



ARTROM STEEL TUBES S.A.

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Subscribed and Paid Share Capital: 1.276.594.955,68 lei

ARTROM STEEL TUBES S.A.

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

This Report (the “**Report**”) is made in compliance with the disclosure obligations under Canada’s Fighting Against Forced Labour and Child Labour 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, 2025 – December 31, 2025.

Artrom Steel Tubes’ Management Board, as the governing body, approved the report on May 28, 2026.

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 labour and child labour, both within the company’s operations and across its global supply chain. The Report has been prepared in accordance with the requirements of the Act, as well as other applicable national and international regulations and standards.

ARTROM STEEL TUBES S.A. Cod: FCU-01, Ed. 5 Rev. 4/2025

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

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 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;
- **Steel 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.

The Company's main products include: 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 at the end of 2025, 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.

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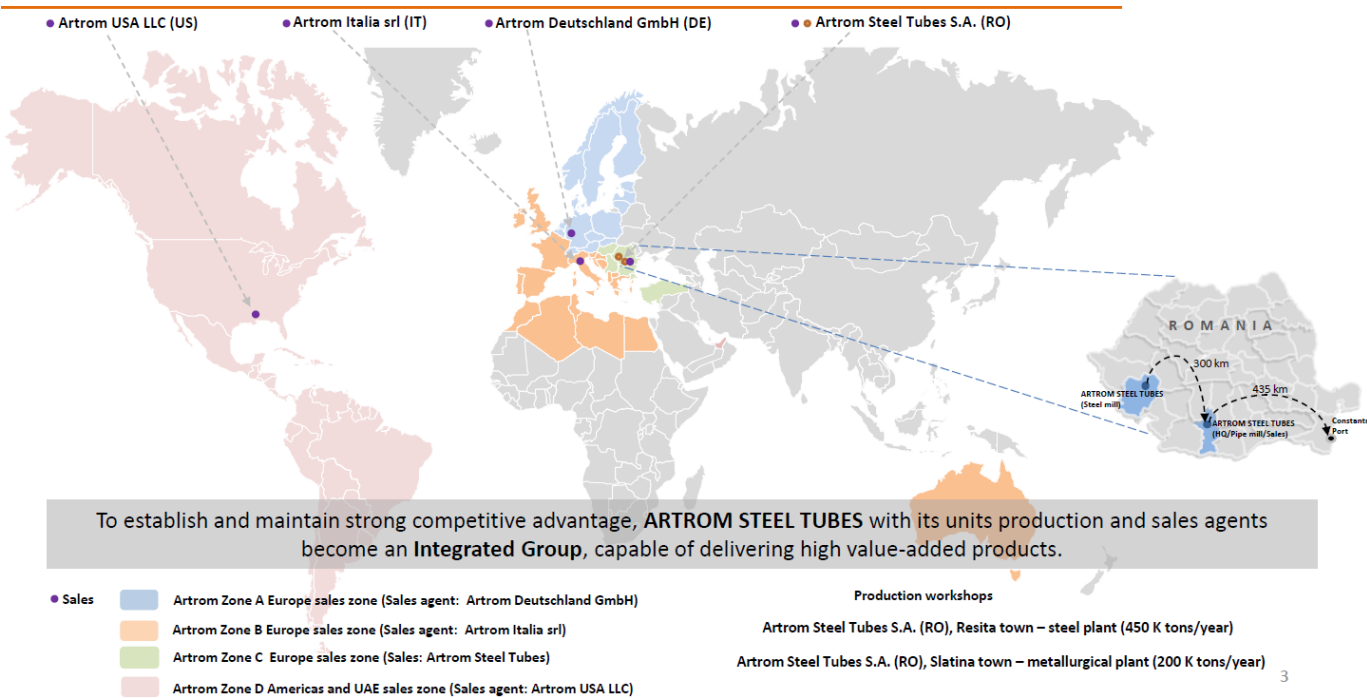
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- Artrom Deutschland GmbH – sale agent located in Düsseldorf, Germany – responsible for the sale and promotion of Artrom Steel Tubes pipe products to European customers from central and northern area of Europe.
- Artrom Italia S.R.L. – sale agent located 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 and UAE zone.

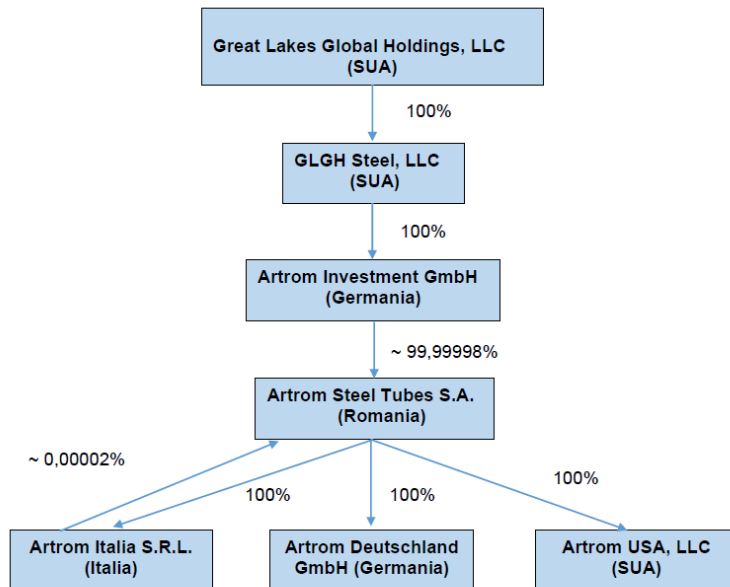
For sake of clarity, Artrom Steel Tubes is the only company from the Artrom group qualifying as an “entity” in the sense of the Act. As such, the reporting obligation set out in section 11 of the Act solely applies to Artrom Steel Tubes, this Report thus referencing only the information relevant to Artrom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

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 2025.



Number of employees, at the end of 2025, at the level of Artrom Group: 2017 employees

Importation of goods to Canada: during 2025, the Company sold to customers in Canada approximately 1700 tons of seamless steel pipes produced in Romania, at our Metallurgical Plant located in Slatina.

Supply Chain: *Our supply chain spans across America, Asia, and Europe, involving over 274 direct suppliers and a wider base of producers and sub-suppliers further upstream. The major suppliers provide raw materials, components, equipment and finished goods necessary for our manufacturing processes. The Purchasing Office, within the Commercial Operations Direction, is responsible for applying a structured supplier assessment process (as detailed under section III below) in order to secure 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.*

In addition to its obligations under the Act, the Company is also subject to disclosures concerning labour and human rights along its value chain pursuant to the European Union's Corporate Sustainability Reporting Directive (Directive EU 2022/2464 – CSRD). Artrom Steel Tubes has reported on its sustainability performance for several reporting cycles, in accordance with the Global Reporting Initiative (GRI) Standards, and has voluntarily aligned its disclosures with the European Sustainability Standards (ESRS) adopted under the CSRD. The annual Sustainability Report, prepared in accordance with the European Sustainability Reporting Standards (ESRS), complements and supports the content of this Report.

III. POLICIES AND DUE DILIGENCE PROCESSES

Artrom Steel Tubes S.A. is committed to maintaining high standards in relation to human rights, employee health and safety, environmental responsibility and ethical business conduct. The Company operates in compliance with applicable legal and regulatory requirements, guided by its core value — “*Integrity and Honesty in Performance*” — which extends to all suppliers and business partners.

This commitment is supported by a set of internal policies and governance mechanisms, including:

- [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.

While the Company does not have a standalone policy dedicated exclusively to forced labour and child labour, these matters are explicitly addressed through the Global Human Rights Policy and the Sustainable Procurement Policy, both of which require compliance with applicable legislation and set out the expectation of responsible conduct applicable to the Company’s suppliers and business partners. Suppliers are expected to adhere to the same principles reflected in the Company’s internal policies.

As part of its ongoing efforts to strengthen its processes, Artrom Steel Tubes has been applying, since January 2025, a formal Procedure for the Assessment and Selection of Suppliers. The procedure incorporates criteria related to labour practices, human rights and broader sustainability considerations. To support its consistent application, an online Supplier Assessment Questionnaire has been deployed, enabling a structured evaluation of suppliers, including aspects related to social, environmental and ethical performance.

During 2025, the online questionnaire was rolled out across a significant portion of the active supplier base.

In addition, the Company conducted selective documentary supplier audits on a risk-based sample of suppliers, the results of which directly informed supplier qualification and continuation decisions. Suppliers are included in, and retained on, the Approved Suppliers List only after demonstrating compliance with the Company’s requirements.

Through these measures, the Company seeks to maintain a consistent approach to responsible sourcing and to strengthen the alignment of its suppliers with its standards 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 works with a network of international suppliers that support its production and distribution activities.

In this context, the Company is aware that potential exposure to forced labour or child labour may arise primarily within the broader supply chain, particularly beyond its direct suppliers. This is mainly linked to the complexity of the metallurgical sector and the multi-layered structure of global supply chains.

Within its own operations and in relation to its direct (Tier 1) suppliers, the Company has not identified specific instances of forced labour or child labour. These suppliers are generally established industrial partners operating within regulated environments, which contributes to a comparatively lower exposure at this level.

The Company recognizes that it does not have full visibility across all levels of the supply chain. As is the case for many organizations operating internationally, full traceability beyond direct suppliers can be difficult to obtain.

In response, Artrom Steel Tubes continues to develop its internal processes for evaluating suppliers, with the aim of improving visibility over time and maintaining alignment with its standards of responsible business conduct.

V. RISK ASSESSMENT AND RISK MANAGEMENT

Risk Assessment:

Artrom 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.

In this respect, the Company has incorporated into its commercial contracts the obligation to comply with human rights, ethical standards, and sustainability principles.

The evaluation process is based on the completion of a standardized supplier assessment questionnaire, which includes specific questions regarding labour practices, including compliance with human rights standards and the prevention of child labour 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.

During 2025, Artrom Steel Tubes continued to apply a strict policy of supplier verification and monitoring, with particular emphasis on identifying and eliminating any risks related to the exploitation of minors or young workers. A key requirement of the evaluation process is that suppliers must hold internationally recognized certifications issued by competent and independent bodies, attesting compliance with quality, ethical, and social responsibility standards.

These rigorous criteria play an important role in the decision-making process for establishing or continuing commercial relationships or partnerships, and actively contribute for building 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 semi-annual (semestrial) risk assessments,
- ❖ Ensuring continuous monitoring and mitigation of supplier and third-party risks.

VI. REMEDIATION MEASURES

As of December 31, 2025, Artrom Steel Tubes did not identify any suppliers involved in incidents related to forced or compulsory labour. Likewise, no cases were reported involving suppliers at risk of engaging in practices related to child labour, 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 labour or child labour within Artrom Steel Tubes' supply chain. The Company has likewise not been required to take measures to remediate any loss of income to vulnerable families that could have resulted from such measures.

Should any such situation be identified in the future – either internally or through the Company's grievance mechanisms – the Company is committed to acting promptly, in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

VII. TRAINING AND AWARENESS

While specific training on forced labour and child labour is not legally mandatory 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 the previous reporting year, 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.

No new dedicated training session specifically focused on forced labour and child labour was organized during 2025. The Company concentrated its 2025 efforts on the operational deployment of the Supplier Assessment and Selection Procedure and of the online evaluation questionnaire, together with the broader internal training programs that continued to run through the year – including the data protection, the whistleblowing internal reporting channels and other aspects of responsible business conduct. A refreshed training program on human rights, including a dedicated module on forced labour and child labour, is being considered for future reporting periods, with priority for functions that play a role in procurement and supplier management.

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.

VIII. 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 2025, the company has prepared its sustainability disclosures in accordance with the Corporate Sustainability Reporting Directive (CSRD).

The 2025 Sustainability Report includes dedicated sections addressing Artrom Steel Tubes’ policies, procedures, and performance in relation to forced labour, child labour, 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 labour practices.

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

IX. CONCLUSIONS AND FUTURE STEPS

During 2025, Artrom Steel Tubes consolidate the internal compliance framework with particular focus on the operational deployment of its Supplier Assessment and Selection Procedure and the related online evaluation questionnaire. Selective audits were performed on a risk-based sample of suppliers in order to complement the questionnaire-based assessment.

No incidents involving forced labour, child labour or other human rights violations were identified within the Company's own operations or among its direct suppliers during the reporting period.

The company's Sustainability Report for 2025 was prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), reflecting a more comprehensive and transparent approach to non-financial reporting, including labour and human rights considerations.

Future Commitments:

For 2026, Artrom Steel Tubes plans to:

- Expand coverage of its supplier assessment program to a wider portion of its supplier base;
- Further enhance its due diligence and risk management processes, with particular focus on improving visibility at Tier 2 and Tier 2 supplier levels;
- Design and develop a refreshed training program on human rights, including a dedicated module on forced labour and child labour, prioritizing functions involved in procurement and supplier management;
- Review and update relevant internal policies in line with developments in applicable legislation and best practice.

This Report is publicly 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, 2026

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

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