties, movements, committees, political or trade union organizations, their representatives, or candidates, except those required by specific regulations
<b>GRI 416: Customer Health and Safety 2016</b>		
	416-1 Assessment of the health and safety impacts of product and service categories	No impacts on the health and safety of product and service categories have been reported
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products and services have been reported
<b>GRI 417: Marketing and Labeling 2016</b>		

	417-1 Requirements for product and service information and labeling	Not applicable as it is not considered relevant in the context analysis
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not applicable, no incidents of non-compliance concerning product and service information and labeling have been reported
	417-3 Incidents of non-compliance concerning marketing communications	Not applicable, no incidents of non-compliance concerning marketing communications have been reported
<b>GRI 418: Customer Privacy 2016</b>		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable, no substantiated complaints concerning breaches of customer privacy and losses of customer data have been reported



This report has been prepared in collaboration with ESACUBE, a company that aims to support and raise awareness among businesses by offering consultancy on impactful issues related to the Sustainable Development Goals through the improvement of environmental, social, and economic performance.

Our goal is to innovate, ensuring transparency in reporting for our Clients and Stakeholders while seizing the opportunities inherent in the ecological and digital transition.

