



EUROPEAN INSPECTION AND CERTIFICATION COMPANY S.A.

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GHG Validation and Verification
No of Certificate 875-5

GHG INVENTORY REPORT VERIFICATION STATEMENT (No. 00.22.0033)

EUROCERT

Accredited Verification Body for GHG emissions against ISO 14065:2013,

with accreditation number: 875-5 (ESYD)

verifies with reasonable assurance that the GHG Inventory Report of the company:

SIPI SPA

titled "GHG INVENTORY REPORT 2023", dated "30/06/2023"

concerning the following sites:

- Via Paradigna 97, 43122 Parma PR, Italy

the following activity:

- Stainless steel flat bars production,

and for the reporting year **2022**,

which has been prepared according to the requirements of the standard

EN ISO 14064-1:2019

and of the

Greenhouse Gas Protocol

and verified in accordance with ISO 14064-3:2019, is satisfactory and there are not any material misstatements in the declared GHG total emissions of **19.249,778 t CO_{2e}**, analyzed as:

Category	Descriptions	Total emissions (t CO _{2e})
Category 1	Direct emissions	10,041
Category 2	Indirect emissions from imported energy	95,730
Category 3	Indirect emissions from transportation	1.009,506
Category 4	Indirect GHG emissions from products used by organization	17.946,990
Category 5	Indirect GHG emissions associated with the use of products from the organization	202,425
Category 6	Indirect GHG emissions from other sources.	0
Total emissions		19.249,778

Excluding an offset of **14,914 tCO_{2e}** linked to Photovoltaic electricity fed into the national grid, the SIPI's GHG emissions for the year 2022 are equal to **19.249,778 tCO_{2e}**, and managed **16,989,945 kg** of steel purchased (raw material or semi-finished product), processed, stored and sold, which corresponds to Emissions per Ton of steel managed equal to **0,88 tCO_{2e}/Ton**.

Information about the verification

The verification body EUROCERT ("Verification Body") has undertaken the verification of the information included in the GHG Inventory Report for the reporting year 2022 (1/1/2022-31/12/2022) of the company SIPI SPA, according to the requirements of the standards ISO 14064-1:2018 and ISO 14064-3:2019 and of the Greenhouse Gas Protocol. The responsibility for the information included in the GHG Inventory Report remains exclusively to the Company. The Verification Body conducted a sampling inspection of evidence and data, and the relevant procedures and systems, aiming to verification of the GHG Inventory Report.

Verification Objective and tasks

The Verification Body conducted the following 3rd party verification tasks, during the time period of 30.08.2023 - 13.10.2023:

1. Evaluation of the management system and the methodology for the quantification, monitoring, and reporting of the GHG emissions of the company, according to the requirements of the standards ISO 14064-1:2018 (EN ISO 14064-1:2019), ISO 14064-3:2019, and the Greenhouse Gas Protocol.
2. Onsite verification audits on 26 of September 2023 at the following sites:

- Via Paradigna 97, 43122 Parma PR, Italy

aiming at:

- the verification of the existence and application of systems appropriate for monitoring, collection, processing, and reporting of data contained in the GHG Inventory Report and the documents of the GHG emissions management system of the Company.
- the assurance of the core principles of ISO 14064-1:2018, including the reliability, relevance, completeness, consistency, accuracy and transparency of the quantitative and qualitative data contained in the GHG Inventory Report, without any material errors, omissions, or misrepresentations.

Scope

a) Name and date of the GHG Emissions Report

“GHG Inventory Report 2022”

b) organizational and operational boundaries and baseline scenarios

In the context of this GHG Inventory Report, the organizational and operational boundaries concerning the greenhouse gas emissions and/or removals from the facilities financially controlled by SIPI SPA have been taken into account, as referred to on the first page of this statement.

The year 2022 has been adopted by the management of SIPI as a reference year, SIPI aims to be able to assess the effects produced on GHG emissions from possible variations in the process and the use of energy carriers. These pieces of information can, in turn, be used to assign different priorities to the selected measures for improving the climate performance of SIPI's service.

c) verification scope

The verification scope is the following: “Stainless steel flat bars production.”

d) physical infrastructure, activities, technologies, and processes of the organization

SIPI SPA carries out its activity as a production company of stainless steel sheared plates with distribution in Italy and abroad. The processing carried out is the cold shearing of strip sheets or stainless steel slabs and the subsequent profiling and straightening.

In the course of the year 2022, with effect from September 30th, SIPI changed its registered office from 6/A via Leonardo Sciasca to the current 97 via Paradigna. Due to this relocation, energy consumption bills for the year 2022 are attributable to two different street addresses.

Furthermore, the current facility on via Paradigna was assigned a street address and toponym only starting from November 25th, 2022, previously being known as via Marinetti.

e) GHG sources, sinks and/or reservoirs

The GHG sources are the following:

Category 1: direct GHG emissions

- Direct emissions from stationary combustion: Combustion of methane
- Direct emissions from mobile combustion: Company cars
- Direct fugitive emissions from GHG release in anthropogenic systems: heat pumps powered by F-Gas

Category 2: Indirect emissions from imported energy

- Electricity taken from the grid: Electricity from the grid consumed

Category 3: Indirect emissions from transport

- Network leakage, SIPI's energy supply is low voltage only
- Emissions related to the transport and treatment of waste water
- Emissions related to upstream transport: In-bound transportation from the production site by ship, train or truck
- Emissions deriving from the transport of packaging to the SIPI's site
- Emissions related to downstream transport: Out-bound transport to points of sale, sorting warehouses or end customers, the transport of raw materials and semi-finished products to subcontractors
- Emissions related to product return
- Commuting of workers: Travel from home to work at SIPI's site
- Anthropogenic biogenic emissions: Wastewater treatment deriving from SIPI's activities

Category 4: Indirect emissions from products used by the organization

- Emissions deriving from the production of purchased raw materials and semi-finished products (stainless steel bars, strips and profiles which are then subsequently mechanically processed by SIPI or its subcontractors. Raw material packaging)
- Emissions deriving from the production of purchased packaging and packaging
- Emissions deriving from the acquisition of assets in the reference year (furniture, wire weld machine, PCs, drill, cutting center, profiler and staker, and other assets)
- Emissions related to waste management (SIPI waste is all recoverable).
- Emissions attributable to other sources not included in the previous activities: IT services (cloud computer, mail server), consultancy and financial and tax, insurance services, etc.
- Emissions related to the production of installed photovoltaic panels

Category 5: Indirect emissions associated with the use of the organization's products

- Emissions from end of life stage of the product

Category 6: indirect emissions from other sources

- No emissions

f) types of GHGs

The following types of GHG are included in the Emission Report of the company: CO₂, CH₄, N₂O, NF₃, SF₆, HFCs, and PFCs.

g) time period(s)

The time period covered by the Emissions Report is the 1st of Jan 2022 to the 31st of December 2022.

Assurance and Materiality level / Limitations

The assurance level agreed with the Company is that of reasonable assurance. For the purposes of the verification, the agreed level of assurance has been defined as reasonable ($\leq 5\%$), based on the needs of the intended use of the GHG Inventory Report. Therefore, material misstatements are defined as any omissions, distortions, and errors, which when quantified, result in a difference of equal to or less than 5% with respect to the total emissions.

Intended use

The GHG Inventory Report is intended to be used by the Company for the following uses:

- it reflects SIPI's commitment to a better understanding of its environmental impacts and to improving its operating processes in order to achieve a progressive reduction of GHG emissions into the atmosphere and pursue the goal of carbon neutrality.
- to disclose the emissions publicly

The results of the GHG Inventory Report are used to be presented in detail in the annual sustainability reports of SIPI SPA with the aim of informing consumers within the framework of the company's transparency policy.

Results / Conclusions

The Company provided its assertions in the GHG Inventory Report for the reporting year 2022 (1/1/2022 -31/12/2022), based on the requirements of the standard ISO 14064-1:2018. The GHG emissions reported by the Company, for the above-mentioned time period, have been verified by the Verification Body and they are in accordance with those reported on the 1st page of the present statement, consistent with the agreed scope, objective, and verification criteria.

The verification tasks followed the requirements of the standards ISO 14065:2013 and EN ISO 14064-3:2019 and were based on a risk analysis approach, resulting in appropriate, per case, sampling schemes for the collection of the necessary evidence, tracing back from the GHG Inventory Report references to the primary data.

All data and information supporting the GHG assertions in the GHG Inventory Report were based on data and information hypothetical, projected, and historical in nature.

Based on the verification process, procedures and tasks conducted, the GHG assertions included in the GHG Inventory Report:

- are materially correct and a fair representation of the GHG data and information and,
- are prepared and presented in accordance with the standard EN ISO 14064-1:2019 for the GHG quantification, monitoring, and reporting.

Statement of Independence, Impartiality and Competence

EUROCERT is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability. Its assurance team has extensive experience in conducting verification over environmental and GHG emissions assertions.

EUROCERT is an accredited certification body that operates a Quality Management System which complies with the requirements of several accreditation standards (including ISO 14065), and accordingly maintains a comprehensive system of quality control including documented policies and



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procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

EUROCERT has implemented a Declaration of Impartiality and Independence and several relevant procedures which ensure that all employees, that work for or on behalf of it, maintain high standards in their day-to-day business activities. We are particularly cautious in the prevention of conflicts of interest. EUROCERT has a few existing commercial contracts with the Company regarding management systems certification activities. Our assurance team does not have any involvement in other projects with the Company that would cause a conflict of interest and has never provided any consulting services to the Company.

On behalf of EUROCERT,
Athens, 23rd November 2023

A. Chalkiopolou
General Certification Manager