



ARTROM STEEL TUBES S.A.

Draganesti Str. 30, Slatina, jud. OLT, Romania 230119
Tel: +40 (249) 434640, 434641 Fax: +40 (249) 437288, 430055
E-mail: office@artrom.com www.artrom.com
EUID: ROONRC.J1991000009283; J1991000009283; VAT No. RO 1510210/1992
Subscribed and Paid Share Capital: 291.587.538,34 lei

ARTROM STEEL TUBES S.A.

Annual Report on Measures to Combat Forced Labor and Child Labor in Supply Chains

This Report (the “**Report**”) is made in compliance with Canada’s Fighting Against Forced Labor and Child Labor in Supply Chains Act (the “**Act**”) by **ARTROM STEEL TUBES S.A.**, a joint-stock company duly organized and incorporated under the laws of Romania, headquartered at 30 Draganesti Street, Slatina, Olt County, Romania, registered with the Romanian Trade Registry under no. J1991000009283, EUID: ROONRC.J1991000009283, sole registration code 1510210 (the “**Company**” or “**Artrom Steel Tubes**”).

This Report has been prepared for the following reporting period: January 1, 2024 – December 31, 2024.

Artrom Steel Tubes’ Management Board, as the governing body, approved the report on May 28, 2025

I. INTRODUCTION

Company Overview:

Artrom Steel Tubes is a leading European manufacturer and global supplier of seamless pipes, with a diversified product portfolio serving industries such as oil and gas, automotive, mechanical engineering, and construction. With over four decades of experience in tube manufacturing, the company operates based on a resilient and customer-focused business model, delivering high-quality solutions to clients worldwide.

Our long-term strategy prioritizes the development of stable and responsible relationships with suppliers who share our commitment to innovation, product excellence, and sustainable business practices. We are dedicated to being recognized as a company that creates shared value — for our partners and for ourselves — by consistently meeting stringent environmental, social, human rights, and economic standards. These principles are essential to securing a sustainable and competitive position in the global marketplace.

Purpose of Report:

This report outlines Artrom Steel Tubes’ commitment to identifying, preventing, mitigating, and addressing the risks of forced labor and child labor, both within the company’s operations and across its global supply chain. It is prepared in accordance with the requirements of the Act, as well as other applicable national and international regulations and standards.

II. ENTITY STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Company Structure:

Artrom Steel Tubes is a company located in Romania, Olt County, Slatina, 30 Draganesti Street.

Legal structure: Joint stock-company

ARTROM STEEL TUBES S.A. Cod: FCU-01, Ed. 5 Rev. 3/2025

LRQA:
ISO 9001
ISO 14001
ISO 45001

LRQA:
IATF 16949

TUV:
PED/AD-2000 W0/W4
Vd TUV

TUV CPR:
EN 10210-1,2
EN 10255

DNV
RINA
LR

Artrom Steel Tubes operates in Romania as a modern integrated industrial platform consisting of two production plants, as follows:

- **Metallurgical Plant (our seamless pipe production)**, located in Slatina, Olt County, specialized in the production of seamless hot rolled pipes and seamless cold drawn pipes, with an annual production capacity of 200,000 tones/year in all production sections (ASSEL hot-pipe production, CPE hot-pipe production, COLD – cold pipe production, ACH – tubular components for the automotive industry and skived and rolled burnished pipes for hydraulic cylinders) and HTP – production facility where heat treatments are performed. Metallurgical plant was commissioned in 1982 and production began 6 years later;
- **Siderurgical Plant**, located in Resita, Caras-Severin County, specialized in the production of round steel billets suitable for steel pipes, as well as blooms obtained by continuous casting, with an annual production capacity of approx. 450,000 tons of liquid steel/year. With more than 260 years of history and experience in the production of steel and rolled products, using the scrap-based electric arc furnace process that results in relatively low carbon emissions compared to primary steelmaking processes.

Today, Artrom Steel Tubes retains an important share of the European market for industrial seamless tubes and pipes represented by mechanical and engineering tubes, hydraulic cylinder tubes, automotive and energy pipes.

Main products of Artrom Steel Tubes are: mechanical tubes, tubes for boilers and high temperature, gas and water seamless, line pipes, pipes for coupling stock, seamless precision steel tubes, tubes for telescopic cylinders, pipes for hydraulic cylinders, continuous cast billets and bloom. More than 90 % of the Company's products are sold outside Romania, mainly within EU countries, USA and Canada.

As of today, Artrom Steel Tubes is present in more than 45 countries with over 650 clients, out of which almost 500 are permanently active clients.

Organizational Structure and Subsidiaries

Artrom Steel Tubes also carries out commercial activities through the following sale offices and distribution units, as follows:

- Artrom Steel Tubes – with direct sales and authorized distributors to East European and Turkish customers.
- Artrom Deutschland GmbH – sale agent located in Düsseldorf, Germany – responsible for the sale and promotion of Artrom Steel Tubes pipe products to European customers from central and northern area of Europe.
- Artrom Italia S.R.L. – sale agent located in Lecco, Italy – responsible for the sale and promotion of Artrom Steel Tubes pipe products to European customers from the southern and western Europe, and Nord Africa.
- Artrom USA LLC – sale agent located in Houston, USA – responsible for the sale and promotion of Artrom Steel Tubes pipe products to customers in North and South America.

For sake of clarity, Artrom Steel Tubes is the only company from the Artrom group qualifying as an “entity” in the sense of the Act. As such, the reporting obligation set out in section 11 of the Act solely applies to Artrom Steel Tubes, this Report thus referencing only the information relevant to Artrom Steel Tubes.

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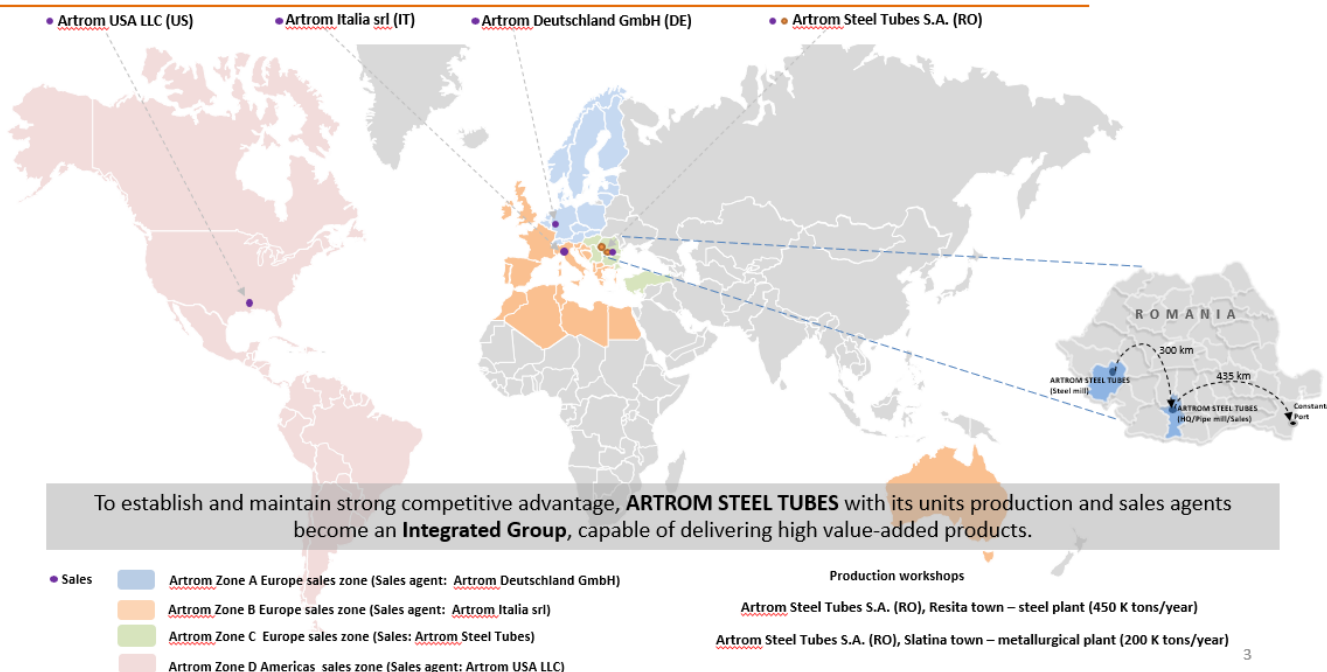
TUV:
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Vd TUV

TUV CPR:
EN 10210-1,2
EN 10255

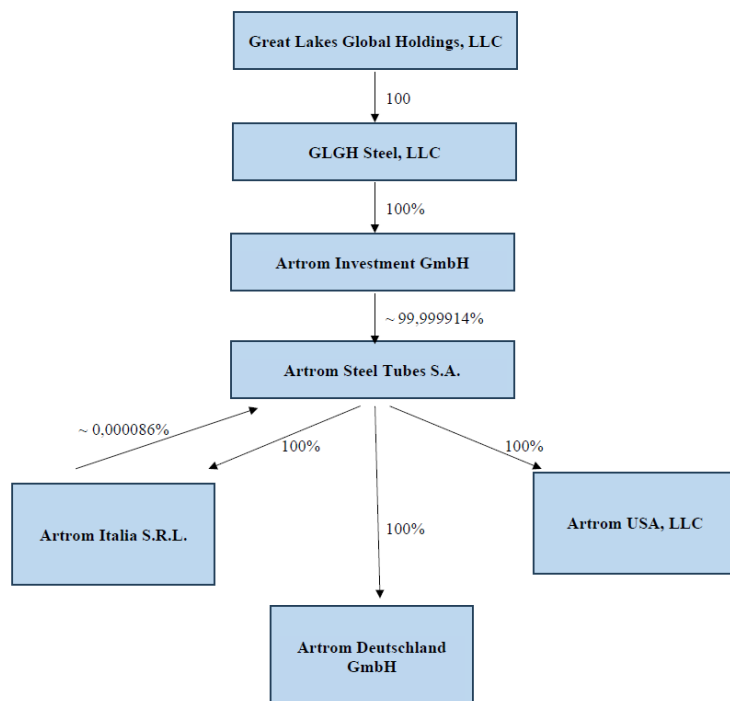
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Perimeter of production sites and commercial units:

ARTROM GROUP STRUCTURE



The following figure shows the principal subsidiaries of the Company and its direct and indirect ownership in each subsidiary, at the end of 2024



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Number of employees, at the end of 2024, at the level of Artrom Group: 2100 employees

Importation of goods to Canada: Our company sales to Canada seamless steel pipes produced in Romania, at our metallurgical plant located in Slatina, were in quantity of about 700 tons (at the level of 2024 year).

Supply Chain: *Our supply chain spans across America, Asia, and Europe, involving over 352 direct suppliers and numerous producers and sub-suppliers. The major suppliers provide raw materials, components, and finished goods necessary for our manufacturing processes.*

It is the responsibility of the Purchasing Office part of Commercial Operations Direction to comply with a strict supplier verification process (as detailed under point III below) in order to ensure the best supply base for the purpose of achieving:

- *the best market value;*
- *quality;*
- *timely delivery;*
- *speed;*
- *innovation; and*

compliance with international, national and internal regulations and procedures.

III. POLICIES AND DUE DILIGENCE PROCESSES

Artrom Steel Tubes is firmly committed to upholding the highest standards in the areas of human rights, employee health and safety, environmental responsibility, and business integrity. The company operates in full compliance with all applicable legal and regulatory obligations. Our core value — **“INTEGRITY AND HONESTY IN PERFORMANCE”** — defines our operations and extends to all our suppliers and business partners, who are expected to operate according to the same principles.

To support this commitment, Artrom Steel Tubes applies a comprehensive set of internal policies and governance tools, including but not limited to:

- [Code of Ethics](#)
- [Whistleblower Reporting System](#)
- [Privacy Policy](#)
- [ARTROM Group Global Human Rights Policy](#)
- [General Sustainability Policy](#)
- [Integrated Management System \(IMS\) Policy](#) – addressing Quality, Environment, and Occupational Health and Safety.

Although Artrom Steel Tubes has not yet introduced a dedicated policy exclusively targeting forced labor and child labor, these issues are clearly addressed through our **Purchasing Sustainability Policy**, which explicitly requires compliance with relevant legislation prohibiting such practices. The company expects all suppliers to adhere to the same ethical standards and values as those reflected in our internal policies and procedures.

In line with our continuous improvement approach, **Artrom Steel Tubes approved and implemented, as of January 2025, a formal Procedure for the Assessment and Selection of Suppliers**, which incorporates due diligence criteria related to forced labor, child labor, and broader sustainability requirements. As part of this framework, an **online Supplier Assessment Questionnaire** was launched in January 2025 to systematically evaluate supplier compliance with Artrom’s core expectations on social, environmental, and ethical performance, including the identification and prevention of forced labor and child labor in relation with our partners.

This initiative reinforces our commitment to responsible sourcing and strengthens our oversight of practices across the supply chain, ensuring that all partners contribute to the company’s long-term goals of integrity, transparency, and sustainability.

IV. RISK-ZONE AREAS IN VIEW OF FORCED LABOUR OR CHILD LABOUR IN OUR SUPPLY CHAIN

Given the global nature of its operations, Artrom Steel Tubes depends on a secure and diverse network of international suppliers to support its production and distribution activities.

In this context, Company acknowledges that certain geographical regions — and suppliers operating in or sourcing from those areas — may pose a higher risk of forced labour and child labour. These risks are often linked to limited enforcement of labor protections, regulatory deficiencies, or unfavorable socio-economic conditions. Artrom Steel Tubes is fully aware that the metallurgical industry, due to the complexity and global reach of its supply chains, is particularly exposed to such challenges.

Moreover, achieving full visibility across all tiers of the supply chain remains a significant challenge. The intricate, multi-layered nature of global sourcing networks makes it difficult to obtain complete traceability and transparency. As with any global company, Artrom Steel Tubes continues to strengthen its risk assessment and due diligence mechanisms to better identify, monitor, and address such risks wherever they may occur in the supply chain.

V. RISK ASSESSMENT AND RISK MANAGEMENT

Risk Assessment:

Artom Steel Tubes regularly conducts annual risk assessments with the objective of identifying suppliers that present a high level of risk in terms of compliance with ethical, social, and corporate responsibility requirements. These assessments are carried out in accordance with the Company's Internal Procedure on Supplier Evaluation and Selection – a document revised recently to reflect the latest standards and best practices in the field.

Regarding this, we have included in our commercial contracts the obligation to comply with human rights, ethical standards, and sustainability principles.

The evaluation process involves the completion of a standardized supplier assessment questionnaire, which includes specific questions regarding labor practices, including compliance with human rights standards and the prevention of child labor or the employment of young workers. Only those suppliers who meet all the criteria outlined in the aforementioned procedure are eligible to be included in the Company's Approved Suppliers List. This list is periodically updated based on the results of the assessments and the level of compliance demonstrated by each supplier.

In 2024, Artrom Steel Tubes continued to enforce a strict policy of supplier verification and monitoring, placing particular emphasis on identifying and eliminating any risks related to the exploitation of minors or young workers. A key requirement of the evaluation process was that suppliers must hold internationally recognized certifications issued by competent and independent bodies, certifying compliance with quality, ethical, and social responsibility standards.

The adoption of these rigorous criteria plays a crucial role in the decision-making process for establishing commercial relationships or partnerships, actively contributing to the creation of a sustainable, ethical, and responsible supply chain.

The Internal Audit and Risk Management Department of Artrom systematically evaluates the Company's risk landscape across following primary categories:

- **Strategic Risks:** This category includes the risk areas that can influence the overall direction and sustainability of the business such as market dynamics and shifts in customer demand; product and process innovation; volatility in raw materials prices; technological changes, organizational structure risks.
- **Operating Risks:** The main risk areas in this category refer risks related to internal day-to-day operations and administrative function like: Information technology, security and cybersecurity, Health, Safety & Environment risks.

- **Financial Risks:** This category addresses risks associated with the Company's financial health, structure, and transactions, including interest rate fluctuations, foreign exchange rate volatility, credit risk).
- **Other risks,** not included in the above – compliance risk, fraud and corruption risk, internal control weaknesses, natural hazard and disaster-related risks.

The Company's risk assessment process incorporates both **internal** and **external** risk factors. These include:

- 🌐 **Internal risks:** arising from within the organization (e.g. systems, processes, staff),
- 🌐 **External risks:** such as macroeconomic trends, shifts in demand, competitor strategies, regulatory changes, and country-specific risks (economic, political, safety, and environmental).

The core objective of **risk management** is to support the **creation and protection of value**. This is achieved through a structured process of identifying, analyzing, and controlling potential threats and opportunities.

Risk management:

- ❖ Enhances performance and operational resilience,
- ❖ Encourages innovation,
- ❖ Supports the achievement of strategic and operational goals.

The aim is to **manage risk proactively**, using targeted tools and safeguards to either reduce the likelihood of negative events or limit their impact, thus achieving an optimal balance between risk and performance.

The **Compliance and Risk Management Committee** plays a key role in supporting both the **Management Board** and the **Board of Directors**. Its responsibilities include:

- ❖ Providing periodic updates on the identification and assessment of principal supplier-related risks,
- ❖ Conducting **semiannual (semestrial)** risk assessments,
- ❖ Ensuring continuous monitoring and mitigation of supplier and third-party risks.

VI. REMEDIATION MEASURES

As of December 31, 2024, Artrom Steel Tubes did not identify any suppliers involved in incidents related to forced or compulsory labor. Likewise, no cases were reported involving suppliers at risk of engaging in practices related to child labor, the employment of trafficked individuals, or other forms of modern slavery — such as the retention of personal documents or the imposition of degrading living conditions.

As a result, no remediation actions have been required to date in connection with forced labor or child labor within Artrom Steel Tubes' supply chain.

VII. TRAINING AND AWARENESS

While specific training on forced labor and child labor is not legally mandated in Romania, Artrom Steel Tubes is firmly committed to building awareness and capacity among its employees. To this end, the company regularly conducts mandatory internal training sessions for all personnel with key roles and responsibilities.

In 2024, Artrom Steel Tubes organized a dedicated training program on the Group's Human Rights Policy, ensuring that all employees — across departments and functions — are informed about the company's commitments, expectations, and applicable legal frameworks. This training complemented the broader internal programs covering topics such as equal opportunity, anti-harassment, data protection, the Code of Ethics, and other areas of responsible business conduct.

The company maintains open and ongoing dialogue with its employees, fostering a work environment grounded in respect for human rights and full compliance with both national and international regulations.

Artrom Steel Tubes also prioritizes transparency and accessibility with regard to internal policies and procedures. All publicly relevant documents are published in a prominent location on the company’s website. Internal policies are made readily available to employees via the corporate intranet and are written in clear, accessible language to ensure full understanding across the organization.

ASSESSMENT OF EFFECTIVENESS

Regular Policy and Practice Review

Artrom Steel Tubes carries out regular reviews of its internal policies, procedures, and business practices to ensure they remain effective, relevant, and aligned with the company’s operational developments and the evolving legal landscape. This systematic review process supports continuous improvement and helps maintain compliance with both national and international standards.

Annual Sustainability Reporting

As part of its commitment to transparency and corporate responsibility, Artrom Steel Tubes publishes an annual Sustainability Report. For the reporting year 2024, the company has prepared its sustainability disclosures in accordance with the Corporate Sustainability Reporting Directive (CSRD), which strengthens the requirements previously established by Directive 2014/95/EU.

The 2024 Sustainability Report includes dedicated sections addressing Artrom Steel Tubes’ policies, procedures, and performance in relation to forced labor, child labor, and other human rights issues, including any incidents identified throughout the year.

The full report is available on the company’s website: [Sustainability reports - ARTROM STEEL TUBES Sustainability reports](#)

Internal Reporting Mechanisms

To further support transparency and early issue detection, Artrom Steel Tubes has implemented a Whistleblower Reporting System. This mechanism enables employees and external stakeholders to report, in full confidentiality, any concerns related to breaches of internal policies or legal obligations — including those concerning human rights and labor practices.

More information is available at: [Whistleblower Reporting System](#)

VIII. CONCLUSIONS AND FUTURE STEPS

In 2024, Artrom Steel Tubes continued to implement and strengthen its internal compliance systems, supplier engagement processes, and employee awareness programs. No incidents involving forced labor, child labor, or other human rights violations were identified within the company’s operations or throughout its supply chain.

A key milestone in 2024 was the implementation of a formal Supplier Assessment and Selection Procedure, supported by the launch of an online evaluation questionnaire. These tools significantly enhanced our ability to assess supplier compliance with our sustainability and human rights standards. Additionally, the company delivered a dedicated training program for all employees on the Human Rights Policy, reinforcing our commitment to ethical and responsible conduct across all levels of the organization.

The company’s Sustainability Report for 2024 was prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), reflecting a more comprehensive and transparent approach to non-financial reporting, including labor and human rights considerations.

Future Commitments:

For 2025, Artrom Steel Tubes plans to further expand its supplier audit program, strengthen its due diligence and risk management processes, enhance employee training initiatives, and update relevant internal policies — with particular focus on addressing risks related to forced labor and child labor.

This Report is publicity available on Artrom Steel Tubes website, at [Sustainability reports - ARTROM STEEL TUBES Sustainability reports](#), together with the above-mentioned annual Consolidated Sustainability Report.

This Report is submitted to the Minister of Public Safety and Emergency Preparedness Canada, as per the requirements of the Act.

ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Cristian Drinciu
Chief Executive Officer
May 28, 2025

I have the authority to bind ARTROM STEEL TUBES S.A.