



VORTEX HYDRA
innovation & engineering

since 1967

2024

SUSTAINABILITY REPORT



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LETTER TO THE STAKEHOLDERS

Dear Stakeholders,

It is with great satisfaction that we announce the first **Sustainability Report** of **Hydra Srl**, an important step that reflects our commitment to conscious, responsible and long-term oriented growth.

Since 1967, Vortex Hydra has been designing, manufacturing and installing advanced technological solutions for the production of concrete roof tiles and water control through complex hydraulic works. Today we operate in more than 70 countries, with an international vocation based on innovation, reliability and quality of service.

Over the past few years, we have strengthened our sustainability strategy, aware of the role that a manufacturing company like ours can and must play in contributing to the ecological transition, the protection of natural resources and the creation of a shared value.

This report outlines our journey, the results achieved, and the actions undertaken in key areas such as:

- energy efficiency and digitisation of processes;
- enhancement of people and safety at work;
- responsible supply chain management;
- quality of the products and services offered to our customers;
- attention to environmental impacts and reuse of materials.

We drafted it according to EFRAG - VSME standards, adopting transparent reporting in line with our stakeholders' expectations and European regulatory developments.

We are aware that sustainability is not a finish line, but an ongoing journey of listening, responsibility and innovation. That is why we renew our commitment to work together with all of you - customers, suppliers, collaborators, local authorities, communities and institutions - to tackle together the environmental, social and economic challenges ahead.

We thank you for your trust, dialogue and contribution to the growth of our industrial ecosystem.

Yours sincerely,

VITTORIO MERLI, Legal Representative and Chairman of the Board

ELENA MERLI, Board Member

IRENE MERLI, Board Member

Vortex Hydra Srl

1.

THE WORLD
OF VORTEX HYDRA:

1.1 ABOUT US

Founded over fifty years ago, today Vortex Hydra is a global reference point in the sectors of concrete tile systems and electromechanical works for water regulation and control. The company's identity is based on a unique combination of international vision and family tradition, lean yet solid governance, and a distinctive operating method that enhances every stage of the relationship with the customer. This chapter describes the company's key characteristics: its history and values (2.1), its organisational structure and governance (2.2), and, lastly, the Vortex Hydra method, a summary of its technical and relationship-based approach (2.3).

International Vision – Family Heart

Vortex Hydra was founded in 1967, the brainchild of an entrepreneurial intuition of a group of Italian engineers, with a vision already oriented towards the future: develop **tailor-made solutions** for customers around the world. Since then, the company has maintained a rare balance between **international vocation and family soul**. Its growth has always been underpinned by prudent management, firmly rooted in the founders' values—principles that are now being carried forward by the second generation.

Over time, Vortex Hydra has built a global reputation for its ability to offer concrete and long-lasting innovation. Today it is a recognised point of reference in the sectors of the design and production of machinery for concrete roof tiles and the design and manufacture of electromechanical systems for water management, bringing Italian know-how to over 70 countries.

Two generations transformed into value

In over 50 years of activity, Vortex Hydra has been able to evolve and grow, remaining faithful to its original principles. The generations involved have transformed their wealth of technical and interpersonal skills into a truly distinctive asset, passing down not only experience but also a work culture oriented towards quality and responsibility.

Throughout this journey, the company has developed the widest range of machinery and automation (over 100 systems with multiple combinations), plants (over 20 configurations), and finished products (over 100 models) for automated concrete roof tile production. With internationally registered trademarks and patents, the company has installed solutions in complex and highly specialised environments, all while maintaining a direct relationship with its employees and customers. In the hydraulic engineering sector—where it participates in international tenders for the design and supply of dam gates and turbine guard valves—Vortex Hydra leverages its expertise and experience to develop solutions precisely tailored to technical specifications.

Our Values

The **values** that guide Vortex Hydra are clear and deeply rooted: technical expertise that keeps pace with **innovation** as a tool for creating useful and bespoke solutions; **sustainability** as a strategic choice, evidenced by a commitment to the **circular economy** and **resource optimisation**; **quality** and **safety** as indispensable requirements at every stage of the process; **customer focus**, **respect for people and the local area** as the foundation of all corporate actions.

Our Mission

Our mission is to develop innovative technical solutions to grow the market together with our customers, consolidating long-term relationships based on trust and a shared vision. Technical skills, technological innovations, listening to the needs, ideas and aspirations of our customers are a continuous source of inspiration for us.

Our Vision

Whether the objective is to produce hydromechanical works and dam gates, develop new roof tile profiles, expand production, introduce automation, or improve operational efficiency, Vortex Hydra leverages its expertise and experience to develop perfectly tailored solutions.

We distinguish ourselves through our ability to transform ideas into practical, bespoke solutions, while also offering cost-effective standard solutions that are "production-ready".

Our goal is to partner with our clients in developing effective, affordable, and future-oriented projects, contributing to their success through continuous innovation and intelligent problem-solving.

Business Model

Whether the objective is to produce hydromechanical works and dam gates, develop new roof tile profiles, expand production, introduce automation, or improve operational efficiency, Vortex Hydra leverages its expertise and experience to develop perfectly tailored solutions. Within this framework, Vortex Hydra operates a high value-added, **made-to-order business model**.

We stand out for our ability to transform ideas into practical, customised solutions, while also offering cost-effective, "production-ready" standard solutions within the concrete roof tile machinery sector.

For hydraulic engineering:

In the hydraulic engineering sector—where it participates in international tenders for the design and supply of dam gates and turbine guard valves—Vortex Hydra leverages its expertise and experience to develop solutions precisely tailored to technical specifications.

For tile manufacture plants:

- **Standard and/or bespoke production:** every machine or system is designed and manufactured according to the **customer's specific requirements**, while also incorporating standardised solutions.

For both sectors

- **VERTICAL INTEGRATION:** Vortex Hydra manages every key stage—design, production, installation, commissioning, and after-sales support. This **ensures total quality and schedule control, allowing us to proactively resolve any challenges that may arise during the life of the contract.** (problem solving)
- **TECHNICAL AND LOCAL PRESENCE:** leveraging its international reach, the company maintains **direct relationships with both customers and suppliers**, minimising intermediaries and enhancing the quality of after-sales service.

The main features:

1. STRONG ORIENTATION TOWARDS INNOVATION

technical skills in step with the **innovations available on the market (electronics, robots)**.

2. INTEGRATED SUSTAINABILITY

tile production plants designed to **reduce energy consumption, the generation of waste** and the **environmental impacts** (e.g. high-efficiency drying systems, extensive use of recyclable materials).

The company maintains a complete and continuous historical record of every single project. This unique organisational approach allows for the comprehensive refurbishment of individual components or entire tile production plants. Design and manufacturing excellence, combined with rigorous maintenance regimes, result in systems with an exceptionally long service life. This, in turn, facilitates the reuse processes central to a circular economy. Solutions that may become obsolete for one client can, through appropriate refurbishment, provide the ideal answer for the needs of another.

In emerging economies, an artisan can use a compact Vortex Hydra machine mounted on a small truck to travel across their region, producing concrete roof and floor tiles for housing construction. This creates a virtuous cycle of small-scale investment and training, generating business activities that ensure economic sustainability and bring prosperity to developing areas.

In the dam and turbine guard valve sector, our work focuses on the stewardship of water—an essential source of life for agriculture and the production of sustainable hydroelectric power.

3. FOCUS ON QUALITY AND RELIABILITY

ISO 9001 and ISO 14001 certifications, **Integrated Quality-Environment-Safety Management System (INAIL guidelines)**.

4. CULTURE OF RELATIONSHIPS

Leveraging its international reach, the company maintains **direct relationships with both customers and suppliers**, minimising intermediaries and enhancing the quality of after-sales service.

5. SECTOR DIVERSIFICATION

Two synergistic business areas — concrete roof tile machinery and dam gates and turbine guard valves for hydroelectric power plants — which drive resilience and growth.

Products and services

For hydraulic engineering:

In the hydraulic engineering sector—where it participates in international tenders for the design and supply of dam gates and turbine guard valves—Vortex Hydra leverages its expertise and experience to develop solutions precisely tailored to technical specifications.

For tile manufacture plants:

- **Standard and/or bespoke production:** every machine or system is designed and manufactured according to the **customer's specific requirements**, while also incorporating standardised solutions.



1. Modular and scalable CONCRETE TILE TECHNOLOGIES

Vortex Hydra is a world leader in the design and production of concrete roof tile production plants, offering modular and scalable solutions:

- **UNO System:** The Uno range of machinery is the ideal solution for starting a concrete roof tile production business with a low initial investment. – High-quality product. – Easy use and maintenance. – Flexibility in the production of various tile profiles and other building products. – Minimum production space. The production range of the Uno systems varies from 1,250 to 12,000 tiles per shift.
- **Modulo:** Modulo machinery is the ideal solution for markets requiring medium-high production capacities. The heart of the system is our high-performance continuous extruder, which is scalable for production rates ranging from 60 to 120 tpm. The semi-automatic base configuration can be easily upgraded to a fully automated system to minimise labour costs. Production capacity ranges from 24,000 to 50,000 products per shift.
- The **ROTARY** system is globally recognised as the most efficient curing system. Based on "First-in/First-out" (FIFO) logic, it is the ideal solution for clients operating multiple shifts. The system is designed to simplify the concrete curing process, reduce maintenance requirements, and lower energy consumption. The ROTARY curing capacity varies from 13,000 to 44,400 tiles per shift, meeting a wide array of customer requirements.
- **Matrix:** The Matrix curing system is the ideal solution for clients with high-speed plants seeking maximum production flexibility. Its logic is based on multiple independent curing chambers, each of which can be preset with dedicated curing conditions to ensure the highest product quality. Curing capacity can be adapted to customer needs, accommodating production from 30,000 to over 60,000 tiles per shift.
- **Automations and upgrades:** Vortex Hydra solutions for enhancing the performance of existing plants include a wide range of "wet-side" and "dry-side" automation. These make extensive use of robotic solutions to ensure maximum flexibility and efficiency in any configuration. State-of-the-art finishing equipment, alongside stand-alone units such as low-consumption oilers and cutting units, enables the production of high-quality products at speeds of up to 140 tiles per minute. These solutions allow for the automation and retrofitting of existing plants, improving efficiency and quality while reducing production costs.



2. VALVES AND HYDROMECHANICAL EQUIPMENT

Through its **Vortex Hydra Dams** division, the company designs and manufactures bespoke valves and hydromechanical equipment for water management:

- **Customised valves:** spherical, butterfly and fixed-cone valves, designed to suit specific operational requirements.
- **Hydromechanical equipment:** roller gates, flap gates, radial gates, bonneted gates for bottom outlets, mitre gates, and stoplogs.

These solutions are deployed in dams, hydroelectric power stations, and water infrastructure worldwide.

These two specialised areas form the core of the company's offering, united by a highly customised and integrated approach.

3. TECHNICAL AND AFTER-SALES SERVICES

Vortex Hydra offers a wide range of services to support customers in all stages of the project:

- **Design:** Collaboration with the customer to develop bespoke solutions.
- **Installation and testing:** Assembly and functional testing of systems at the customer's site.
- **Training:** Theoretical and practical courses available for operations and maintenance personnel.
- **After-sales support services:** Continuous technical support, supply of original spare parts (with customised inventory planning to reduce delivery and response times), and technological updates.
- **Digital services:** Digital interconnection for plant downtime analysis. Management of offers, orders, spare parts and technical assistance.

Complexity as a widespread value

Complexity, for Vortex Hydra, is not an obstacle but an opportunity. The ability to **manage complexity** and transform it into a competitive advantage is one of the company's distinctive traits. The experience gained in electromechanical works for water management, where extremely high technical and regulatory standards are required, also benefits other sectors of activity, generating tangible benefits for all stakeholders involved.

The company has been able to make the management of complex and technically challenging projects a distinctive element, translating the **complexity in skills, method and shared value**.

This approach generates a **positive impact** not only within the organisation, but also outside it, **along the entire supply chain and in the local areas** in which it operates, helping to create a **virtuous ecosystem of sustainable growth**.

International presence

Today Vortex Hydra operates in a solid international network, made up of customers, suppliers and partners located on five continents. This widespread presence enables the company to always be close to its target markets, to adapt solutions to local needs, and to build long-term relationships based on trust, transparency and reliability.

The logic of customisation is the basis of the global success of Vortex Hydra: each project is unique and developed in close cooperation with the client. The company does not just export machines, but experiences, training, technical assistance, and value. Even in the standard choices, the customer makes their project unique by selecting the type of product desired.

1.2. THE VORTEX HYDRA METHOD

The **Vortex Hydra method** is the result of over fifty years of experience in the field and represents the integrated approach the company adopts to accompany the customer through every stage of the project – before, during and after the installation of the system.

It is not just about designing and producing machines. The value that Vortex Hydra offers to its customers comes from **how it works**, from **the people involved**, from the **ability to listen** and from **willingness to build long-term relationships based on trust**.

A method that develops in nine operational steps:



1. WE ANALYSE

We listen to the **customer's needs** with a **technical and strategic approach** to build **truly tailor-made solutions**



2. WE DESIGN

We transform the **needs in concrete solutions**, thanks to the **multidisciplinary know-how** of our technical team.



3. WE MANUFACTURE

We produce in-house, using **advanced technologies** and **high-quality materials**, **selecting qualified suppliers**



4. WE TEST

Each machine is tested to verify **reliability, performance and safety**.



5. WE PACK

We take care of the **protection** and **safety** of the product for international transport.



6. WE SHIP

We manage logistics and customs to ensure reliable delivery **timelines** and **traceability** worldwide.



7. WE INSTALL

Our **expert technicians follow personally** the assembly and start-up of the systems



8. WE TRAIN

We offer **technical training** on-site and remotely, to render **customers self-sufficient** and **optimise processes**.



9. WE SUPPORT

We guarantee constant **after-sales support: spare parts, maintenance work with the insertion of new machinery**.

THE DIFFERENCE IS IN HOW

What makes this method truly unique is the **relationship- and value-based approach** which accompanies it:

- Vortex Hydra works with **transparency, consistency, in respect of contractual commitments.**
- It builds **solid partnerships**, not simple contracts.
- It makes available **skills, know-how** and **presence** even after delivery.
- It is structured internally with staff dedicated to **Project Management** to monitor all contract development processes.

In an increasingly competitive world, Vortex Hydra chooses to **place expertise, the customer, and the quality of our relationships at its heart**, believing this to be the only way to build genuine, long-term value for both parties.

VSME metrics

B1 – Basis for preparation

| Item | Description / Figure |
|--|---|
| (a) Option selected for reporting | Option B: Basic Module and Comprehensive Module |
| (b) Disclosures omitted for reasons of confidentiality or sensitivity | There are no omissions |
| (c) Nature of the sustainability report | Report prepared on an individual basis (limited to information from Vortex Hydra Srl) |
| (d) List of subsidiaries (if consolidated report statements) | |
| (e) Legal form | Limited Liability Company (LLC) |
| (e) NACE code | 28.99 - Manufacture of other general-purpose machinery nec |
| (e) Number of employees | 78 |
| (e) Annual turnover | €34,591,066 |
| (e) Country of primary operations | Italy |
| (e) Location of significant activities | COPPARO (FE) production and administrative headquarters |
| (e) Geolocation of owned sites | Via Argine Volano 355 – 44034 Copparo (FE) |

(f) Sustainability certifications or labels ISO 9001:2015 (Quality); ISO 14001:2015 (Environment) certified by KIWA CERMET ITALIA SpA on 07/03/2025 (Valid for three years)

C1 – Strategy: Business Model and Sustainability – Related initiatives

| Item | Description / Figure |
|--|--|
| <p>(a) Significant groups of products and/or services offered</p> | <p>Vortex Hydra specialises in the design, production and installation of plants and technologies for the production of concrete roof tiles. The offer includes automatic machines and complete lines for the production of concrete roofing, technical consultancy services, testing, after-sales assistance, spare part supply, on-site/remote training, as well as developing customised solutions for industrial customers internationally.</p> <p>In the hydraulic engineering sector—where it participates in international tenders for the design and supply of dam gates and turbine guard valves—Vortex Hydra leverages its expertise and experience to develop solutions precisely tailored to technical specifications.</p> |
| <p>(b) Significant markets in which the company operates</p> | <p>Vortex Hydra operates mainly in the B2B and business-to-government (B2G) segment, addressing its offer to construction companies, infrastructure operators, industrial groups and local governments, in areas characterised by urbanisation processes and building development, investments in strategic infrastructure, such as water control. The company exports abroad and the target markets may vary from year to year based on commercial opportunities.</p> <p>For both sectors Africa, United States of America, Asia, Europe, and South America For tile systems: Australia, Eurasia</p> |
| <p>(c) Main commercial relations</p> | <p>The company develops long-term relationships both with its international customer base, through bespoke projects and ongoing technical support, and with its strategic suppliers, who are selected based on quality, reliability, and sustainability criteria. Distribution channels include direct sales, exclusive agents and qualified local partners. Customer relationships are bolstered by high value-added after-sales services, which include remote assistance, operational training, and technological upgrades provided upon request.</p> |
| <p>(d) Strategic elements related to sustainability</p> | <p>The corporate strategy of Vortex Hydra integrates the principles of sustainability in an increasingly structured way. The key elements include: investment in energy efficiency and the digitalisation of production processes; the adoption of an Integrated Management System certified to ISO 9001 and ISO 14001 standards; and a commitment to reducing environmental impacts and reusing packaging and metal scrap. Furthermore, the company develops projects with a positive social impact, such as the “UNO+UNO” programme for technology transfer to developing countries and focuses on empowering human capital through initiatives dedicated to training, safety, well-being and inclusion. These strategic elements are aligned with the company's medium-to-long-term objectives, aimed at consolidating solid, innovative and responsible growth.</p> |

2.

INFORMATION OF REPORTING

2.1 METHODOLOGICAL NOTE

This document constitutes the first **Sustainability Report** drafted by **Vortex Hydra Srl (VH)**, on a **voluntary basis**.

Although currently excluded from the reporting obligations under the CSRD and the Omnibus regulatory package (17 April 2025), which defined simplified requirements for SMEs, **the company has chosen to start a structured reporting process**, in a perspective of **transparency** and **alignment** with emerging market expectations and European regulations.

The report was drafted in compliance with the **VSME - Voluntary Sustainability Reporting Standard for non-listed SMEs** standards (Final version December 2024) prepared by the **EFRAG - European Financial Reporting Advisory Group** - for unlisted European micro, small- and medium-sized enterprises. Drafting of the report followed the requirements set by the **Basic Module** and the **Comprehensive Module**, for metrics that are applicable and relevant to the company's operational and management characteristics.

The Report refers to the year **2024** and will be drafted **annually**. The data and information contained in this document refer exclusively to Vortex Hydra Srl, which does not hold equity investments in other companies and does not prepare consolidated financial statements. The **reporting scope** corresponds entirely to the economic and legal scope of the company.

The report was prepared by applying the principles set out in the VSME standards: **relevance, faithful representation, comparability, understandability, verifiability**.

The entire process of drafting this report was developed with the support of the **ThePLEDGE strategic consulting firm**, which supported Vortex Hydra in defining the **methodological approach, in analysing the contents and in drafting the document**. The information was collected in collaboration with internal departments, with timely validation of the data by area managers. The contents of the report were selected starting from the **main economic, environmental, social and governance impacts** of the company.

The company has chosen to conduct both a **strategic stakeholder analysis** and a **double materiality assessment** on a **voluntary basis**, although these activities are not expressly required by the VSME standard.

This choice reflects the company's intention to **anticipate regulatory developments** and to strengthen the **strategic consistency of its ongoing sustainability journey**.

The **materiality analysis** followed a **double materiality** approach, examining, on the one hand, the impact of corporate activities on people and the environment (**impact materiality**) and, on the other, the current or potential effects of ESG issues on the company's economic-financial performance and resilience (**financial materiality**).

To identify the **material topics**, reference was made to **Appendix B** of the VSME standard, which provides a comprehensive and detailed list of potential environmental, social, and governance issues to be considered in sustainability reporting. The identification of topics relevant to Vortex Hydra (VH) was carried out in collaboration with the company's ownership and supported by a sector benchmark.

While no structured **stakeholder engagement** process was conducted, the topics identified reflect the company's positioning and the expectations of key stakeholders, based on an in-depth, conscious, and informed internal review.

To provide greater clarity for external recipients, such as banks and financial partners, certain metrics (e.g. C4 – Climate-related risks and specific social metrics) have been integrated with **indicators from the MEF (Ministry of Economy and Finance) document: "Sustainability dialogue between SMEs and Banks"** – December 2024, which can be consulted at the following link: [MEF "Sustainability dialogue between SMEs and Banks"](#).

To facilitate readability, the **metrics will be inserted at the end of the respective chapters. Metrics B2 and C2** will be initially described in a **narrative format** within the text, so as to offer a more detailed and contextualized picture. Subsequently, they will also be compiled in a **summary table** at the end of the report, to allow for quick reference by interested stakeholders.

The metrics reported are as follows:

- **GENERAL INFORMATION:** B1, B2, C1, C2
- **ENVIRONMENTAL INDICATORS:** B3, B4, B6, B7, C4 (AND INTEGRATION WITH MEF No.9)
- **SOCIAL INDICATORS:** B8, B9, B10, C6, C7, MEF No.37
- **GOVERNANCE INDICATORS:** B11, C4, C8, C9

Any **estimates or approximations** used will be appropriately declared in the document. The data are expressed in **coherent units** and refer to the entire **calendar year 2024**.

The methodological note may be updated in the future based on regulatory, organisational, or operational developments.

2.2 WHAT SUSTAINABILITY MEANS FOR VORTEX HYDRA

For Vortex Hydra, sustainability is a constantly evolving strategic reference, increasingly integrated into innovation, production, supply chain management, and customer relations choices. Since its inception, the company has viewed growth as an opportunity to generate shared value, basing its competitiveness on a balance between economic performance, social responsibility, and environmental protection. Over time, this vision has been made concrete by adopting tools, practices, and certifications that guide activities toward long-term objectives consistent with sustainability principles.

The sustainable impact of the concrete roof tile machinery supply chain

Vortex Hydra operates within a strategic supply chain for sustainable construction, offering advanced technological solutions for the production of concrete roof tiles. Compared to traditional clay tiles, concrete tiles guarantee greater sustainability: they require lower production temperatures, a shorter production cycle, have a longer lifespan, and generate lower overall emissions.

According to the 2008 Study of the **Freiburg Öko-Institut**, concrete roof tiles have a reduced environmental footprint in terms of both energy consumption and CO₂ emissions per unit produced.

Vortex Hydra automatic lines enhance these advantages: they are designed to maximise energy efficiency, reduce waste and optimise the use of materials and resources. Key solutions developed by the company include controlled curing systems, which accelerate tile hardening times while optimising thermal energy use and minimising heat loss. This ensures consistent product quality and a significant reduction in energy requirements.

TECHNICAL FOCUS

Vortex Hydra offers two technologies for the curing phase:

- **Modular curing chamber:** Flexible and scalable, ideal for compact or growing production configurations.
- **Rotary-Rack system:** based on a “first-in/first-out” logic, it ensures uniform treatment and low energy consumption.



Vortex Hydra srl

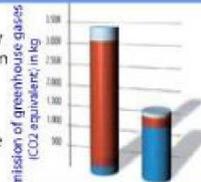
COVERAGE WORLDWIDE

Newsletter n.32 June 2013

ENVIRONMENTAL COMPARISON OF CLAY AND CONCRETE ROOF TILES

Reduction of greenhouse gases

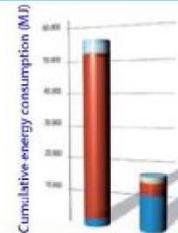
Lower power consumption consequently means lower emissions of the well-known CO2 gas, the increase of which is now considered to be a prominent cause of global warming. Moreover, during its useful life the concrete roof tile absorbs about 20% of the CO2 emitted in its manufacturing process.



| Emission of greenhouse gases (CO2 equivalent) in kg | clay roof tile | concrete roof tile |
|---|-----------------------|-----------------------|
| Extraction / production of raw materials | 191 kg 5,6 % | 1.227 kg 79,6 % |
| Production | 2.907 kg 85,4 % | 214 kg 13,9 % |
| Packaging | 7 kg 0,2 % | 20 kg 1,3 % |
| Distribution | 299 kg 8,8 % | 80 kg 5,2 % |
| TOTAL | 3.404 kg 100 % | 1.541 kg 100 % |

Energy saving

A large energy saving equating to 30% of that of the energy used by the clay tile is apparent when comparing the preparation of raw materials, production, packaging and distribution activities of both tile types.



| Cumulative energy consumption (MJ) | Clay Roof Tile | Concrete Roof Tile |
|--|------------------------|------------------------|
| Extraction / production of raw materials | 2.484 MJ 4,5 % | 10.813 MJ 67,2 % |
| Production | 49.354 MJ 88,2 % | 3.578 MJ 22,2 % |
| Packaging | 240 MJ 0,4 % | 658 MJ 4,1 % |
| Distribution | 3.876 MJ 6,9 % | 1.041 MJ 6,5 % |
| TOTAL | 55.964 MJ 100 % | 16.090 MJ 100 % |

Concrete roof tiles are "environmentally friendly"

CONCRETE ROOF TILE advantages

The concrete roof tile offers numerous advantages:

- ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY (product made of cement, sand and water)
- LOW PRODUCTION COSTS compared to the clay roof tile
- RESISTANCE TO ADVERSE CLIMATIC CONDITIONS. The concrete roof tile is waterproof and resistant to frost. One of the biggest problems experienced with the clay roof tile is its fragile nature in the face of temperature changes (appearance of cracks and fractures). The characteristics of concrete roof tile is as such that it suitable for use in every type of climate extreme without damage.
- RESISTANCE TO FIRE

Environmentally friendly

STABILITY in the presence of strong wind

- EFFICIENCY OF INSULATING against both the cold and heat extremities due to air circulation
- OVER 30 YEARS OF LONG LIFE without changing the aesthetic and technical qualities of the tile
- Its LIGHT WEIGHT allows you to use it on the renovation of existing buildings to not only beautify the building but also increase its economic value.

In particular, *the reduced environmental impact of the concrete roof tile compared with that of the clay roof tile is one of the issues of the debate on "green economy" that is being discussed internationally without losing the importance of the quality of the final product.*

LESS greenhouse gases

The independent Öko-Institut (ecological institute) in Freiburg, Germany undertaken an environmental comparison of the two main product groups: clay and concrete roof tiles in 2008 stating that, "during its entire lifecycle, a concrete roof tile only causes around 45 per cent of the greenhouse gases triggered by a clay tile."

Concrete is also excellent in terms of energy consumption, the development of fine dust, and a range of other environmental factors.

RELIABLE INNOVATION

THE WORLD LEADER OF CONCRETE ROOF TILE MACHINERY

www.vortexhydra.com - www.youtube.com/vhsales

Valves and gates for the renewable energy supply chain

Vortex Hydra's solutions for the design and manufacture of valves and gates are part of a strategic supply chain for the energy transition: hydroelectric power generation.

This sector, essential for the decarbonisation of the energy mix, requires the expertise to participate in tenders for water regulation systems with rigorous technical specifications.

The contribution to sustainability is two-fold: on the one hand, our solutions favour the continuous generation of renewable energy; on the other hand, they strengthen the resilience of water infrastructure, even under extreme climate conditions.

Vortex Hydra participates in tenders for the development of new water reservoirs in developing countries, aimed at providing water supplies for local populations and supporting irrigation for agriculture.

Landscape integration and visual impact management

Vortex Hydra is situated in a flat, low-density area designated as a protected landscape. In line with its proactive environmental approach, the company has adopted design solutions to prevent any potential visual impact.

The corporate buildings feature understated architecture in harmony with the surrounding landscape:

The offices have a maximum height of 7.30 metres;

The production plants are 9 metres high and are aligned with the local built environment;

The surrounding green space, landscaped with trees, hedges, and ornamental plants, naturally integrates the structures into their context.

The buildings are maintained in excellent condition. Recent actions include the relocation of the temporary waste storage area to a rear site, screened from the main entrances.

Additionally, production processes generate no visible emissions, such as smoke or dust, avoiding the need for chimneys or other high-impact structures.

These measures demonstrate VH's commitment to the aesthetic and environmental protection of the local area.

Our sustainability pillars

Alignment with the Sustainable Development Goals (SDGs)

Vortex Hydra recognises the principles promoted by the UN 2030 Agenda and contributes with its activities to the achievement of various objectives.

Stakeholder impact analysis

By mapping stakeholders and their interests, the company evaluates and improves the impacts of its activities.

ISO 14001 environmental certification

The ISO 14001:2015 standard ensures the management and continuous improvement of corporate environmental performance.

Sustainability Report

In 2025, the company will publish its Sustainability Report, consolidating the transparent reporting of its results.

2.3 OUR CONTRIBUTION TO THE SDGs

The Sustainable Development Goals (SDGs) of the 2030 Agenda represent a universal reference framework to guide businesses, governments and civil society towards a more equitable, resilient and sustainable future.

Through its production, management and innovation activities, Vortex Hydra directly contributes to the achievement of several SDGs, in particular:

| SDG | TYPE OF IMPACT | DESCRIPTION OF VH ACTIVITIES |
|---|----------------|---|
|  6 CLEAN WATER AND SANITATION | Direct | Clean water and sanitation: through the design of systems and components that ensure safe and responsible hydraulic tightness testing, despite water not being used within the production process itself. |
|  7 AFFORDABLE AND CLEAN ENERGY | Direct | Affordable and clean energy: through self-generation of energy from photovoltaic systems installed on its buildings and a commitment to energy efficiency at its plants and operating locations. All free roof space on the company's premises has been made available for third-party installation of photovoltaic panels, further contributing to local renewable energy generation. |
|  8 DECENT WORK AND ECONOMIC GROWTH | Direct | Decent work and economic growth: promoting qualified, contractual, and stable employment in a safe, inclusive, and skills-focused work environment. |
|  9 BUSINESSES INNOVATION AND INFRASTRUCTURE | Direct | Industry, innovation and infrastructure: through continuous technological innovation, plant automation and the digitalisation of production processes. |
|  11 SUSTAINABLE CITIES AND COMMUNITIES | Direct | Sustainable cities and communities: contributing to local development by involving Italian suppliers, collaborating with the local community, and respecting the surrounding environment. |
|  12 RESPONSIBLE CONSUMPTION AND PRODUCTION | Direct | Responsible consumption and production: thanks to waste reduction, the circular management of materials and the reuse of packaging and industrial waste. |
|  13 CLIMATE ACTION | Direct | Climate action: through the reduction of Scope 1 and 2 emissions, the choice of local suppliers and the adoption of measures for energy efficiency and climate resilience. |
|  4 QUALITY EDUCATION | Indirect | Quality education: Technical training and skills transfer to staff and customers |

| | | |
|---|----------|---|
|  | Indirect | Gender equality: Equity and inclusion policies, combating discrimination. |
|  | Indirect | Reduced inequalities: Inclusion of and attention to vulnerable or marginalised categories |
|  | Indirect | Peace, justice and strong institutions: ethical business conduct, transparency, prevention of corruption. |
|  | Indirect | Partnerships for the goals: participation in collaborative networks and joint initiatives for sustainability (e.g. VSME community). |

NOTE ON THE INDIRECTLY IMPACTED SDGs

The Goals indicated as indirectly impacted represent areas in which Vortex Hydra contributes in a non-priority but still significant way, through transversal actions or contextual initiatives. These are secondary impacts, not related to the core business, but consistent with the principles of corporate responsibility and sustainability.

2.4 Strategic stakeholders

The preparation of Vortex Hydra's first Sustainability Report stems from the owners' specific desire to clearly demonstrate the value generated and shared with the company's key stakeholders. Specifically, the decision was made following explicit requests from strategic customers and financiers, who see sustainability reporting as a key element of the company's profile.

The mapping and subsequent prioritisation of stakeholders has allowed us to identify as strategic those actors with whom Vortex Hydra maintains structured, ongoing relationships characterised by a significant operational or strategic impact.

The assessment considered both the role played by these entities within the business model and their relevance in terms of direct and indirect impacts.

This approach, while recognising their importance and relevance, did not include actors such as institutions, business and trade union organizations, the media, and competitors.

The stakeholder scope will be periodically reviewed, in line with the evolution of relationships and the reference context.

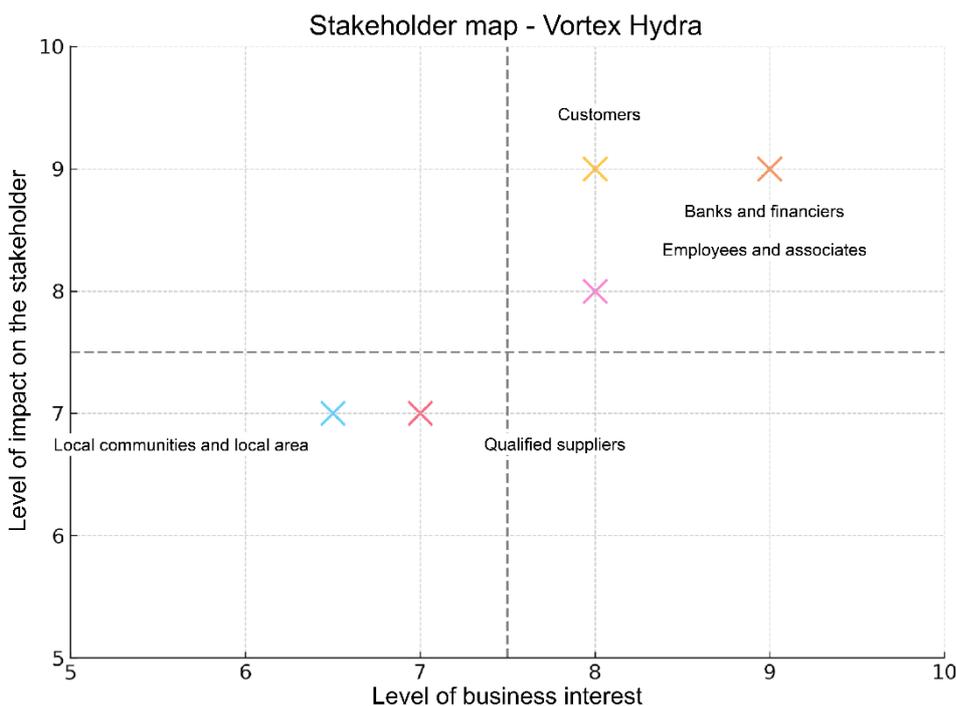
Strategic stakeholder map

| STAKEHOLDER | INTEREST AND RELATIONSHIP WITH THE COMPANY |
|------------------------------|---|
| ◦ CUSTOMERS | They increasingly require ESG standards along the supply chain; strategic partners in customised solutions. |
| ◦ BANKS AND FINANCIERS | They require transparency on environmental, social and governance performance for credit and financial trust purposes. |
| ◦ QUALIFIED SUPPLIERS | Integral part of commissioned projects; selected for their reliability and shared company values. |
| ◦ EMPLOYEES AND ASSOCIATES | Key elements in product quality and continuous improvement; involved in corporate culture and workplace safety. |
| ◦ LOCAL COMMUNITIES AND AREA | Relationships of respect and collaboration with the local area; focus on the social and environmental impact of corporate activities. |

In the near future, the company intends to strengthen its stakeholder dialogue system, including through structured engagement tools, with the aim of further refining its materiality analysis and consolidating an integrated approach to sustainability.

Stakeholder visual map

The following map graphically represents the positioning of stakeholders based on their level of impact and interest in Vortex Hydra:



2.5 MATERIALITY ANALYSIS

The double materiality analysis was conducted on a voluntary basis, as it was not required by the VSME standards. The process was carried out internally, directly involving the company's owners and management, and was based on the topics indicated in Appendix B of the VSME Comprehensive Module. Despite the absence of structured stakeholder engagement, the assessment considered the impact of the company's activities on people and the environment, as well as the potential effects of ESG issues on the organisation's performance, strategy, and resilience.

This exercise enabled a collaborative and informed identification of priority topics, strengthening the alignment between the corporate vision and sustainability factors. The findings of the analysis guided the selection of the content presented in this report and serve as a foundation for the ongoing monitoring and periodic review of strategic ESG priorities.

The scope of material topics will be reviewed regularly and may be expanded in future reporting periods, including through the direct engagement of internal and external stakeholders.

Double materiality matrix and methodological note to the matrix

Vortex Hydra's dual materiality matrix visually represents the strategic relevance and impact of the identified sustainability topics.

Each topic was evaluated according to the principle of double materiality, considering:

- the company's impact on people and the environment (**impact materiality**);
- the current or potential effects of ESG issues on corporate performance and resilience (**financial materiality**).

Source of the topics

The material topics were identified by referring to:

- **Appendix B of the VSME standard**, which proposes an indicative list of environmental, social and governance issues;
- The **operational and strategic characteristics of Vortex Hydra**, as emerged from the Company Profile and from the data collection activities for the report;
- **Internal documentation** and comparison with the **ThePLEDGE consultants**.

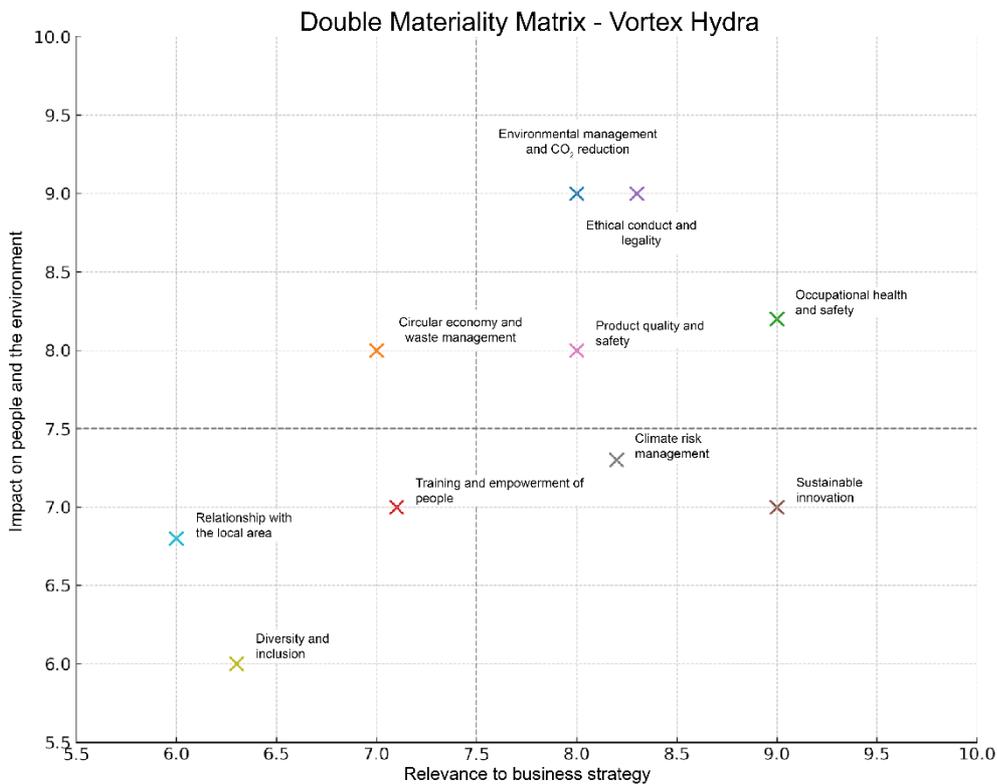
Initial positioning method

The initial positioning of the topics in the matrix was done on the basis of:

- An **internal qualitative analysis** with the involvement of the owners and the consulting team;
- An **industry benchmarking**, taking as a reference companies similar in structure, production activity and international presence;
- An informed, albeit **subjective, assessment** of the potential impact and strategic relevance to the company.

Double Materiality matrix

The following matrix visually represents the **evaluation of the main material topics** for Vortex Hydra:



Axis criteria

- **Horizontal axis (X):** “Materiality to corporate strategy” → measures how much each topic influences the company's ability to create value in the medium to long term, in line with its industrial and relational priorities.
- **Vertical axis (Y):** “Impact on people and the environment” → measures the extent of the potential or actual, positive or negative effects that each topic can generate on workers, stakeholders, local communities and the environment.
- **Some topics** – including “Occupational Health and Safety”, “Product Quality and Safety” and “Sustainable Innovation” – have been positioned in the top right quadrant, reflecting their strategic weight and strong social and operational impact for Vortex Hydra.

3.

GOVERNANCE

In an increasingly demanding global context in terms of responsibility, transparency and sustainability, Vortex Hydra adopts a governance model that integrates ethical, managerial and regulatory principles. This chapter outlines the policies and measures adopted by the company to ensure compliance with the law, personal safety, environmental protection and data protection, enhancing the centrality of people and the strategic role of certified management systems.

3.1 GOVERNANCE AND ORGANISATIONAL STRUCTURE

Vortex Hydra's governance is based on principles of responsibility, transparency, and direct monitoring of strategic activities.

The organisational structure has been progressively strengthened to meet the needs of an increasingly competitive and regulatory-complex global market.

The Board of Directors is composed of three members, two women and one man, with active roles in company management and development. This structure reflects the company's commitment to gender equality and the optimal use of internal skills. (VSME C9)

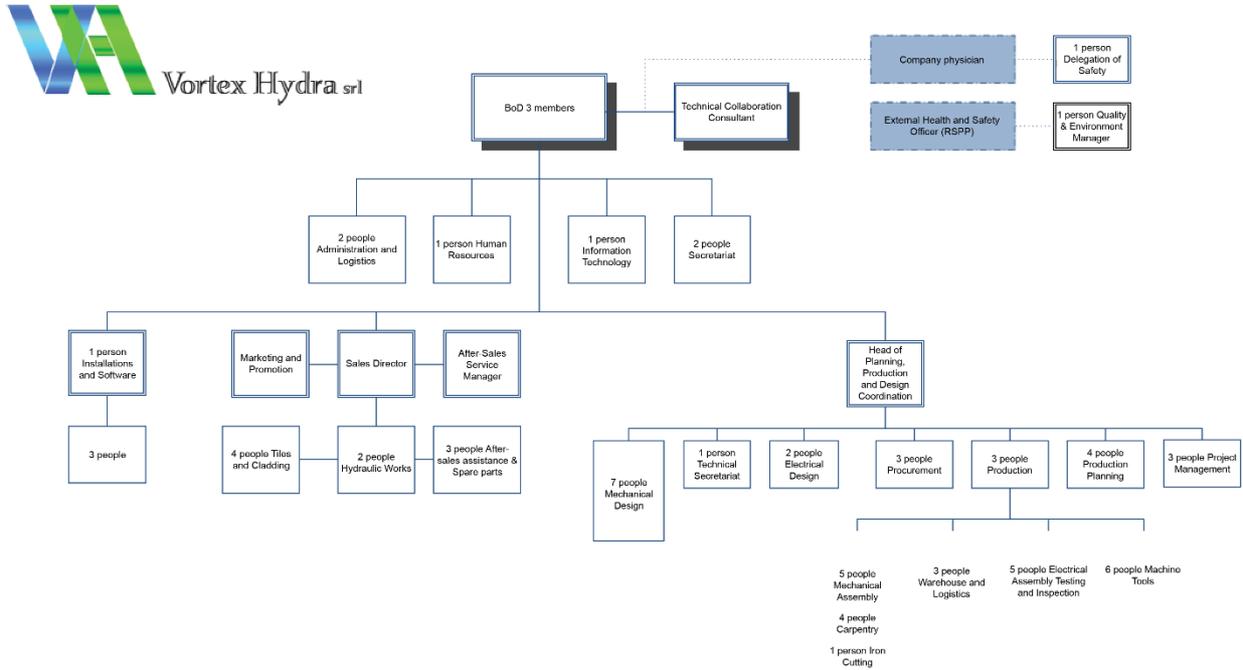
Vortex Hydra's organisation is structured by departments, with a division into operational and management areas coordinated by sector managers. This structure enables effective management of business processes and fosters integration between different areas, ensuring oversight of technical, environmental, economic-financial, and relational aspects along the entire value chain.

In particular, there are specific departments for:

- design and technical development;
- machinery manufacture and testing;
- quality, safety and environmental management (ISO 9001, ISO 14001 certified and compliant with UNI-INAIL SGSL guidelines);
- logistics and international shipping;
- sales office;
- after-sales service and technical assistance;
- administration and finance;
- purchasing office;
- IT office;
- PM;
- HR and internal communications.

This structure reflects an organisational model based on contract development processes, aiming to achieve efficiency and quality, in line with the requirements of the ISO 9001 and ISO 14001 certified management systems and the UNI-INAIL guidelines for workplace safety.

Vortex Hydra organisation chart



Rev. December 2024

Figure 1 – Company organisation chart updated to December 2024.

The organisation chart updated in December 2024 highlights a structure that is streamlined, yet strongly oriented towards technical expertise and the ability to coordinate across departments.

Responsible governance: the foundations of Vortex Hydra

1. TRANSPARENT GOVERNANCE

Business model based on ethics, regulatory compliance, labour protection, equal treatment, and sustainability.

2. INTEGRATED MANAGEMENT SYSTEM

Quality (ISO 9001), Environment (ISO 14001) and Occupational Safety (SGSL UNI-INAIL), as operational governance tools.

3. COMPANY POLICIES

ISO 9001 and ISO 14001 certifications Quality-Environment-Safety Management System; Safety Management Policy; Sustainable Sourcing Policy.

| | |
|---|--|
| 4. RISK MANAGEMENT | Monitoring and mitigation of operational, regulatory and environmental risks; analysis of physical and transition risks (VSME C4). |
| 5. ETHICS AND LEGALITY | 2-star Legality Rating (AGCM); absence of proceedings or convictions; commitment to transparency and fairness. |
| 6. WHISTLEBLOWING | Active, regulatory-compliant anonymous reporting system with guaranteed protection for whistleblowers. |
| 7. DIVERSITY AND INCLUSION | Promoting an inclusive environment; equal opportunities; inclusion of protected categories and optimal use of diversity. |
| 8. PROTECTION OF HUMAN RIGHTS | Absence of child or forced labour; willingness to formalise a human rights code at the request of partners. |
| 9. CYBERSECURITY AND PRIVACY | Data protection in accordance with the GDPR; advanced cybersecurity system; registration on the NIS Cybersecurity Portal. |
| 10. EXCLUSION FROM CONTROVERSIAL SECTORS | No activities in high ESG risk sectors (controversial weapons, fossil fuels, pesticides, tobacco) |

3.2 ORGANISATIONAL MODEL

Vortex Hydra adopts a governance model based on transparency, regulatory compliance, and integrity, consistent with the values that have guided its actions since its inception. The corporate culture promotes ethical conduct, geared towards fairness in commercial relationships, worker protection, equal treatment and pay, informed risk management, and long-term sustainability. This vision translates into a solid management system, supported by integrated operational tools that ensure its effective implementation.

Management approach and governance support systems

The effectiveness of Vortex Hydra's governance is based on the company's ability to equip itself with consistent and robust operational tools, capable of translating the principles on which governance is based into structured and verifiable management practices. In this context, the **certified management systems**, the **formalised company policies** and an **organised and continuous risk management** are represent key elements for ensuring consistency between the company's strategic vision and daily operations.

These components not only ensure regulatory compliance, but also strengthen the organisation's ability to manage complexity, plan for improvement, and integrate sustainability into decision-making processes, in line with the principles of advanced and responsible governance.

Integrated Quality, Environment and Safety System (ISO 9001, 14001, SGSL UNI-INAIL)

The company has an Integrated Management System for Quality, Environment and Occupational Safety, certified in accordance with the standards [ISO 9001:2015](#) and [ISO 14001:2015](#) and compliant with the [UNI-INAIL SGSL Guidelines](#) for the management of occupational health and safety. This system ensures a structured and continuous approach to quality, environmental protection, and safety management, strengthening the ability to plan, control, and respond to risks. In addition to representing a **technical-operational tool** to translate the principles of governance into practice, the system constitutes a **strategic garrison**, instrumental to the consolidation of solid governance and the building of organisational resilience based on evidence, measurable objectives and continuous improvement.

Company policies

To complement this structure, Vortex Hydra has adopted a series of corporate policies that form an essential component of its governance system. These documents represent a strategic lever that guides the integration of quality, environmental protection, and safety principles into decision-making and operational processes.

The Management has formalised this commitment through two key documents: *the Quality, Environment and Safety Policy* and the *Safety Management Policy*. These guidelines clearly define guiding principles, strategic objectives and areas of application. The documents are updated regularly and distributed to all staff, strengthening an organisational culture based on regulatory compliance, shared responsibility, and a focus on sustainability.

The management of relationships with suppliers is also regulated by the [Sustainability Sourcing Policy](#) which ensures fair business practices. Suppliers are also selected and evaluated based on their reliability and their shared corporate values of quality, safety, and environmental compliance.

Risk Management

The company has implemented a risk management system that lets it monitor and mitigate key corporate exposures, including climate change-related risks.

In this context, the analysis of physical and transition risks was conducted in accordance with the C4 metric of the VSME Comprehensive Module, the results of which are described in Chapter 4 – Environment.

A systemic approach to managing operational, environmental, and regulatory risks allows Vortex Hydra to respond promptly to adverse events, plan proactively for the medium to long term, and strengthen organisational resilience.

3.3 BUSINESS ETHICS, LEGALITY AND WHISTLEBLOWING

Vortex Hydra is actively committed to ensuring integrity, legality, and transparency in all its activities, promoting a corporate culture based on respect for the rules, shared responsibility, and fair conduct.

Ethical principles guide the organisation's operations at all levels, helping to build solid and trustworthy relationships with internal and external stakeholders.

Legality is considered a pillar of corporate sustainability: Vortex Hydra has no pending legal proceedings nor has it been convicted of crimes related to corruption or extortion, as certified by the Chamber of Commerce certificate.

Its commitment to integrity is also confirmed by its achievement of a 2-star Legality Rating, issued by the Italian Competition Authority (AGCM). This recognition, which can be consulted publicly on the official website of the [AGCM](#), in the section dedicated to the Legality Rating, certifies the company's reliability and transparency in its relationships with customers, suppliers, and institutions.

In 2024, Vortex Hydra activated a structured whistleblowing system that allows for the anonymous and confidential reporting of illegal or unethical behaviour within the organisation. The system is accessible to all employees and stakeholders via the company websites and uses secure channels, in compliance with current legislation. The protection of whistleblowers is a fundamental principle: the company ensures that no form of retaliation or discrimination will affect anyone who reports in good faith, in line with international best practices regarding transparency and accountability. Through this tool, Vortex Hydra strengthens its commitment to legality, promoting an organisational culture based on integrity, ethics, and compliance.

3.4 DIVERSITY, INCLUSION AND HUMAN RIGHTS

Vortex Hydra considers diversity a strategic resource for the organisation's growth and actively promotes inclusion in all its forms. The work environment is characterised by respect, fairness, and the appreciation of individual contributions, regardless of gender, age, origin, personal status, or affiliation.

The company does not detect any gender pay gap for equal roles. The presence of women, although not high, is consistent with the characteristics of the manufacturing and mechanical sectors, in which mainly technical profiles operate. Vortex Hydra is committed to ensuring equal opportunities for access, growth, and professional recognition, including through welfare and flexibility initiatives.

Work placement programmes are available for people in protected categories, including in collaboration with public bodies and the Il Germoglio social cooperative, demonstrating a concrete commitment to inclusion and personal autonomy.

Vortex Hydra guarantees respect for human rights and fundamental labour principles, declaring the absence of incidents of discrimination, forced labour, or child labour at any stage of its business. Although a specific human rights code has not yet been formalised, the company is willing to adopt one if requested by partners, customers, or future regulations.

3.5 CYBERSECURITY AND PROTECTION OF PRIVACY

Protection of information is ensured by advanced technological measures capable of guaranteeing the security, integrity, availability, and confidentiality of corporate and personal data.

The protection of privacy is ensured in compliance with the General Data Protection Regulation (GDPR), with particular attention to the management of sensitive data of employees, customers, and suppliers.

The company has also implemented a cybersecurity system capable of preventing and managing IT risks. It is registered on the NIS (Network and Information Security) portal, demonstrating its commitment to digital security and the protection of critical corporate information from external attacks and vulnerabilities.

3.6 EXCLUSION FROM CONTROVERSIAL SECTORS

Vortex Hydra has conducted a thorough assessment of its positioning in sectors considered sensitive or at high regulatory risk by European guidelines.

The analysis confirmed that the company does not operate in any of the sectors identified as critical, such as the production of pesticides or agrochemicals, the trade in fossil fuels, the manufacture of controversial weapons (such as land mines or cluster bombs), or the tobacco industry. Although not subject to the exclusions set by European benchmarks aligned with the objectives of the Paris Agreement, Vortex Hydra can transparently declare that no portion of its turnover derives from activities at high climate, environmental, or social risk.

Sharing this information reflects the company's commitment to ensuring full compliance with the transparency requirements of banks, investors, and financial stakeholders, strengthening confidence in the robustness and responsibility of its business model.

VSME Governance metrics reported

| Metrics | Description | Value / Comment |
|------------|--|--|
| B11 | Convictions and fines for corruption and bribery | No convictions or penalties recorded. The company holds a certificate of compliance from the Chamber of Commerce. |
| C8 | Revenues from sensitive sectors or exclusion from EU reference benchmarks | The company does not operate in sectors excluded under EU regulations. It is not excluded from climate benchmarks. |
| C9 | Gender diversity ratio in the Board of Directors | Board of Directors composed of three members: 2 women and 1 man. Corporate governance respects the principles of equity and inclusion. |

4.

ENVIRONMENT

For Vortex Hydra, environmental protection is not just a **responsibility**, but a strategic lever for innovation and competitiveness. Environmental sustainability is integrated into decision-making and operational processes through concrete actions aimed at energy efficiency, the reduction of the environmental impact, and the conscious use of resources. This chapter presents the company's approach to environmental management, highlighting structural interventions, adopted technologies, and monitoring systems that contribute to the creation of value while respecting the ecosystem and communities.

4.1 ENERGY EFFICIENCY AND REDUCTION OF EMISSIONS

In recent years, Vortex Hydra has launched a structured energy efficiency programme, with interventions ranging from infrastructural solutions to technological innovations and best management practices. The goal is to reduce the environmental impact of energy consumption by promoting the use of renewable sources and improving the efficiency of production processes.

The most significant interventions include:

- Installation in 2024 of a **photovoltaic system** on a portion of the *roof** of the company building, intended for self-consumption and capable of covering approximately **20% of the site's annual energy needs**.
- For the remaining portion of the company's needs, Vortex Hydra has chosen **Repower** as an electricity and gas supplier able to guarantee supply from **100% renewable sources**, traced and certified according to European standards.
- Progressive replacement (started in 2018 and concluded in 2024) of all industrial and office lamps with **LED** systems.
- Adoption of **timers** for heating and cooling rooms, to minimise consumption during periods of inactivity.
- Installation of **double-glaze windows** in the office building: 50% were replaced in 2024. The company plans to replace 100% by 2025.
- Installation of **transparent plexiglass windows** in an area of the machine tool department previously without openings, to **promote the entry of natural light** where previously there were only blind doors. The intervention improved the **internal brightness**, the **thermal insulation** and contributed to the **optimisation of energy consumption**.(2022)

- The company has started a plan for the gradual replacement of the **machine tools** with models to **greater energy efficiency**, foreseeing two interventions per year until completion in 2025. The initiative aims to **reduce specific consumption** and **optimise cycle times**, improving the **overall efficiency** of the production process.
- In 2010, the energy efficiency of the fabrication building was improved by replacing the sheet metal walls with **external thermal insulation**, thereby reducing heat loss and energy consumption.

NOTE ON THE USE OF COMPANY ROOFS:

The roofs of the warehouses that are not directly used have been rented to third-party operators for the installation of photovoltaic systems. Although not intended for self-consumption, this choice reflects a responsible vision and contributes to the spread of renewable energy beyond the company's perimeter. **100% of the available surfaces** are covered by photovoltaic panels.

VSME metrics

During the reporting year, the organisation recorded a total energy consumption of **1,084 megawatt-hours (MWh)**, deriving from **electricity from renewable sources** and from **fossil fuels (methane and diesel)**. The data are reported below in the form of a table:

B3– Energy and greenhouse gas emissions

| Energy consumption | | |
|--------------------|---------------|-------------------|
| Energy source | Type | Consumption (MWh) |
| Electricity | Renewable | 257 |
| Methane | Non-renewable | 760 |
| Diesel | Non-renewable | 67 |
| Total | - | 1,084 |

| Greenhouse Gas Emissions (GHG) | |
|--|---------------------------------|
| Category (Scope) | Emissions (tCO ₂ eq) |
| Scope 1* (direct emissions, mainly resulting from the use of methane and diesel) | 153 |

| | |
|---|------------|
| Scope 2* (indirect emissions associated with electricity) | 136 |
| Total | 289 |

Notes on the B3 metric

(*) **Scope 1 emissions:** From the **direct emissions (Scope 1)**, which amount to **153 tCO₂eq**, about **16 tCO₂eq** come from the use of the **company fleet**, composed of five vehicles. Consumption is tracked via **fuel cards**, ensuring accurate monitoring.

(*) **Scope 2 emissions:** The company calculated Scope 2 emissions using the location-based approach, using the 2022 national average factor = 529 kg CO₂/MWh, applied to 257 MWh. According to the market-based approach, emissions would be zero since all the electricity purchased comes from tracked and certified renewable sources.

(*) **Emissions related to the use of air conditioners:** Emissions potentially associated with the operation of air conditioners were not included in the estimate of GHG emissions for 2024, as they are difficult to quantify.

In particular, the varying power of the machines being tested, the volume and type of tests conducted, and summer weather conditions lead to highly variable air conditioning usage.

The company also calculated **the greenhouse gas emissions intensity indicator (tCO₂eq/€)**, obtained by dividing total emissions (289 tCO₂eq) by the annual turnover (€34,591,066). This ratio is equal to **0.0000835**.

B3– Energy and greenhouse gas emissions

Greenhouse gas intensity = 289 / 34,591,066 = 0.0000835 tCO₂eq/€ (≈ 8.35 × 10⁻⁶)

4.2 AIR, WATER AND SOIL POLLUTION

Vortex Hydra is not subject to the Integrated Environmental Authorisation (Autorizzazione Integrata Ambientale - AIA), but has chosen **voluntarily** to adopt an environmental management system compliant with the principles of **ISO 14001:2015**. The company strategy in this area is focused on **preventing pollution** and on the **continuous improvement** of environmental performance, through a **structured impact monitoring**.

The company operates in compliance with the **Single Environmental Authorisation (Autorizzazione Unica Ambientale - AUA)**, with reference to the **atmospheric emissions** and to the **water discharges**. The monitored values are **consistently within regulatory limits**, even if no mass measurement of the substances emitted or discharged is carried out.

All environmental information is regularly transmitted to the competent bodies and is **available on the ARPAE Emilia-Romagna portal**.

As for the **soil**, Vortex Hydra **does not generate significant impacts**, thanks to the nature of its activities, which do not involve processes at risk of contamination, and to a **rigorous management** of waste and potentially polluting substances.

The main ongoing **actions** include:

AIR POLLUTION

- **Control of authorised emissions:** The company carries out annual checks on all emissions (focusing in particular on dust, nitrogen oxides and carbon monoxide), as required by (It.) Presidential Decree 203/88, to ensure compliance with the limits imposed by environmental authorisations..
- **Emission filtration:** The machining and metal fabrication departments are equipped with air purification systems..

WATER POLLUTION

- **Control of water discharges:** The company carries out regular checks on all wastewater, ensuring that the parameters consistently fall within the limits established by the legislation.
- **Wastewater treatment:** In the absence of a connection to the sewer system and given its location in a floodplain area, Vortex Hydra has created a dedicated wastewater treatment plant, which ensures internal purification before discharging into the adjacent canal.

SOIL POLLUTION

- **Dedicated area for waste storage:** Separate waste storage areas, covered and equipped to prevent dispersion.
- **Traceability and management of special waste:** Updated loading/unloading register and compliance with special waste regulations.

- **Recycling of technical wipes and industrial mats:** Use of washable and reusable technical materials to reduce industrial waste.
- **Storage on waterproof surfaces:** Waste and substance storage on waterproof floors to prevent infiltration.
- **Accidental spill emergency plans:** Procedures and tools for promptly managing accidental spills.
- **Staff training on environmental management:** Continuous training for staff on correct environmental management.

4.3 WATER CONSUMPTION

Vortex Hydra's approach to water management is structured and proactive, based on continuous measurement, waste prevention, and efficient use of resources in support activities.

Mains water is used exclusively for sanitation within the office building and the production department, as well as for the functional testing of turbine guard valves for hydroelectric power stations. These withdrawals take place in areas that are not subject to water stress.

To support the assessment and monitoring of consumption via utility bills, the company has adopted annual per capita consumption as a key indicator. This metric is used to detect significant fluctuations and to define any necessary corrective actions.

NOTE ON WATER CONSUMPTION

In 2023, Vortex Hydra installed Aquà - Buonristoro water coolers in its offices and warehouses, fed directly from the water mains.

This initiative led to a slight increase in water consumption, balanced by a significant environmental benefit: eliminating the use of single-use plastic bottles and reducing the associated logistical impact.

To support the change, the company distributed reusable water bottles to all employees, promoting sustainable behaviours within the workplace.

Future plans include the installation of low-flow taps in the washrooms and the reuse of water from the testing of turbine guard valves for hydroelectric power stations.

VSME metrics

During the reporting year, the company recorded a **total water withdrawal of 751 cubic meters**. This consumption represents the entire water requirement necessary for the operational activities carried out on the company site.

B6 - Water

| Indicator | Description |
|---|---|
| Total water withdrawal | 751 m ³ |
| Collection in areas of high water stress | No quantities were taken from areas of high water stress, as the company is not located in an area subject to water stress. |

4.4 CLIMATE RISKS: ACTIONS AND ADAPTATION

Vortex Hydra has conducted an in-depth analysis of its exposure and positioning with respect to climate and transition risks

The company operates in **two distinct sectors**:

- Design and production of **machinery for the production of concrete roof tiles**.
- Design and production of **electromechanical works for water management**.

This diversified structure allows the company to diversify the climate and market risk, expanding opportunities for innovation and resilience. Sector diversification lets the company offset differentiated exposure to physical and regulatory risks and address new infrastructure needs related to the ecological transition.

From a procurement perspective, supplier diversification—across both geographical and technical criteria—acts as an additional safeguard against supply chain disruption risks arising from climate events or volatility in the global raw materials market.

Concrete adaptation and mitigation measures have already been taken, consistent with a gradual approach to climate resilience. These actions, outlined here in summary form according to the structure proposed by the MEF's Sustainability Dialogue between banks and SMEs, will be subject to periodic updates.

TABLE 9. Actions to mitigate climate and environmental risks

| Risk category | Event | Risk detected | Mitigation/adaptation action | Financial resources |
|----------------------|----------------------------|----------------------|---|---------------------------------------|
| PHYSICAL | Flooding | Yes | Specific insurance policy; resilient infrastructure design | approx. €45,000 over the next 3 years |
| TRANSITION | Environmental regulations | Yes | ISO 14001 certification, sustainable energy supplier (Repower), photovoltaic system | Investment completed |
| TRANSITION | Energy/raw material prices | Yes | Self-generation from renewable sources, diversification of suppliers | Not quantified |

The evaluation is constantly updated. As the regulatory and environmental landscape evolves, the company plans to progressively enhance its approach to climate risk management and supply chain resilience.

5.

INNOVATION
AND CIRCULAR
ECONOMY

Innovation and the circular economy are two complementary strategic axes in Vortex Hydra's industrial model. On the one hand, technological and organisational innovation drives the development of advanced, customised and sustainable solutions; on the other hand, the circular approach allows the company to reduce the environmental impact, extend the useful life of products and generate value throughout the life cycle. This chapter describes how the company integrates these two areas through concrete practices focused on durable design, remanufacturing, reuse and responsible resource management.

5.1 INNOVATION AS CORPORATE CULTURE

Innovation represents a cornerstone of Vortex Hydra's identity, understood not only as technological progress, but as a **widespread and transversal culture** which permeates every area of the company's activity. From Research & Development and the digitalisation of processes to bespoke solutions and social inclusion, the company adopts an evolutionary and sustainable approach, designed to create long-term value for its customers, the community, and the local area.

Integrated Research & Development

R&D is part of the Vortex Hydra technical office process. The technical and production areas collaborate to design and test high-performance, sustainable, and customised solutions. Through the continuous development of machinery, automation and control software, R&D helps improve operational efficiency, reduce the environmental impact and keep Vortex Hydra at the forefront of construction technologies.

Advanced technologies and Industry 4.0

Each system is designed with advanced technologies, quality materials, and sustainability criteria, with particular attention to efficiency and durability. The production processes have been organised thanks to the opportunities offered by Industry 4.0 (a feasibility study for Industry 5.0 is underway), aiming to create interconnected plants capable of recording and optimising industrial production data, supporting resources electronically with a reduced environmental impact.

Automation and predictive maintenance

Thanks to digitalisation, Vortex Hydra has introduced automation systems, **smart sensors**, **remote control** and **predictive maintenance** in machinery for the production of roof tiles. These technologies **increase efficiency, reduce waste, extend the useful life of the systems.**

Bespoke and optimised design

Customisation is one of the most concrete expressions of innovation at Vortex Hydra. Each system is developed taking into account the specific environmental conditions, the materials to be treated, and the customer's development objectives, thanks to the integration of multidisciplinary skills and advanced technologies.

This approach reduces design waste, prevents oversizing, improves operational efficiency, and ensures seamless integration into the operational environment.

Bespoke design is a hallmark of Vortex Hydra's ability to respond with agility and sustainability to complex and diverse challenges.

Social innovation and accessible technologies

Vortex Hydra extends its innovative vision to the social dimension by developing solutions with a high local impact that are accessible even in vulnerable contexts.

A notable example is the UNO+UNO Starter Pack: lightweight micro-plants mounted on small vehicles, designed to support local tile production in areas with limited infrastructure. This technology is particularly valuable in rural settings, remote areas, or developing countries.

Vortex Hydra also promotes the transfer of skills and know-how: every project incorporates training activities, commissioning assistance, and post-installation support, helping to strengthen the technical capacity of local communities and creating sustainable, long-term value.

5.2. CIRCULAR ECONOMY: AN INTEGRATED REGENERATIVE MODEL FOR TILE PRODUCTION PLANTS

For Vortex Hydra, circular economy represents an evolutionary paradigm that combines environmental sustainability, industrial efficiency, and lasting value. The company adopts a regenerative approach, aimed at extending the useful life of its systems, facilitating the reuse of components, and reducing dependence on new resources. This chapter describes the main strategies implemented, from the design of durable machinery to reverse logistics, up to reconditioning and resale programmes, with the aim of creating a virtuous cycle that benefits the environment, customers, and the production system.

Durable and modular design

The design stage is the first step towards a regenerative economy. Vortex Hydra designs machinery that lasts more than 30 years, thanks to the use of high-quality components, modular architectures, and advanced engineering solutions. The principle of *design for longevity* translates into high-strength steels, anti-corrosion protection, water-based paints, and construction systems that facilitate partial maintenance without replacing the entire machine. Each system is designed to be upgradeable: it can integrate new mechanical, electrical and digital components over time without altering the structural integrity. The presence of Vortex plants in operation for over three decades testifies to their reliability and industrial sustainability.

Preventive maintenance and original spare parts

Vortex Hydra supports customers with preventative maintenance programmes, based exclusively on original spare parts. This approach ensures operational continuity, consistent performance, and a significant extension of the useful life of the systems, with reduced downtime and management costs.

Collection, reconditioning and resale

Among the low environmental impact strategies, Vortex Hydra promotes the **complete reconditioning of used systems**, when historical customers cease their business, reintroduced into the market with **warranty and technical verification**.

The service includes **collection, replacement of critical parts, settings and functional tests**, offering accessible solutions for customers with financial constraints.

Each machine is subjected to **thorough verification and testing** to ensure performance equal to the original standards. Vortex guarantees **the spare parts**, having all the mechanical, electrical and software design to ensure operational continuity. A **dedicated section on the site** is reserved for this service.

Possibility of regeneration and refurbishment*

The company offers a refurbishment programme for existing plants, based on supply chain traceability and the availability of compatible components. Upgrades are implemented using technological solutions that are fully compatible with older models.

Each intervention begins with a technical assessment of the plant's condition, covering load-bearing structures, mechanical and electronic systems, and operational requirements. These activities can be carried out either at Vortex's premises or directly on-site, offering flexible configurations.

From an environmental perspective, this programme significantly reduces the need to manufacture new plants, limits material disposal, and contributes to lowering the emissions associated with raw material extraction and processing. For customers, it provides access to efficient solutions even within limited budgets.

5.3 RESPONSIBLE USE OF RESOURCES

Vortex Hydra promotes the efficient and responsible use of resources, adopting technical and organisational solutions inspired by the principles of circular economy. From optimised design to the use of renewable sources, to the recycling and reuse of materials, the company integrates sustainability criteria into every stage of the production process, helping to reduce waste and the consumption of primary resources.

The actions outlined in the following paragraphs reflect a concrete commitment to the sustainable management of resources and the minimisation of the environmental impact.

DESIGN AND PRODUCTION EFFICIENCY

- **Standardised components:** The products are designed with standard components to minimise waste, improving efficiency and sustainability.
- **Optimised laser cuts:** Vortex Hydra uses laser cutting to build its machines, optimising sheet metal in collaboration with suppliers and reducing waste.

ENERGY FROM RENEWABLE SOURCES

- **Photovoltaic system:** In April 2024, the photovoltaic system was completed and tested to cover part of the energy needs of Vortex Hydra production.
- **Energy from renewable sources:** The company has chosen Repower as its energy supplier, guaranteeing the exclusive use of electricity from 100% renewable sources.

REUSE AND RECYCLING OF MATERIALS

- **Tungsten carbide (WIDIA):** since 2024, Vortex Hydra has introduced a system for the recovery and recycling of WIDIA, an expensive, high-performance material used in cutting tips. It is collected in dedicated containers and sold as scrap to be regenerated into powder and reused.
- **Ferrous and aluminium shavings:** they resulting from mechanical processing and are collected and sold to specialised companies, who reintroduce them into the metal cycle.
- **Wooden pallets:** The pallets received from suppliers are sent for recycling to produce recycled wood panels, except for the new certified ones used for some shipments to customers.
- **Cardboard waste shredder:** purchased in 2024, it makes it possible to reuse cardboard boxes by transforming them into packaging chips for shipping spare parts, reducing waste and costs.
- **Technical wipes and industrial mats:** disposal has been eliminated thanks to an agreement with Mewa srl, an ISO 14001 and 50001 certified supplier, which handles the washing, replacement, and supply of oil-absorbing wipes and mats, ensuring a sustainable closed cycle.

DIGITISATION OF DOCUMENT PROCESSES

- Since 2023, Vortex Hydra has begun the **digitisation of the archives**, progressively converting paper documents into electronic format. This process marks a step towards more efficient, sustainable and modern information management. At the same time, the company promotes an **internal culture oriented towards paper reduction**, raising awareness among employees about adopting more responsible digital practices.

COMPANY CANTEEN: A PARTNERSHIP ORIENTED TOWARDS SUSTAINABILITY

Since 2022, Vortex Hydra has been collaborating with **Serenissima Ristorazione**, an ISO 14001 certified company, for the management of the canteen service. The new system completely eliminated single-use items, introducing **reusable tableware**, such as ceramic plates, steel cutlery and paper cups. Thanks to the **meal reservations**, it has been possible to reduce the **food waste**, while the daily surpluses are **donated to local non-profit organisations**, contributing to the support of the local area.

5.4 STRUCTURED WASTE MANAGEMENT

In line with the ISO 14001 and ISO 9001 certifications, Vortex Hydra adopts a structured waste management system, oriented towards regulatory compliance, traceability and reducing the environmental impact. Company practices distinguish between ordinary and special waste, with dedicated procedures to ensure correct treatment throughout the entire management cycle. The significant actions are as follows.

MANAGEMENT OF ORDINARY WASTE

- **Waste sorting:** Paper, plastic, canteen organic waste, grass clippings and pruning waste are managed through the AREA (Waste and Environmental Registry) system, ensuring proper recycling.
- **Coffee and bottles:** since 2020, the company has adopted vending machines with recyclable paper cups and stirrers. The use of plastic bottles has also been eliminated, replaced by reusable water bottles and water coolers connected to the water mains.

MANAGEMENT OF SPECIAL WASTE

- **Characterisation:** identification and tracking of waste type, quantity and treatment;
- **Verification of permits:** control of transporters and disposal plants;
- **Traceability system:** the RENTRI (National Electronic Register for Waste Traceability) digital system has been active since 2024, replacing the previous SISTRI (Waste Traceability Control System) to ensure more efficient, transparent, and compliant management of special waste.
- **Staff training:** safe handling, labelling, and compliant transportation.

VSME metrics

B7 – Resource use, circular economy and waste management

| Indicator | Description |
|---|---|
| (a) total annual waste generation broken down by type (non-hazardous and hazardous) | Over the course of the year, the company generated a total of approximately 114 t of waste, broken down as follows: <ul style="list-style-type: none"> ◦ 71.34 tonnes of non-hazardous waste ◦ 42.65 tonnes of hazardous waste |
| (b) the total annual waste destined for recycling or reuse; (paper, wood, aluminium, steel, tungsten carbide, plastic) | The portion of non-hazardous waste (71.34 t) was entirely destined for recycling or reuse activities . Recycled materials include paper, wood, aluminium, steel, plastic, and tungsten carbide . |

6.

THE PEOPLE
AND THE
COMMUNITY

This chapter describes the initiatives and policies adopted by Vortex Hydra to benefit its human capital and the local community. In particular, the focus is on initiatives aimed at improving organisational well-being, training, occupational health and safety, and responsible local engagement, with a focus on international projects supporting the most vulnerable contexts.

6.1 PROFILE OF VORTEX HYDRA PEOPLE

The **human capital** of Vortex Hydra is made up of 78 people, with highly qualified and diversified professional skills, capable of supporting technological innovation, process quality and customer service. The company staff includes:

- Specialised engineers;
- Technical experts;
- Installation and testing technicians;
- Skilled manual workers;
- Project Managers;
- Administrative and sales office staff;
- Quality, environmental and safety control staff;
- Specialists in Information Technology and Cybersecurity.

The addition of IT and cybersecurity skills meets the need to ensure data protection, industrial system security, and support the company's digital transformation, strengthening operational resilience and innovation capacity.

Key skills at Vortex Hydra

| AREA | PROFESSIONAL PROFILES |
|----------------------------|--|
| Engineering and design | Specialised engineers, technical experts |
| Production and maintenance | Installation and testing technicians, specialised manual workers |
| Project Management | Project Managers |
| Quality | Quality, environmental and safety control staff |
| Commercial support | Sales office staff, Administrative staff |
| Digital innovation | IT and Cybersecurity specialists |

6.2 LABOUR POLICIES AND SOCIAL DIALOGUE

Vortex Hydra sees people as the beating heart of its organisation. The company values human capital by promoting fair, transparent, and inclusive working conditions.

All employees are hired under a national collective bargaining agreement (CCNL) and have access to benefits such as the welfare plan provided for by the collective bargaining agreement.

The company adopts a schedule that respects work-life balance and, from May to September, Friday afternoons are free for all employees. No systematic overtime is foreseen; if necessary, a monitoring system is in place to ensure fairness and sustainability.

Vortex Hydra recognises the value of freedom of association and supports a working environment based on dialogue and collaboration between social partners.

The company ensures social dialogue, promoting collaboration with trade union representatives. Freedom of association is guaranteed and there have never been any incidents of violation of human rights or fundamental freedoms. The prevention of workplace harassment is strengthened by the presence of an active whistleblowing channel accessible to all employees.

PROFILE AND CHARACTERISTICS OF THE HUMAN CAPITAL

| INDICATOR | VALUE |
|--|--------------------------|
| Number of employees | 78 |
| % women in the workforce | 10% |
| % women in managerial positions | 0% (only 1 male Manager) |
| Annual training hours per employee | 8.9 |
| Number of work-related injuries recorded in 2024 | 1 |
| Number of whistleblowing reports received | 0 |
| Presence of trade union representation | Yes |
| % of workers covered by collective bargaining | 100% |
| Gender pay gap (equal pay for equal jobs) | 0% |

6.3 EQUALITY, TRAINING AND DEVELOPMENT OF SKILLS

Vortex Hydra actively promotes **gender equality and equal pay**, ensuring salaries and career opportunities based solely on merit. Measures are taken against all forms of discrimination and harassment in the workplace, while diversity is valued as an element of enrichment for the organisation.

The company invests in ongoing staff training, with courses dedicated to developing technical and transversal skills to support innovation, quality, and safety in production processes. Specific training activities are also planned to promote the inclusion of people with disabilities and strengthen their inclusion in the workplace.

During 2024, Vortex Hydra implemented a comprehensive training plan, which included both mandatory health, safety, and environmental interventions and voluntary courses aimed at developing technical, digital, and managerial skills.

A total of 23 courses were provided, for a total of 709 hours of training, involving 56 participants including manual workers, clerks, technicians and managers.

This approach reflects the company's commitment to ensuring regulatory compliance while promoting professional growth and internal awareness, including in relation to the challenges of sustainable transition.

The 709 hours of training were planned according to a strategic criterion, aimed at responding to the specific needs of each role and company department. The goal is not to distribute training uniformly, but to concentrate it where it can generate the greatest impact on innovation, quality, and safety.

For this reason, the distribution of hours is not homogeneous among all employees, but reflects the operational and development priorities identified by the company.

The training rate, equal to 0.56% of total annual working hours (126,519 hours), does not fully reflect the value of this approach, which prioritises the quality and relevance of interventions over their mere quantity.

Below is the breakdown of the main **employment indicators** connected to training, in line with the reporting model suggested by the **Document for Dialogue between SMEs and Banks** (Table no. 31, page 67).

TABLE 31 – TRAINING AND EDUCATION

| Indicator | Value | Comment |
|--------------------------------------|---------|--|
| Number of employees (FTE) | 78 | 68 men, 10 women, 3 of whom part-time (1 man, 2 women) |
| Total hours of training | 709 | |
| Total hours worked | 126,519 | |
| Average training hours per employee | 9.09 | 709 total hours / 78 employees |
| % training hours out of hours worked | 0.56% | 709 out of 126,519 total hours |
| Breakdown by gender | N/A | Estimated ~10% women |

6.4 OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING

Protecting occupational health and safety is a strategic priority for Vortex Hydra. The company adopts an integrated safety management system, compliant with the UNI-INAIL SGSL guidelines, a voluntary system for managing occupational health and safety that integrates prevention, training, monitoring, and continuous improvement. Strict protocols, training activities and **provision of PPE (Personal Protective Equipment) to all employees** are implemented.

The organisation adopts an internal security policy that **does not envisage systematic overtime**; if necessary, a monitoring system is in place to ensure fairness and sustainability, avoiding risky conditions and work-related stress.

Only one work-related injury was recorded in 2024, in line with the positive trend of previous years. The trend confirms the effectiveness of company policies regarding prevention and safety at work.

Working environment and operating conditions

Protecting **health and safety** is a strategic priority for Vortex Hydra. The company adopts an integrated management system compliant with UNI-INAIL SGSL guidelines, which combines prevention, training, monitoring, and continuous improvement. Vortex guarantees the adoption of rigorous protocols, dedicated training activities and the provision of personal protective equipment (PPE) to all personnel.

Company policy limits the systematic use of overtime, envisaging monitoring systems to ensure fair and sustainable working conditions. Only one work-related injury was recorded in 2024, confirming the positive trend of previous years.

In compliance with current regulations, Vortex Hydra ensures safe and functional work environments by monitoring parameters such as temperature, humidity, lighting, noise, vibrations, and ergonomics. For office staff, particular attention is paid to the correct management of exposure to video terminals and posture.

All staff are subject to health surveillance protocols, as part of ongoing prevention. Since 2021, the company has launched a program to improve operating conditions through the digitalisation of workstations, which was completed in 2024. These interventions have improved safety, comfort, and organisational efficiency, while reducing paper use and optimising internal communications.

The summary of the main interventions and results obtained is reported in the following table.

| Area | Measures adopted | Targets | 2024 results |
|-------------------------------------|---|--|---|
| Health and safety management | UNI-INAIL SGSL integrated system; rigorous protocols; continuing education; PPE | Prevent work-related injuries and improve safety culture | only 1 work-related injury recorded; positive trend |
| Working hours | Monitoring overtime to ensure equity and sustainability | Prevent work-related stress | Overtime under control, no risks emerged |
| Environmental conditions | Temperature, humidity, lighting, noise, ergonomics, ventilation control | Ensure safe and comfortable environments | Quality standards maintained |
| Technological innovation | Installation of LED lamps, convector heaters, and digital workstations | Improve safety, efficiency and comfort | Lighting studies and desk digitalisation completed |
| Health surveillance | Periodic health checks and medical visits for all staff | Prevent health risks in various operational contexts | Regularly implemented surveillance programmes |

6.5 INITIATIVES FOR THE LOCAL AREA AND THE COMMUNITY

Vortex Hydra is actively committed to promoting the well-being of the area in which it operates, collaborating with schools, non-profit organisations, and local and international solidarity initiatives.

At local level, in 2024 the company:

- Collaborated with technical institutes in the province of Ferrara on work-based learning projects;
- Put into practice an agreement with the Il Germoglio social cooperative for job placement programmes;
- Continued the collaboration with Serenissima Ristorazione to recover surplus food, donating uneaten meals to non-profit organisations that support people in need;
- Contributed to the management of local emergencies with two extraordinary donations to the population affected by the floods in Emilia-Romagna.

On an international level, Vortex Hydra promotes the project "**UNO+UNO – Twin Starter Pack**", aimed at supporting the local production of concrete roofing in developing countries. The project provides simple and effective equipment to stimulate economic growth and improve housing conditions in vulnerable contexts ([more information here](#)).

All these activities reflect the company's concrete commitment to corporate social responsibility and community support.

The summary of the main initiatives carried out in 2024 is reported in the following table, in line with the reporting model suggested by the **Document for Dialogue between SMEs and Banks** (Table no. 37, page 71).

TABLE 37 - INITIATIVES FOR THE LOCAL AREA AND THE COMMUNITY

| SCOPE OF THE INITIATIVE | DESCRIPTION OF THE ACTIVITIES CARRIED OUT |
|--|--|
| Support for disadvantaged and vulnerable people | Donation of leftover company canteen meals to people in need thanks to the collaboration with Serenissima Ristorazione |
| Promotion of technical education and training | Collaboration with technical institutes in the province of Ferrara |
| Management of local emergencies | Two extraordinary donations to the population affected by the floods in Emilia-Romagna. |
| Workplace inclusion | Agreement with the Il Germoglio social cooperative for job placement programmes |

International cooperation

"UNO+UNO – Twin starter pack" project to support the local production of concrete roofing in developing countries ([link](#))

VSME metrics

B8, B9 and B10 – Social metrics

| Metrics | Indicator | Comment / Source |
|--|--|--|
| B8 – Workforce: General characteristics | 78 employees, 68 men, 10 women, 3 of whom part-time (1 man, 2 women) | Number of employees, gender, contract type |
| B8 – Turnover rate | 3.97% | Number of employees who left the company during the reporting year / Average number of employees during the reporting year × 100 |
| B9 – Health and safety: No. of work-related injuries / Rate | 1 work-related injury / rate to be calculated | Source: work-related injury file |
| B9 – Deaths due to work-related injuries | 0 | No deaths in 2024 |
| B10 – Collective bargaining | 100% | All employees are covered by the National Collective Bargaining Agreement |
| B10 – Remuneration | > minimum wage | National Collective Bargaining Agreement + supplementary contract, no pay gap |
| B10 - Average training hours per employee | 9.09 | 709 total hours / 78 employees |
| B10 – % training hours / hours worked | 0.56% | 709 out of 126,519 total hours |
| B10 – Distribution by gender (estimate) | 10% women | Estimate based on workforce distribution |

C5, C6, C7 – Policies and human rights

| Metrics | Indicator | Comment / Source |
|--|--|--|
| C5 – Ratio of women to men at management level | Only 1 male executive | Information available but not formally disclosed |
| C5 – Self-employed or exclusive temporary workers | 1 temporary worker, 1 protected worker (cooperative) | Included through Vortex-Cooperative-Inspectorate triangulation |
| C6 – Corporate human rights policy | No | Not yet formalised, action planned for 2025 |
| C6 – Presence of code on child labour, forced labour, trafficking, discrimination | No | See above |
| C6 – Complaints handling mechanism | Yes | Whistleblowing system active via website |
| C7 – Confirmed incidents related to human rights violations | No | No confirmed incidents in 2024 |
| C7 – Incidents in the value chain or community | No | No reports found |

C9 – Diversity in the Board of Directors

| Metrics | Indicator | Comment / Source |
|-------------------------------------|------------------|--|
| C9 – Gender ratio in the BoD | 2 women / 1 man | The BoD is composed of three members, with a female majority (66.6%) |

7.

STRATEGIC
PARTNERS:
CUSTOMERS AND
SUPPLIERS

Customers and suppliers represent two strategic pillars for Vortex Hydra, fundamental to the operational solidity and sustainability of the business model. This chapter explores the policies, tools, and practices adopted to manage these relationships, highlighting the company's integrated approach based on transparency, technical reliability, process quality, and continuous improvement. Particular attention is paid to customer services, after-sales support, document management, and access to technical information, as well as informed supplier selection, traceability of materials, and responsible procurement practices. The entire system is strengthened by certified standards and shared procedures, with the aim of creating value along the entire supply chain and strengthening stakeholder trust over time.

7.1 RELATIONSHIPS WITH CUSTOMERS: LISTENING, QUALITY AND IMPROVEMENT

For Vortex Hydra, every customer is a partner with whom to build shared paths of innovation and continuous improvement. The approach is based on three pillars: product quality, skill transfer and long-term after-sales support.

The quality of our processes and products is guaranteed by the adoption of a UNI EN ISO 9001-certified Quality Management System. Each stage, from receiving the components to delivering the finished product, is subjected to rigorous checks to ensure full compliance with the agreed specifications.

Vortex Hydra products are characterised by high reliability, compliance with CE and ISO standards and the integration of advanced safety systems, such as barriers, sensors and emergency switches, to minimise direct contact with the critical parts of the systems.

The offering is complemented by a qualified technical service that supports the customer throughout the system's life cycle, through skill transfer, technology updates, on-site and remote technical assistance, scheduled maintenance, and rapid supply of spare parts.

Already in the pre-contractual stage, Vortex Hydra initiates a structured requirements analysis to fully understand the customer's needs and translate them into the technical offer. Dedicated Quality Plans are prepared for particularly complex projects, for example due to their size, level of customisation, or application criticality. They lay down standards, operating methods, responsibilities, and specific controls, ensuring a shared framework for the entire duration of the project.

7.2 SAFETY, TRANSPARENCY AND VALUE FOR THE CUSTOMER

In a context where companies are required to guarantee quality, safety, transparency and data protection, Vortex Hydra adopts a systemic approach that puts customer needs first. Through scalable solutions, responsible communications, and ongoing attention to safety and privacy, the company builds trust-based relationships with stakeholders, contributing to the sustainable and inclusive development of the supply chain.

Product safety and operational support

Safe machinery is a design priority. All Vortex Hydra products are equipped with active and passive prevention systems (barriers, sensors, emergency switches) and are accompanied by specific training for operators. The approach is aimed at ensuring access to safe and innovative products even in less structured contexts or with limited technological access.

Privacy and data protection

Vortex Hydra protects privacy in compliance with the General Data Protection Regulation (GDPR), applying internal guidelines that ensure the secure, lawful, and transparent management of information. Customer and supplier data are protected by advanced technologies, such as encryption systems, and restricted access. Detailed policies are available on the official Vortex Hydra and Vortex Hydra dams websites.

Access to quality information

To ensure transparency and accessibility, the company offers its customers and partners: product technical data sheets, use and maintenance manuals.

Management of complaints

Reports and complaints are managed with a codified procedure, under the coordination of the QEM (Quality, Environment and Safety) Manager. Each report is analysed to activate corrective and preventive actions, fuelling the continuous improvement cycle.

Social inclusion and access to innovation

Vortex Hydra develops modular and scalable solutions to meet the needs of SMEs and emerging markets, in line with technological innovations in the reference market.

Responsible marketing

Corporate communications are characterised by transparency and consistency, avoiding any form of misleading advertising or unverifiable messages. The content promotes real benefits in terms of energy efficiency, sustainability and safety. The communication style is simple, accessible, and consistent with the company's values, reflecting a commitment to responsible marketing, focused on customer trust and respect.

Who are Vortex Hydra's suppliers?

This approach - based on trust, security, and transparency - also extends to the conscious selection and management of suppliers, an integral part of Vortex Hydra's sustainable supply chain.

Vortex Hydra's supplier network is a strategic element of the company's value chain. The company mainly relies on raw material suppliers, hydraulic component manufacturers, speciality metal suppliers, and companies specialising in industrial electronics.

Approximately 98% of our suppliers are based in Italy, a choice that ensures high quality standards, material traceability, and supply reliability, and contributes to strengthening the local economic fabric.

Through careful selection and continuous monitoring processes, Vortex Hydra promotes a responsible supply chain, focused on quality, sustainability, and innovation, in line with its corporate values and sustainable development goals.

7.3 RELATIONSHIPS WITH SUPPLIERS: SELECTION AND SHARED RESPONSIBILITY

The quality of Vortex Hydra products is closely linked to the solidity of its supply network. For this reason, the company adopts rigorous selection and monitoring criteria, based on transparency, continuity, and respect for sustainability principles.

Raw materials and selection criteria

Suppliers are selected based on stringent requirements for reliability, technical expertise, material quality, and compliance with environmental and safety regulations. The selection prioritises partners who can guarantee certified and traceable materials, in line with European directives, the REACH regulations, and internal technical and regulatory standards.

Monitoring and periodic evaluation

The relationship with suppliers does not end in the initial qualification stage: continuous monitoring and annual reassessment based on qualitative and quantitative indicators are foreseen. Performance is measured with reference to non-conformities, on-time deliveries, and compliance with technical specifications, ensuring active monitoring throughout the entire supply cycle.

Quality checks and certifications

Vortex Hydra adopts an ISO 9001 certified Quality Management System, which includes systematic inspection of incoming materials and verification of compliance with contracts and technical specifications. The checks extend to safety and environmental aspects, as required by the Quality and Environment Manual (MQA), through inspection audits and document checks on strategic suppliers.

Sustainable Sourcing Policy in the selection of suppliers

The Sustainable Sourcing Policy and the Supplier Code of Conduct lay down the environmental, social, and ethical criteria that partners must comply with. In particular, Vortex Hydra requires: Quality and technical compliance; Compliance with environmental and social regulations; Ethical integrity and anti-corruption; Document transparency and compliance with payment terms.

Adherence to the Code is an integral part of the qualification process and contracts include the possibility of ESG audits.

Traceability, sustainability and proximity

The choice of mainly Italian partners contributes to reducing transport-related emissions, optimising logistics processes and strengthening the local economic fabric. Geographical proximity, material traceability, regulatory compliance, and cultural affinity foster stable and collaborative relationships over time.

Even outsourced processes – such as galvanising, painting, and special processes – follow detailed instructions and are subjected to specific quality controls.

Purchase orders include all applicable technical and environmental specifications, which suppliers are required to comply with and formally accept.

This integrated approach allows Vortex Hydra to oversee the entire value chain, ensuring quality, transparency, and consistency with its sustainability principles.

8.

CONCLUSIONS AND
FUTURE PROSPECTS

This document is the **first Sustainability Report** drawn up by Vortex Hydra on a voluntary basis, with the aim of offering a transparent and structured vision of the company's environmental, social and governance commitment. The approach adopted, based on the VSME standards, made it possible to launch a coherent, accessible, and scalable reporting process, perfectly applicable to a small but virtuous company like Vortex Hydra.

The progressive structure of the VSME has proven particularly suited to leveraging existing good practices, while maintaining a focus on continuous improvement and alignment with emerging market and European regulatory expectations.

The preparation of this report primarily involved corporate governance, which guided the entire decision-making and content selection process. This fostered a strategic reflection on the organisation's identity and sustainable positioning, ensuring coherence between entrepreneurial vision, social responsibility, and stakeholder expectations.

Looking to the future, Vortex Hydra is committed to:

- consolidating the sustainability data collection and management system;
- strengthening dialogue with internal and external stakeholders;
- progressively updating its policies and procedures in line with ESG principles and regulatory developments;
- formalising measurable environmental and social improvement goals, in line with the metrics of the VSME Comprehensive Module;
- promoting an organisational culture increasingly oriented toward sustainable innovation, transparency, and respect for people and the environment.

The path we have embarked upon is just the beginning of a long-term vision, which sees sustainability not just as a future obligation, but as a present opportunity to create shared and lasting value.

9.

APPENDIX

9.1 SUSTAINABILITY INDICATORS

VSME metrics

B2 / C2 – Description of the **practices, policies and future initiatives** for transitioning towards a more sustainable economy

| Scope | Practices / Policies / Initiatives | Future initiatives and goals | Responsible corporate level |
|------------------------|--|--|-----------------------------|
| Climate change | Adoption of ISO 14001 environmental management system / Installation of photovoltaic system in 2024 / energy supply from certified renewable sources / energy-intensive machinery replacement plan / double-glazed window installation plan / installation of LED lighting / heating and cooling timer | Evolution of systems from 4.0 to 5.0 logic / Complete the replacement of double-glazed windows in the office building / Complete the replacement of more energy-efficient machines / | General management |
| Pollution | Localised aspiration and filtration systems / AUA-compliant industrial waste management / use of ISO-certified suppliers for technical wipe management / traceability of special waste / No visible emission points (chimneys, fumes, etc.). | | General management |
| Water resources | Low water consumption / use limited to bathrooms and testing of turbine guard valves / | Implementation of water reuse system in valve functional tests by 2025 / | General management |

| | | Installation of low-flow taps; | |
|------------------------------------|---|---|--------------------|
| Biodiversity and ecosystems | No direct impacts reported. | No specific initiatives are planned, except for future updates in the event of developments in regulations or authorisations. | General management |
| Circular economy | Long-lasting design / Optimisation of materials in design and production / Possibility of refurbishment / collection, regeneration and resale of used tile systems / Management of metal waste through reuse or sale / Reusable packaging / Circular management of technical wipes and industrial mats / Reduction of single-use waste in common areas / Document de-materialisation. | | General management |
| Own workforce | Continuous training / equal treatment / occupational health and safety / welfare system and flexible working hours / Whistleblowing system active and accessible on the website. | Possible extension of training courses to the topic of sustainability. | General management |
| Workers in the value chain | Sustainable Sourcing Policy | Possible adoption of a dedicated policy. | General management |
| Community and local area | Donations and support for local organisations / collaboration with social cooperatives for job placement / work-based learning / technology transfer projects in | | General management |

| | | | |
|--------------------------------|--|--|---------------------------|
| | developing countries (e.g. UNO+UNO). | | |
| Consumers and end users | Privacy protection / product safety and quality / customised solutions / upgradeable components / responsible marketing / access to quality information / technical support and customer training. | | General management |
| Business conduct | Sustainable Sourcing Policy / Legality Rating (2 AGCM stars) / Absence of legal proceedings / Cybersecurity / ISO 9001 ISO 14001 and UNI INAIL SGSL integrated management system / Implementation of whistleblowing system | Potential drafting of an integrated code of ethics, consistent with the requests of financial stakeholders and for possible compliance with the Model 231. | General management |

The **metrics reported** are as follows:

| Scope | Metrics |
|---------------------------------|---------------------|
| General information | B1, B2, C1, C2 |
| Environmental indicators | B3, B4, B6, B7, C4 |
| Social indicators | B8, B9, B10, C6, C7 |
| Governance indicators | B11, C4, C8, C9 |

| Scope | Metrics | Description | Page |
|---------------------------------|---------|-------------|------|
| General information | B1 | | |
| | B2 | | |
| | C1 | | |
| | C2 | | |
| Environmental indicators | B3 | | |
| | B4 | | |
| | B6 | | |
| | B7 | | |
| | C4 | | |
| Social indicators | B8 | | |
| | B9 | | |
| | B10 | | |
| | C6 | | |
| | C7 | | |
| Governance indicators | B11 | | |
| | C4 | | |
| | C8 | | |
| | C9 | | |

Material topics – Appendix B VSME

| Topic | Subtopic | Sub-sub-topics |
|------------------------------------|---|---|
| Climate change | <ul style="list-style-type: none"> -Adaptation to climate change -Mitigation of climate change -Energy | |
| Pollution | <ul style="list-style-type: none"> -Air pollution -Water pollution -Soil pollution -Pollution of living organisms and food resources -Substances of concern -Substances of very high concern -Micro-plastics | |
| Water and marine resources | <ul style="list-style-type: none"> -Water -Marine resources | <ul style="list-style-type: none"> -Water consumption -Water withdrawals -Water discharges -Discharges into the sea -Extraction and use of marine resources |
| Biodiversity and ecosystems | -Direct drivers of biodiversity loss | <ul style="list-style-type: none"> -Climate change -Changes in the use of the soil, freshwater and sea -Direct exploitation -Invasive alien species -Pollution -Other |
| | -Impact on the status of the species | <ul style="list-style-type: none"> -Size of populations -Global risk of extinction |
| | -Impact on the extent and condition of ecosystems | <ul style="list-style-type: none"> -Soil degradation -Desertification -Soil sealing |
| | -Impact and dependence on ecosystem services | |
| Circular economy | <ul style="list-style-type: none"> -Resource input and use -Outputs related to products and services -Waste | |

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|-----------------------------------|--|---|
| | | |
| Own workforce | -Working conditions | -Stable employment Working hours -Adequate wages -Social dialogue -Freedom of association -Collective bargaining -Work/life balance -Health and safety |
| | -Equal treatment and opportunities | -Gender equality and pay -Training and skill development -Inclusion of people with disabilities -Measures against violence and harassment -Diversity |
| | -Other work-related rights | -Child labour -Forced labour -Adequate accommodation -Privacy |
| Workers in the value chain | -Same category as own workers | -Same categories as own workers |
| Community and local area | -Economic, social and cultural rights -Civil and political rights | -Adequate accommodation -Adequate nutrition -Water and sanitation -Impact on the earth -Safety -Freedom of expression -Freedom of assembly -Rights of human rights defenders |
| | -Civil and political rights | -Freedom of expression -Freedom of assembly -Rights of human rights defenders |
| | -Rights of indigenous communities | -Free, prior and informed consent -Self-determination -Cultural rights |
| | -Information impacts | -Privacy |

| | | |
|--------------------------------|---|--|
| Consumers and end users | | -Freedom of expression -Access to quality information |
| | -Personal safety | -Health and safety -Personal protection -Protection of minors |
| | -Social inclusion | -Non-discrimination -Access to products and services -Responsible marketing |
| Business conduct | -Corporate culture -Protection of whistleblowers -Animal welfare -Political engagement and lobbying -Management of supplier relationships including payment practices | Potential drafting of an integrated code of ethics, consistent with the requests of financial stakeholders and for possible compliance with the Model 231. |
| | -Corruption and extortion | -Prevention, detection, training -Any incidents |

9.2 ACRONYMS / ABBREVIATIONS

AGCM: Competition and Market Authority

AUA: Single Environmental Authorisation

CCIAA: Chamber of Commerce, Industry, Crafts and Agriculture

CSR(D): Corporate Sustainability Reporting (Directive)

PPE: Personal Protective Equipment

EFRAG: European Financial Reporting Advisory Group

ESG: Environmental, Social and Governance

ISO: International Organization for Standardization

KPI: Key Performance Indicator

MQA: Quality and Environmental Manual

QEM: Quality, Environment and Safety (Management System)

RENTRI: National Electronic Register for Waste Traceability

SGSL: Occupational Health and Safety Management System

VSME: Voluntary Sustainability Reporting Standard for non-listed SMEs

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