# Sustainability Report

BELTRAME GROUP

# **Sustainability Report**



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INDIPENDENT AUDITORS' REPORT

# **Letter to Stakeholders**

I am pleased to introduce our second Sustainability Report, which continues our journey of transparency and the sharing of our work.

We could not do otherwise because we believe sustainability means the protection of the environment and the territories that host us. We believe sustainability means standing at our people's side and supporting our surrounding communities and economies. These activities ensure that saying "tomorrow will be better" doesn't remain a beautiful intent, an inflated slogan, or greenwashing.

For us, sustainability means producing steel, rethinking industrial processes according to more virtuous models, and investing to make them happen.

It means working first-hand, above all as a company, to reverse a course that, as it stands, has shown all its inconsistencies, fragility, and risks. Sustainability is taking action in an increasingly profitable synergy with all stakeholders because sharing projects is the key to building the future together.

Yet it also means balancing the delicate nature of man versus nature in a zero-sum game. It enhances our know-how, letting those who look suspiciously at the iron and steel world know the excellent circularity of the value underlying it.

It signifies promoting culture and a more respectful, inclusive, participatory mentality which can increase the sense of belonging to the cause of sustainability. Hence, without exception, we all feel called to act in favour of the environment. A duty that I feel above all towards the youngest.

In 2021, a year marked by the pandemic emergency, we have given concreteness to these objectives with various plans and investments, such as intensifying train transport between all group factories and managing over 1.1 million tons of steel by rail. Another sign of modernization has been the renovation of the entire production plant at our Swiss headquarters, which will allow us to increase productivity, significantly improve energy efficiency and reduce emissions with the installation of a new oven in the rolling mill. We've also installed new low-emission billet heating furnaces in the French and Romanian factories. Additional activities include the mapping of the total CO2 contribution of our production sites and subsequent identification of corrective solutions, the optimization of lamination processes through intelligence algorithms artificial, the replacement of burners with more efficient ladles, the revamping of electric motors with higher efficiency class, the use of polymers to replace coal.

Our more than 125 years of history guide us in this endeavour and will continue to do so in the future. A noteworthy past in which we have received and handed down valuable infusions of inheritance made up of entrepreneurship that, nowadays, has to be more courageous in pursuing the integration of three well-known pillars: people, planet, profit as a driver of business development, not only in our sector but in all sectors that require integrated management of social aspects, environmental and financial aimed at a common goal.

After all, this is precisely what we are called to do: accept the challenges of a time that requires change and requires us to continue to be creators of well-being, progress, and trust. For us and others. In the workplace as well as at home. As individuals and as a community. As companies and as individuals. Without hesitance. Without fear.

The keyword is sustainability and implies total dedication.

Ours is all included in this document.

Antonio Beltrame President and Managing Director

# What do we mean by sustainability?

It might seem like a given question, but the ease in how we approach this concept begs a reflection on its meaning.

It is evident how much complexity lies in the correct management of the aspects that contribute to making an organization sustainable. Companies must adopt a rigorous multidisciplinary approach to ensure that reporting and sustainability declarations find solid foundations in corporate management. Integrating the UN Sustainable Development Goals (SDGs) into the company's business unravels to include the challenge of climate change. It starts with measures developed to reduce the environmental footprint of industrial processes, in particular those with high carbon intensity such as the iron and steel ones, defined as "hard-toreduce." Thanks to the promising technological development favoured by the European Green Deal and the development of offset projects, we can reach 2050 with the "carbon neutral" perspective indicated by the European Union.

Alternative material uses in processes, recycling, and resource valorisation exemplify many efforts of a circular perspective in the environmental field.

The electric furnace is the leader in the steel industry by its intrinsic nature, grounded on the recovery of ferrous scrap. Equal attention is paid to activities that promote an increasingly safe and healthy workplace, motivating in terms of professional growth, enhancing skills, and attracting and retaining talents. Corporate welfare initiatives and broad-spectrum and easy-to-use training proposals are at the centre of these efforts. The perception of the contribution to sustainable development that the entire supply chain can provide is clear, upstream and downstream of the cycles under the company's direct control. Businesses must take on these challenges by involving and exchanging information with the actors of the various supply chains, creating virtuous paths of transport optimization and product choices with reduced impact. Another critical point is the company's contribution to the well-being of local communities, thanks to continuous listening and discussion and collaboration in social activities. This aspect has found further fertile ground in the problematic pandemic period we are experiencing, highlighting the close interdependence between productive activities and the territory. The challenge is difficult, but the consolidated principles on which AFV Beltrame Group is based, which refer to all the aspects mentioned above, allow our company to face the moment's complexity. The company maintains a clear vision of sustainable development that pursues effective governance and being socially responsible and attentive to environmental impacts. With the drafting of this Sustainability Report, the



Group presents a summary of the activities carried out and the services achieved in the three ESG guidelines described here, of which sustainability is the common denominator, as well as its ambitious objectives, consistent with the expectations of its stakeholders.

## Giovanni Battista Landra

Group EHS and Sustainability Director

## Methodological Note

### **Premise**

AFV Beltrame Group drafted this Sustainability Report according to the reporting principles proposed by the GRI. The document was also subject to a limited assurance ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by the external auditing company Deloitte & Touche S.p.A. According to the procedures indicated in the "Report of the Independent Auditors," this document was subject to verification.

Therefore, assessments of revisions or comparisons with data provided previously are not applicable for 2019 data, nor checks on changes made to material topics or the identified perimeter.

AFV Beltrame Group does not fall within the scope of Legislative Decree No. 254/2016, inherent in the obligation to prepare a non-financial statement but has opted for this communication method to represent its performance in ESG areas. The publication is set on an annual basis.

## The strategic approach to sustainability

AFV Beltrame Group deals with sustainability issues along the entire value chain, committing itself to integrating them into its work activities. This choice is why the Group adopts clear and measurable indicators (KPIs) that all company departments must achieve. The company also defines the guidelines that allow the creation of an integrated systemic process.

To encourage this integration, AFV Beltrame Group has indicated its sustainability policy, developing it on two key points: sustainability of production processes and enhancement of relations with internal and external stakeholders.

## Drafting of the Report and References

The EHS Corporate Department coordinated the drafting of the 2021 Sustainability Report, involving the Group's entire organizational structure and companies included in the reporting boundaries, each with its own Operational Sustainability Committee \*.

The contents of the Report, in general, have been prepared according to the reporting standards of the Global Reporting Initiative (GRI), Sustainability Reporting Standards of 2016, except for specific standards:

GRI 303 (Water and effluents) and GRI 403

(Occupational Health and Safety) published in 2018; • GRI 306 (Waste) published in 2020.

The Report has been prepared in accordance with GRI Standards according to the "in accordance - Core" option.

## **Document Objectives**

This 2021 Sustainability Report is a communication tool to report AFV Beltrame Group's annual results towards sustainability for our stakeholders. The reporting boundaries brings together the foreign

companies of AFV Beltrame Group (from now on called the Group) with the intent to prepare a document/report at the Group level.

You can find the details regarding the realities integrated into these boundaries in the paragraph "Scope of the Sustainability Report analysis and reporting period".

# Scope of the Sustainability Report analysis and reporting period

AFV Beltrame Group is present in Europe and operates through direct subsidiaries and a dense network of distributors, investee companies, agents, and direct sales forces. Over 2,250 employees are part of AFV Beltrame Group. The Group is made up of six production plants. Three are based in Italy (Vicenza, San Giovanni Valdarno (AR), San Didero (TO)); one in Switzerland, one in France, and one in Romania.

This Report refers to the 2021 financial year (from 1 January to 31 December 2021) and proposes a comparison with the indicators of the previous two-year period (2019-2020). The scope of the data and the social and environmental information comprises companies belonging to the Group on 31 December 2021, consolidated using the integral method of consolidation of the financial statements in the Group Consolidated Financial Statements. This excludes Sipro Beltrame AG, Laminoirs du Ruau S.A., and Donalam Siderprodukte A.G. They are inconsequential entities to the contribution of the reported sustainability indicators. The companies included are:

• AFV Acciaierie Beltrame S.p.A., Parent Company of the company based in Vicenza, and the following foreign subsidiaries of the Group:

• Laminés Marchands Européens S.A., a French subsidiary based in Trith Saint Léger, part of the AFV Beltrame Group since 1994;

Stahl Gerlafingen AG, a Swiss subsidiary based in Gerlafingen, part of the AFV Beltrame Group since 2006;
Donalam Srl, a Romanian subsidiary based in Calarasi, part of AFV Beltrame Group since 2007.

The document sections indicate any limitations to the specified reporting boundaries or clarification of calculation methods.

## **Document definition**

The reporting methodology was confirmed compared to the previous edition by the Operational Sustainability Committee \*

The process results were presented in a first version to the Sustainability Steering Committee \*\* and subsequently to the Board of Directors.

\*Operational Sustainability Committee –OSC Operational Committee: supports operational activities, involves other functions in the sustainability project, collects the data and information to prepare the sustainability report.

\*\* Sustainability Steering Committee –SSC Steering Committee: develops the corporate strategy on sustainability. It also sponsors the project, defines and updates the areas of interest and action, and reshapes the objectives into a strategic function.

## Relevant materiality aspects on reporting period

Following GRI Standards, 'material' information must be included in the Sustainability Report. Information is 'material' when it has a significant impact on the organization's economic, environmental, and social position and may affect stakeholders' sphere of influence regarding expectations and decision-making processes. The standards also require the company to describe the process of identifying these reported 'material' aspects. The process followed by the Group was based on four central moments: identification of the factors according to an objective assessment based on a systemic approach, evaluation of the relevance for the stakeholders and the organization, with prioritization of the same, validation by the company board and review by an independent third party.

## Definition Process of AFV Beltrame Group Materiality Analysis

The materiality matrix and the issues reported remain those of the previous edition (as approved by the SSC and obtained through an analysis of the relevance of the various aspects perceived by the stakeholders, according to their expectations), which followed the process of: • reference to the indicators provided for by the GRI Standards;

• benchmark with national and international companies in the sector and through sector analysis;

• comparison with trade associations (Federacciai, Eurofer, Worldsteel);

• preparation of forms for the collection of qualitative information and quantitative data;

 internal scouting and analysis of employee evaluations (internal stakeholders) obtained through an internal questionnaire;

identification of external stakeholders by the operating committee;

• involvement and listening to all internal and external stakeholders using a digital questionnaire, in which participants proposed topics potentially relevant for the Group, and a similar evaluation was requested to order the importance attributed to them;

• sharing a summary document with the list of new materiality topics and Group stakeholders of reference.

# Creation of the AFV Beltrame Group materiality matrix for the reporting period

The materiality analysis has attributed primary importance (high importance both for the Group and for the stakeholders) to the following main aspects:

• Environmental impact of production activities;

· Health, safety, and well-being of workers;

· Energy efficiency;

• Product and service quality and relationship with customers;

· Economic sustainability;

· Development and training of human resources;

The Group didn't perceive anything as irrelevant. The positioning of certain aspects in the lower quadrant of the matrix (e.g., human rights) does not imply the attribution of little relevance. Instead, it expresses the perception that the Group has appropriately managed the issue within the Group or it does not contribute to creating long-term value for the Company or stakeholders.

The cut-off hypothesis was also taken from the previous edition. The issues that reported a level of interest lower than the value of 40/100 were not classified as material. The criteria for defining the external reporting boundaries have also remained unchanged from the previous edition.

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## **1.1 HISTORY AND EVOLUTION** AFV Beltrame Group profile and history

Acciaierie Ferriere Vicentine: the name that represents the history of an enterprise born in 1896 due to the willpower of its founder, Antonio Beltrame, who arrived in Vicenza and chose to devote himself to the processing of hoops barrel, horseshoes and rims, coach wheels, and the move forward to mechanical repairs, minor carpentry with forge and the manufacturing of nails from wire rod. With his company's initial growth, the founder immediately proved to be a careful innovator. He sensed the advantages of electrical energy instead of thermal energy. He invested year after year in the growth of his workshop, adding foundry departments, a hardware store, and wire mills and points.

Antonio Beltrame's Prized Mechanical Plant with Electric Power Foundry established itself rather quickly for competence and quality in only a few years. In the first decade of the twentieth century, the Beltrame plant produced steam engines, compressors, pumps, bridges, roofs, transmissions, mills, and

## industrial plants.

The plant soon opened to a broader market, with very much attention to its organizational model, innovations and technical progress, work ethics, and a primitive but effective form of corporate welfare. All these characteristics encouraged the growth and internationalization of the company and enabled the strong position we are in today.

The correspondence between the name of the family and the company - which at the time also represented physical contiguity between factory and home- in addition to the participation and contribution of all family members, allowed to merge the culture of productivity, quality, and change with a deep-rooted spirit of belonging.

This last aspect has led to the harmonious synthesis between the culture of the family business and the characteristics of the company management, which nourishes the spirit with which today Beltrame management interprets the business and its growth,





## **The Foundation**

n 1896, by the will of the forefather Antonio Beltrame, the "Award-winning Mechanical Plant with electric power with Antonio Beltrame Foundry" was porn. In 1994 the company acquired the French LME (Laminés Marchands Européens S.A.), in 2002 the Siderurgica Ferrero, in 2006 the Swiss Stahl Gerlafingen (2006) and in 2007 the Romanian Donalam.

## combining tradition, progress, modernity, and improvement.

Le Acciaierie Ferriere Vicentine Beltrame went through three industrial revolutions and today has become an international group: AFV Beltrame Group. A leading European steel company in the production of merchant bars and beams, steel for structural uses mainly in the construction sector, automotive sector, and heavy machinery to shipbuilding. With over €1 billion in 2019, more than 2,000 employees, ten rolling mills, and three electric furnace steelworks, the Group serves around 40 countries in Europe and the Mediterranean basin. With more than 2,250 employees, ten rolling mills, and three electric furnace steelworks, the Group serves around 40 countries in Europe and the Mediterranean basin. The six plants located in Italy, France, Switzerland, and Romania make our presence and position on the reference market very strong and our constant policy of acquisitions, which since the 90s has led to both consolidations of business leadership



### he People

oday AFV Beltrame Group is a nulticultural reality that employs 2,258 people in its factoies, coming from 44 European and non-EEC countries.

and business diversification.

Our plants' geographical distribution is also favourable for the supply of raw materials, while our widespread presence in all European markets, through partnership companies, agents, and direct sales forces.

Our leading position derives from strengthening the synergies created between the Group companies due to the wealth of know-how and professionalism that characterizes each country's entire production and distribution network.

This operating style has ensured AFV Beltrame Group's success in terms of products and processes.



## **1.2 MISSION E VISION OF AFV BELTRAME GROUP**

The production of merchant bars, beams, reinforced steel, and special steels for various uses: construction and structural steels, shipbuilding, machinery ground station, and automotive. This activity is the mission of AFV Beltrame Group. This leading European steel company strives daily to ensure inclusive business development by continuously improving virtuous relationships between sustainable productivity, social innovation, and collective value. A never-ending path composed of daily work, investment, training, sharing of values, and implementation of good practice at all levels of the Group.

We persevere in the creation of excellence and quality values. Fostering responsibility towards the local, national and international communities that we feel part of and work hand in hand with to create a more prosperous, equitable, and sustainable environment. An environment that is respectful of the differences, identities, and cultures of one another.

## **1.3 REFERENCE MARKETS**

## **1.4 AFV BELTRAME GROUP VALUES**

Values consistent with innovation and continuous improvement must be widely explained and communicated. The first level of the action takes place within the company, via the guidance of management, who are the foremost believers and work hard to implement change ranging from processes, robotics, logistics, training, growth, and services. The second step initiates outside factory walls and involves suppliers, customers, institutions, and training schools. To unite these two worlds organically, an evolutionary process that considers human resources as people engaged in innovation by leveraging values must be activated.

To make all of this a reality, AFV Beltrame Group made explicit a set of shared values that are relevant to the soul of the Group and that do not neglect the emotional side.

Internalizing these values will be the driving force behind creating new connections between company and suppliers and new relationships between producers and consumers: values that generate value.



## mission **AFV Beltrame Group**

AFV Beltrame Group specializes in producing merchant bars and unique profiles intended for different use areas: construction, steel for structural activities, shipbuilding, earthmoving, and automotive machinery.

vision **AFV Beltrame Group** 

The Group's vision envisages the pursuit of business development jointly with that of people through the continuous improvement of the virtuous relationship between sustainable production, social innovation, and shared collective value.







Since its foundation. AFV Beltrame Group has been inspired by the principles guiding each company and its distinctive function. Principles that the Group undertakes to promote among its stakeholders through transparency, mutual growth, and the sharing of values and objectives.

## **1.5 CORPORATE BODIES**

## **1.6 AFV BELTRAME GROUP STRUCTURE**





Antonio Beltrame, President and Managing Director Patrizia Beltrame, Vice President and Board Member Angiola Beltrame, Vice President and Board Member Alain Creteur, Managing Director Raffaele Ruella, Managing Director Carlo Beltrame, Board Member Carlo Carraro, Board Member



Andrea Valmarana, President Dario Semenzato, Statutory Auditor Massimo Mari, Statutory Auditor



There are seven Board of Directors members, five men and two women. 29% belong to the age group between 30 and 50 years, and the remaining 71% are over 50.

## AFV Beltrame Group structure on 31 December 2021:



AFV Acciaierie Beltrame S.p.A. is not subject to management and coordination activities by the majority shareholder Beltrame Holding S.p.A. which holds a 91.88% stake.

## Holding company:

AFV Acciaierie Beltrame S.p.A.

with headquarters and factory in Vicenza and plants in San Giovanni Valdarno (AR) and San Didero (TO), Italy

## Subsidiaries:





Based in Zurich, Switzerland

Based in Gerlafingen, Switzerland

78,78%

Donalam SRL Based in Calarasi, Romania



Donalam Siderprodukte A.G. Based in Zurich, Switzerland

## **1.7 CREATION OF VALUE FOR STAKEHOLDERS**

**Highlights: 2021 AFV Beltrame Group** 

Regardless of the size and production context in which it operates, each establishment is within an increasingly globalized network, impacting business. And the resources it uses, in particular natural ones, belong to a single environment, which everyone must commit to safeguarding.

But to conduct its business sustainably, the company must find innovative solutions that allow it to analyze, understand and give feedback on the complexity of the context in which it is active. Furthermore, it must build a structured and constant relationship with its stakeholders. Only in this way will it move along a trajectory that unites economic growth, social development, and the safeguarding of natural heritage.

To be successful in this objective, however, you must adopt a systemic, inclusive, and transparent approach and improve your ability to measure business decisions by analysing all the impacts (economic and otherwise) that they produce in the short, medium, and long term.

Therefore, it is essential to maintain a constant, constructive dialogue with its stakeholders focused on



listening to their needs and requirements to lay the foundations for a lasting trust relationship and active involvement. Stakeholders represent a wide range of different interests: establishing and maintaining stable and lasting relationships following transparency, correctness, clarity, and completeness of the information provided is a crucial element for creating shared and long-term.

## 1.8 Ethics, business integrity and compliance

**Governance in AFV Beltrame Group** 

The companies of the Beltrame Group have adopted a Code of Ethics which sets out the fundamental principles that inspire all the activities of the Beltrame Group. The Code of Ethics can be downloaded from the download section of our website: www.gruppobeltrame.com

## The organisatonal model of the Parent Company

The Board of directors of AFV Beltrame spa, to ensure the uppermost conditions of fairness, transparency, and legality in the conduct of its business activities, adopted by resolution of the Board of Directors of 15/12/2008, the model of Organization, Management, and Control in line with the requirements of Legislative Decree no. 231/2001, which regulates the administrative reasonability of the company for crimes committed by management, employees, and collaborators in the interest or for the benefit of the company itself.

An integral part of the Organizational model is the Code of Ethics, approved following the model itself, which contains the principles and rules of conduct that guide all the activity of the Beltrame Group.

It is important to recall that the code of Ethics depicts principles of behaviour (legality, correctness, and transparency) that are suitable and applicable to prevent illicit behaviours referred to in Legislative Decree 231/2001, making this document relevant to the model therefore complementary to it.

The purpose of the model is to construct a structured and organic system of procedures and control activities that will allow via monitoring actions on areas of activity at risk to take prompt action to prevent the committing of the types of crimes listed in the Legislative Decree 231/2001.

The model is regularly updated to adapt to new crime cases taken into account by the legislature as preconditions for applying Legislative Decree no. 231/2001. The last update was made on 22.12.2020.

The company has appointed a supervisory body to oversee the operations and observance of the Organisational Model. The supervisory body has autonomous powers of initiative and control and reports directly to the Board of Directors.



## **Code of Ethics**

The companies belonging to the Beltrame Group considered it essential to adopt a Code of Ethics that clearly and transparently sets out a series of values that inspire and encourage the Beltrame Group the compliance with and achievement of business objectives, essential for the reliability, image, reputation, and overall proper functioning of the Group and future growth of all our companies. The Code of Ethics contains the principles and rules of conduct that guide and inspire the activities of AFV Beltra-

The Code of Ethics contains the principles and rules of conduct that guide and inspire the activities of AFV Beltrame Group - including the legality, correctness, transparency - and expresses the commitments and responsibilities that bound the directors, workers, and collaborators of all the companies of the Group in conducting activities aimed at achieving the company's objectives.



## **1.9 Anticurruption Policy**

In 2021, no cases of incidents caused by corruption, anti-competitive behaviour, antitrust and monopolistic practices were recorded, nor was any entity of the Group subject to significant sanctions, monetary or otherwise, for non-compliance with laws or environmental regulations and in social and economic matters.

## **Anticorruption Policy**

The policy aims to establish the principles of conduct to avoid and prevent the implementation of corruption and provide guidelines for compliance with existing anticorruption provisions. This policy applies to AFV Acciaierie Beltrame spa and its subsidiaries.

## **Recipients and scope of application**

This policy is addressed to employees, directors, customers, suppliers, financial partners and all parties in business relationships with the Beltrame Groups.

## References

Almost all states have laws that prohibit corruption in their Public Administration. Many states (including Italy, France, and Switzerland) have enacted regulations that prohibit corruption between private individuals.

For the drafting of the policy, the definitions provided by the Italian legislation have been taken into consideration because they are substantially comparable to those of other countries.

External references:

-The United Nations Convention against Corruption (Merida Convention);

-The OECD Convention on Combating Corruption; -The Criminal code and the Civil code are in effect in the individual countries where the Group's companies are based;

-Specific reference rules for the individual countries where the Group companies are established or the activities that could be at risk are carried out; -Internal references:

-Code of Ethics;

-Organization model and related protocol.

## **Guiding principles**

The value of integrity is part of the Beltrame Group culture, where corruption, whether public or private, is not tolerated.

The Group prohibits any practice of corruptive nature and undertakes to guarantee corporate conduct based on the principles of transparency, honesty, and integrity. The Group prohibits this in all the countries in which it operates, additionally requiring full compliance with laws and regulations in these countries.

with the relevant protocols, constitute a regulatory body of reference to avoid corrupt practices. This policy belongs to this context as an integrative and

summary tool of the guidelines that apply across all company processes that may risk corruptive conduct.

## **General principles**

In line with its code of Ethics and Organizational Model, the Beltrame Group prohibits corruption in any form without exception. As a result:

all forms of bribery against anyone, whether public or private, be it the direct or indirect bribery, be it active corruption (if you look at it from the point of view of the corrupter) or passive corruption (if you look at it from the point of view of the corrupted).

## **Corruption of Public Official**

Corruption against the Public Administration occurs when a public official receives for himself or third-party money or other utility or accepts the promise of money or other utility to perform an act of his office (own corruption), or to omit or delay the completion of an act of his office or even to action contrary to his office (improper bribery). The punished conduct is not only that of the corrupted public the official who receives funds or amenities but also of the corrupter providing these funds and amenities).

## Corruption between private individuals

Corruption between private individuals occurs when directors, general managers, individuals in charge of preparing corporate accounting documents, statutory auditors, or company liquidators (or individuals subject to their management or supervision) receive for themselves or a third-party funds or other benefits or accept the promise of funds or other benefits in exchange for the performance or omitting of acts in violation of the obligations inherent in their office or the duties of loyalty, resulting in harm to the company.

directly or through third parties, money, or other active corruption benefits to any of the above-mentioned persons (active corruption). It is also forbidden to receive or consent to receive funds or other benefits for oneself or for third parties to perform or omit acts in violation of the obligations inherent in one's office and the commitments of loyalty, causing harm to the company (passive corruption).

## Specific principles

The corruptive behaviour, active or passive, towards the public Administration or between private individuals, as previously mentioned generally consist of:

 Give or promise to give, receive or accept receive funds
 Give or promise to give, receive or agree to receive other usefulness

cluding gifts, recruitment of personnel, the conclusion of contracts of consultation, discounts on products, etc.

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ed on the considerations mentioned above, it has refore been identified as areas at risk concerning cortive conducts, those covered by the following Protocols :



e, therefore, reaffirm the obligation of strict compliance th the Organisational model and related Protocols that nstitute a regulatory body of reference to avoid the comssion of corruptive practices.

## Implementation and Monitoring

ensure the implementation of this policy, specific meares are carried out to audit and monitor compliance h the indicated principles. Any individual who believes it there has been a violation of the tenets reported can nail to the Internal Auditing department.

## Antitrust policy

compliance with its code of ethics, the AFV Beltrame oup is committed to operating in the market by adopting haviours that follow the laws and regulations that proct free competition. Not only in connections with compeors but also in relationships with customers, suppliers, d other third parties.

e AFV Beltrame Group believes that an open market and e competition constitute an added value for consumers d businesses. Therefore, the group operates autonobusly, using its entrepreneurial merits, safeguarding the nciple of fair competition by respecting its competitors. th this in mind, an antitrust policy has been adopted hich provides employees with the information in the gulatory context and the rules of conduct to be followed.



# Sustainability in Beltrame Group

## 2.1 APPROACH TO SUSTAINABILITY

The AFV Beltrame Group has set up its business according to the guidelines that govern the principles of sustainability, which are based on the three pillars: attention to profit, people, and the planet (so-called 3Ps). Economic value creation is essential for business development, and a lot of consideration is rightly paid to it. The perspective with which this aspect is addressed in financial management favours the components that contribute to the growth of the distributed economic value. It represents evidence of shared values generated by the subjects who contributed to producing it. Indeed, there is a strong awareness that the contributions of the various categories of stakeholders are interconnected and vital for the growth and development of the Group and its entire value chain.

Attention to human capital and people is a priority for the Group. Many resources are dedicated to training and professional and personal growth, offering innovative tools (such as the Beltrame Academy), enhancing the skills demonstrated by individuals, developing dedicated paths, and consolidating the ability to be a team and share the identical goals at the same time.

Despite their intrinsic "hostility" given the type of processes performed, work environments are subject to continuous scrutiny to improve their situations and ensure safe work environments for all employees. We ask employees to contribute proactively in this process to identify and report possible opportunities for improvement.

We give equal attention to the expectations of the communities and administrations that share the territory with the established organizations through targeted meetings and transparency in communications.

The third pillar, care for the environment, has



Can sustainability be a strategic approach to business development?

solid foundations in the Group, which dedicates considerable investments in applying the most advanced technologies to limit the environmental impact of its products and reduce the carbon footprint of the processes employed. In addition to the classic parameters linked to industrial costs and performance, we introduced new sustainability indicators and fixed relative annual goals in 2021 and now periodically monitor and assess the abovementioned guidelines in line with the previous concepts. The intriguing aspects concern the consumption of all energy carriers, the related CO2 emissions, water consumption, the production of waste, and the rate of the same destined for recovery, the accident frequency index. In strategic terms, the Group has set itself some objectives to respond to and adhere to the program of initiatives proposed by the European Commission to address emerging environmental risks and, at the same time, guarantee sustainable development.

> The value of sustainability is now universally recognized as an essential pillar for the world of tomorrow that we are called to build today. In the 17 Sustainable **Development Goals that make** up the 2030 Agenda, the United Nations themselves underline the essentiality of this approach to give a future to the planet and better living conditions for the world population.

## 2.2 Materiality analysis

The Group's approach to sustainability has increased attention to relations between the company and its stakeholders, generating a complex framework of issues and aspects relevant to both the environmental and social fields and related to corporate performance. We speak of "materiality," intending to underline these elements' importance, consistency, traceability, and measurability.

The graphic expression of the aspects, made explicit to the company's interests and those of its stakeholders, clarify the correlation and interdependence that emerged from the materiality analysis.

Identifying the topics to be evaluated was based on the issues proposed by the GRI, integrating them with aspects highlighted by other organizations and companies operating in the steel industry.

One of this analysis's main objectives consisted of identifying the relevant issues for the reporting process.

tify new paths and sustainability objectives, focusing attention on the predominant impact factors and assessing their potential impact in terms of risks and opportunities. The Strategic Sustainability Committee assessed the adequacy of the matrix developed the previous year regarding the conditions present along the Group's value chain and confirmed its validity for the fiscal year 2021. The material aspects reported in the materiality matrix were therefore validated.

The critical issues reported in the AFV Beltrame Group materiality matrix align with the United Nations Sustainable Development Goals (SDGs) and the objectives identified in the Agenda 2030 international agreement for sustainable development. The following graphic highlights the correlation between the main aspects of the Group's activity and sustainable development goals, indicating 15 issues relating to various objectives.

## 2.3 Materiality matrix



Topics below the materiality threshold but still relevant for AFV Beltrame Group



For the defining materiality criteria, please refer to the indications in the methodological note.

**Economic sustainability** 



## 2.4 UN Sustainable Developement Goals

The 17 Sustainable Development Goals SDGs (SDGs) and the 169 sub-goals associated with them constitute the vital core of the 2030 Agenda.

They take into account the three dimensions of sustainable development in a balanced way, namely economic, social, and ecological. A single policy document brings together sustainable development and the fight against poverty for the first time. The Sustainable Development Goals must be achieved by 2030 globally by all UN member countries. Every nation on the planet is called to jointly contribute to tackling these significant challenges.

The diagram below visually represents the connection between Group key issues and a selection of the reference SDGs. This graph also clearly highlights the relationship between our industrial activity and the sustainable development goals. The chart also shows how we address the issue of sustainability in integrated terms. The 15 themes touch on various objectives. For simplicity, the most relevant to our production reality





## **2.5 Identifying and dialogue** with stakeholders

of the business strategy, which can gain a competitive

- Trade associations
- Competing companies

- Suppliers of goods and services
- Local institutions and local government bodies

- Labour unions





SHAREHOLDERS AND BOD

BANKS, FINANCIERS, AND INSURANCE COMPANIES





**EMPLOYEES** 

## LOCAL INFRASTRUCTURE MANAGEMENT ORGANIZATIONS





PUBLIC AND PRIVATE CULTURAL INSTITUTIONS AND GROUPS

LOCAL INSTITUTIONS AND LOCAL GOVERNMENT BODIES



SCHOOLS AND

UNIVERSITIES



LABOUR UNIONS

0 1

**OTHER COMPANIES** IN THE TERRITORY

ENVIRONMENTAL ASSOCIATIONS

02

TRADE ASSOCIATIONS COMPETITORS



03









The Group, through dedicated functions, pursues a proactive approach towards the plurality of interlocutors with whom it constantly interacts in carrying out its business, promoting constant dialogue and acknowledging their needs.

## 2.6 Creating stakeholder engagement

We involved the relevant stakeholders (identified in paragraph 2.5) in preparing the materiality matrix. They completed a specific questionnaire which made it possible to identify essential issues and collect valuable feedback.

Stakeholder engagement is the commitment to embrace the principle of inclusiveness, which means recognizing the stakeholders' right to be heard and accepting the burden, as an organization, to give an account of their activities and choices. The questionnaire administered to the relevant internal and external stakeholders, with the help of closed and open questions, made it possible to map essential material aspects and collect ideas for improvement and information regarding the perception of the current approach to sustainability of AFV Beltrame Group.

We also organized workshops with the members of the Steering Sustainability Committee and other managers belonging to all the Group companies, identified by the company as "key" internal stakeholders, with a specific focus on issues considered "material" from the perspective of the generation of long-term value.



The integration between a strategic business approach and the stakeholders' perspective represents an essential tool for defining and developing sustainability priorities and continuing to generate shared value in the short, medium and long term.

This integration is expressed in the group's materiality matrix.





Sustainability



mprovement



Innovation

## AFV Beltrame Group participation in trade associations

AFV Beltrame Group adheres to a network of national and international associations relevant to its business through the companies of the Group. In particular, the company participates in activities within associations representing trade interests (e.g., Confindustria, Federmeccanica); Technical associations (e.g., Unsider, the Italian steel unification body for the dissemination of knowledge of international standards); VSM Switzerland Metallurgy to disseminate the science and technology of materials and their applications.

IT		F R Pôlénergie
	CONFINDUSTRIA	PÔLE ÉNERGIE
IT		FR <b>Uniden</b>
	FEDERACCIAI	UNIDEN
IT	FEDERMECCANICA	
	FEDERMECCANICA	CTPL
IT	ASSOCIAZIONE ITALIANA DI METALLURGIA	F R GESIM
	A.I.M.	GESIM
IT	aias	
	AIAS	UIMM
IT		

Furthermore, AFV Acciaierie Beltrame S.p.A. participate in technical and research committees (e.g., Reach Ferrous Slag Consortium). LME adheres to the CTPL - Centre Technique et de Promotion des Laitiers sidérurgiques, Uniden - to the Union des industries utilisatrices d'énergie, A3M - to the Alliance des Minerais, Minéraux et Métaux, to Pôle Energie, to GESIM - Groupement des Entreprises Sidérurgiques et Métallurgiques and the IUMM (Union des industries et métiers de la métallurgie) - La Fabrique de l'Avenir. Stahl Gerlafingen adheres to: Interessengemein-schaft Energieintensive Branchen IGEB; INVESO Industrieverband Solothurn und Umgebung; Solothurner Handel-skammer; Schweizerischer Stahl- und Haustechnikhandelsverband SSHV; Metal Suisse; Swissmem; European Power Network; Energie-Agentur der Wirtschaft EnAW. Donalam adheres to: Confindustria Romania; Uniromsider e Asocia-tia Romana a Exportatorilor – AREX.





СН	INVESO	
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RO	
	AREX



# 3 Product sustainability: Circular Economy, Quality and Innovation

## **Circular economy**

## 3.1 Circular economy

In 2020, The European Commission adopted a circular economy action plan which represents one of the primary constituent elements of the European Green Deal. It aims to promote sustainable growth, reduce pressure on natural resources, and contribute to the goal of achieving climate neutrality by 2050, halting the loss of biodiversity and creating new job opportunities.

The electric furnace steel chain is by its nature already a driving force of circularity in managing steel products as it recycles close to 100% of steel products. It works with preconsumer residues (waste recovered downstream of industrial processes), whether they derive from separate collection activities or recovery from post-consumer cycles to include products with a short life cycle (e.g., packaging), medium (e.g., motor vehicles) and long life (e.g., construction products).

Steel can be recycled countless times without losing its original properties, thus making it indistinguishable from the new material.

Furthermore, the world of steel has always been at the forefront of the development of activities that support the transition from a linear development model (identified in the concept "from the cradle to the grave") to a circular one ("from cradle to cradle"). In the latter, the technical waste materials of its production cycles are destined to be recycled and reused or enhanced in other activities without ending up as waste and therefore definitively scrapped.



## 3.2 Sustainable supply chain management and procurement policy

AFV Beltrame Group steel production requires the research and supply of some well-defined categories of materials:

- Iron scrap

- Other expensive and important raw materials (electrodes, ferroalloys and refractories)

- Auxiliary and maintenance materials
- Services
- Energy

The acquisition of all these materials and services has been set for some time with analysis, research, the definition of technical characteristics, management of supply and suppliers, or sub suppliers, in terms of optimization of the quality/price ratio, sustainability and reliability and possibly certification. We carry out this process with the utmost attention to strategic suppliers' reliability requirements, the safety of service providers (partnerships), and equal attention to budgetary and circulating management needs. The selection criterion and possible rotation of the most important suppliers is constantly monitored to maintain materials quality and the service accuracy at the highest level and with continuous collaboration with internal users to obtain the best final outcome, which results in customer satisfaction.

There is particular attention to strategic, essential suppliers who are more connected to the market conditions and are no longer local or national but now at a global level. In contrast, the partnership with above all local service providers are an added value that is constantly monitored and verified to avoid losing tension and attention to the desired result.

In particular, concerning raw materials suppliers, the supplier's level of service is constantly monitored, product guality control and the analysis of market factors that change the economic conditions of the supply. Regarding the internal service providers, we paid the utmost attention to the possession of certified management systems (e.g., ISO 14001, ISO 45001) to ensure maximum



## 3.3 R&D and technological innovation



## Test results:

Using a polymer in place of coal permitted a **Current stage** reduction of injected anthracite consumption The monitoring phase of the "EAF secondary between 35% and 50% during the tests carried out reduction agent (SRA) injection" project showed with a pilot plant without negatively affecting the that the polymer is injectable and allows a process or environmental parameters. We reduction in the consumption of fine carbon estimate that the use of the polymer at full without EAF process criticality, allowing the capacity could allow: - a reduction of CO2 formation of foamy slag. We have achieved an emissions between 10% and 15% compared to average 40% reduction in fine coal consumption emissions directly related to anthracite coal only compared to smelting without SRA. (Green Economy);

-reduction of between 35% and 50% of the use of anthracite coal obtained from fossil sources; - use of a secondary raw material (Circular Economy). The new EU regulation 2020/852 of June 18, 2020, regulates the subject of taxation, clarifies the obligations, the contents to be disclosed and the criteria for defining an economic activity as eco-sustainable.

In particular, this regulation defines in Article 9 six environmental objectives: 1) climate change mitigation: to reduce or avoid greenhouse gas emissions or improve their absorption; 2) climate change adaptation: reducing or preventing the damaging effects of current or future climate or the risk of adverse effects.: 3) Sustainable use and protection of water and marine resources; 4) transition to a circular economy focused on the reuse and recycling of resources; 5) pollution prevention and control; 6) protection and restoration of biodiversity and ecosystems. The Polymer Injection Project contributes to achieving the objectives set out in points 1 and 4 and is a considerably eco-sustainable project.

Instead of coal as a "reducing agent" in steel production, recycled polymers are used. obtained by processing part of unrecyclable plastics that remain after separate waste collection. These polymers drastically reduce pollutants developed during steel mills processes and CO2 emissions by a third. They additionally consume less electricity.

## **3.4 SRA INJECTION PROJECT,** secondary reducing agent

The SRA (secondary reducing agent) injection project is ongoing at the Vicenza plant. The project aims to inject polymeric material in partial substitution of anthracite coal to:

## a) Provide energy input during the melting phase of the scrap;

b) Reduce the oxides in the slag by favouring the foaming of the slag during refining;

## c) Reduce the carbon footprint of the steel produced.

Being SRA certified as a secondary raw material, it respects the cornerstones of the circular economy and the green economy.

## **Characteristics of the material:**

The Bluair Flakes polymeric material produced and supplied to us by I.blu is a secondary reducing agent. The UNI10667-17 standard regulates the material. The material is a blend of polyolefins (PE, PP, PS) with an average carbon content of 75% and hydrogen of 15%. The material has a percentage of the biogenic carbon content of 20% (according to UNI EN15440), which can therefore be disregarded for CO2 emissions quotas (ETS).

The new UE 2020/852 regulation dated 18 June 2020 requires:



1. Climate change mitigation: reduce or avoid greenhouse gas emissions or improve their absorption;



2. Climate change adaptation: reducing or preventing the adverse effects of current or future climate or the risk of harmful effects;



3. Sustainable use and protection of water and marine resources;

## Objective

In light of the results obtained, in 2022, the installation of an industrial-scale plant is planned that will allow the same reduction of fine coal obtained during the tests: a 40%-50% reduction in coal consumption (GRI305-1) and consequently of 4% of the total CO2 emissions of the steel plant, with also an economic saving.

### **Future developments**

After installing the industrial plant, there is a plan to reduce the coal injection further and optimize the use of the SRA polymer by extending the process to the various sites of the Group.

4. A transition toward a circular economy focused on the reuse and recycling of resources;



5. Pollution prevention and control;



6. Protect and restore biodiversity and ecosystems.



## 3.5 A.I. Projects

Simultaneously with production process efficiency and safety in the workplace, AFV Beltrame Group also invests in installing robotic systems. The various projects activated are divided into the various countries where the Group is present. In addition to the use of robots capable of conferring high standards of repeatability and accuracy linked to the various

phases of the production process, projects that envisage the use of artificial intelligence as an added value to the already consolidated technical knowledge of the personnel and are gradually becoming normal operations in the various areas of each production site.

The main areas affected by the insertion of robots are those related to the production cycle and, more precisely, steel mill and rolling mill.

Many efforts have been concentrated in the steel plant where, simultaneously with the presence of liquid steel, robots or machines with very high automation content are increasingly being used to protect operators. Gradually, the introduction of new robotic systems requires that, at the same time, the staff acquire more and more technical knowledge that allows them to manage the systems themselves.

In designing and installing the robots, priority was given to the safety of the operators, and to some operations that in the past were "purely manual." There was a synergy with



## Easy Coupler System project

The automatic coupling system consists of a male unit called a "manipulator" installed in the turret and a female unit installed on the ladles.

The mechanism allows you to automatically connect the hydraulic fluid and cooling air needed to move the ladle drawer without manually intervening in the vicinity of the ladle containing the liquid steel.

The improvements made thanks to the coupling of the CC2 turret compared to the traditional system, up to now used

- repeatability and reliability in the execution of the functions themselves.
- At the Group level, a dozen robots have been installed today, including anthropomorphic systems and systems capable of automatically executing specific sequences of the production cycle without the supervision of the operator.
- Among the most common uses are:
- Temperature measurement on liquid steel;
- Specimen collection on liquid steel;
- Cleaning of the melting furnace slag door;
- Labelling of semi-finished and finished products;
- Extension and replacement of graphite electrodes for EAF and LF furnaces.
- Despite the complexity of integrating the new systems into the existing production process, from the first stages of installation and start-up, the operators understood their strategic importance for their safety and for the continuous improvement of the process itself.
- They proposed ideas and concepts aimed at optimizing the integration itself.
- The positive outcome of the installations already active is not currently seen as a point of arrival but as a stimulus to pursue this path by developing new applications that gradually press on all areas of the production departments.

- in the steel plant, allows eliminating manual operations to connect the hoses under pressure (P = 200bar), moving the operator away from the liquid steel and thereby eliminating the likelihood of serious accidents.
- The automatic cycle also reduces ladle change times in the pouring position and drawer opening with a reduction in the risk of losing the production sequence (1 minute vs 2 minutes in case of manual system use).
- The manufacturer has patented this system.

## 3.6 Quality and product safety

2021 was a year of consolidation and new challenges for the AFV Beltrame Group. We closed some projects started in previous years and continued with others still in progress. Additionally, new opportunities have led to a decisive change of mentality, which has projected the Group towards a completely different field.

These changes include developing and consolidating, jointly with the leadership in the construction steel market, the production of quality steel for the stamping and chrome plating market.

AFV Beltrame Group wants to obtain a leadership that is based on concrete foundations, strategic projects and investments in human resources and technologies that aim to increase knowledge, potential and ideas and bring the entire Group structure to have the skills to express their potential to the fullest.

The Group has been strengthening the concept of "team", such as the standardization of processes at the various production sites in Italy and Europe and sharing challenges and ideas. AFV Beltrame Group adhered right away to the critical points of the EN ISO 9001: 2015 standard, and this has allowed the Group to structure the processes methodically and consolidate the results.

The Vicenza quality laboratory is continuously renewing its technologies according to the new needs that the market imposes. This year, alongside the new high-resolution 4K digital electronic microscope, the entire metallographic sample preparation system will be renewed to be able, in much shorter times, to prepare many more samples with optimal surfaces. At the Swiss site of Gerlanfingen, the quality department is renovating all the equipment to control raw materials, such as the new Crusher, Mill, Press, separator and XRF Spectrometer. Following the increase in volumes in market large dimension structural steel, it was necessary to purchase a new Pendulum of Charpy 4.0 interconnected to the company system and the testing processes.

In 2021, our French site in Trith Saint Lèger saw the expansion of the product range with the production of reinforcing bars and related items obtaining of product certifications for sale on all European markets.

Finally, the quality department of the Romanian plant in Calarasi has successfully obtained the EPD (Environmental Product Declaration) certification, which is a document that describes the environmental impacts associated with the production of a specific quantity of product or service: for example, consumption energy and raw materials, waste production, emissions into the atmosphere and discharges into water bodies.

The collaboration, then, with local universities always allows for the creation of know-how exchanges between the world of work and teaching.

Like every year, in 2021, the Vicenza Quality Department hosted an intern from the Faculty of Materials Engineering in Padua to draft his degree thesis. The graduate student had the opportunity to experience a significant production reality, integrating practice with theory. The latest challenge faced by the Group's Quality Department was to maintain consolidated relations with the UK market after Brexit, quickly obtaining the mandatory UKCA certification for the export of steel materials from January 2023.

## Keyence VHX-7000 digital optical microscope

In 2021, investments in new technologies relating to the quality sector involved the acquisition of the new Keyence VHX-7000 digital optical microscope for the Vicenza plant, which incorporates 4k technology and allows the steel products to be described from a minimal point of view. The microstructural aspect of steel is a fundamental element that strongly influences the mechanical performance of hot rolled products.

The innovative Japanese instrumentation is equipped with a 27-inch display and an integrated computer capable of carrying out image analysis directly on carefully prepared laboratory samples.

More rapidity and accuracy in measurements, such as counting the grains of which the crystalline matrix is composed using intersecting segments. It also allows you to perform the quantitative analysis of non-metallic inclusions for quality steels or on specific products, always ensuring compliance with the reference standards.

The new digital microscope is also used for low magnification measurements suitable for dimensional control of profiles. Thanks to the stand and the motorized plate on the three axes, it is possible to reconstruct a 3D model and carry out a targeted check of tolerances, thus allowing us to provide the customer with increasingly professional and timely support, increasing efficiency in the management of any claims.

A laboratory tool in line with the times that, used in a manner appropriate to its characteristics, allows you to undertake new projects and new challenges in the quality of Beltrame products.



Continuous improvement is the vision that AFV Beltrame Group has set to grow in every business area. The Group has equipped itself with a central Group structure based on two pillars: OpEx (Operational Excellence) and APC (Action Plan and Control), to pursue this vision.

(Op. Ex.) Operational Excellence's mission provides project management methodology to team leaders, who can see their application in every process, not just in production, but also in guaranteeing the customer the quality that fully satisfies their requests.

Team leaders trained in the logic of Lean Six Sigma work to improve everyday activities, focusing on the awareness that the causes of inefficiencies are not people but processes organisation.

Many functions have been involved in this improvement program.

Over the six-year OpEx program, over 390 projects involving all aspects of our organization have been managed and completed. The projects have contributed to bringing tangible economic benefits and improving the way of working in the company.

The main characteristic of an OpEx project is to want to solve a problem that has a significant economic impact and for which the solution is not yet known. The problem is approached in a structured way according to the DMAIC method by a dedicated workgroup.

The DMAIC method is developed in 5 phases, regulated by ISO 13053-2, simplified with the acronym DMAIC:

- define the problem, the goal, the working group and the economic impact;

- measure the problem and the possible causes;

analyse the data collected, identifying the root cause;implement the solution;

- check the solidity of the solution, formalise it and verifying it over time.

Over 140 specialists in the group have been trained in the DMAIC method and know a relevant set of essential tools in the project management phase.

The hierarchy of OpEx specialists is internationally organized similarly to martial arts, whereby there are white, yellow, green and black belts.

The second pillar on which the Group's Continuous Improvement is based is Action Plan and Control (APC). It is the structuring of action plans and projects with which we support the group's activities.

The goal is to maximize the effectiveness of all meetings within the Group. Each meeting must conclude with identifying actions to be implemented, defining who is responsible for their execution and the expected timeframe to implement each activity. In addition to supporting the drafting of action plans, the APC function "keeps the beat" by regularly verifying that the planned actions are progressing smoothly. Furthermore, if necessary, it develops, analyses and guides activities to achieve the expected results within the scheduled time frame.

140

The number of specialists belonging to the group trained on the DMAIC method. These specialists know a relevant set of essential tools in the project management phase.



The number of years since the OpEx program in AFV Beltrame Group was launched.

390%

The number of projects managed and completed in five years of the OpEx program. These projects have involved all aspects of our organization and have brought tangible economic benefits, and improved the way of working in the company.

# DMAIC

program and a

W. total

A method that develops in 5 phases, regulated by ISO 13053-2, simplified with the acronym DMAIC

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Define the problem, the goal, the working group and the economic impact;

Measure the problem and possible causes;

Analyze the collected data identifying the root cause;

Implement the solution;

Check the solidity of the solution, formalise it and verify it over time.





# Environmental awareness

## **4.1 BELTRAME'S COMMITMENT TO RESPONSIBLE ENVIRONMENTAL MANAGEMENT**

The Group hasn't registered any non-conformities or sanctions for violating environmental laws and regulations.

Iron and steel activities present potential interferences towards numerous environmental sectors, which must be addressed carefully. AFV Beltrame Group has equipped itself with an environmental management system that has made it possible to highlight the leading ecological characteristic of its plants. This same system enforces management and prevention actions consistent with the results obtained from assessing the potential impacts concerning the matrices environmental. First of all, the Group constantly follows the evolution of the best available techniques (BAT - Best Available Techniques), which represent the reference point for plant engineering updates and for the application of operational and management procedures aimed at limiting the impacts of its activities, in the perspective of prevention.

In 2021, the Group's plants were the subject of numerous internal audits to confirm legislative compliance on all environmental aspects and identify the potential for improvement, according to the classic PDCA cycle. The inspections conducted by the control bodies (ARPA, DREAL, AFU, Ministry of the Environment) in the various countries in which the Group is present also confirmed the correct management of the provisions given by the environmental authorizations and the requirements established internally, which become mandatory for the Group.

As part of the environmental management system, the Group constantly monitors its performance also through tools that favour the visual approach. With data and infographics dashboards, they are easy and quick to read. Through parametric analyses, they integrate the significant impacts in a single numerical indicator (called eco-index).

Therefore, the eco-index represents the environmental performance level of the plants through the aggregation of a dozen parameters, each of which is assessed against target values, defined by legal and authorization requirements, budget targets, and internal targets. The main parameters considered are inherent to the emissions of dust and CO2 into the atmosphere, water consumption and discharges, the rate of waste recovery, and the specific consumption of natural gas in the heating furnaces.

With a view to a circular economy, AFV Beltrame Group also pursues the criterion of minimizing the production of waste destined for disposal, favouring recovery and enhancement. In particular, the Group does this for the black slag produced in the EAF melting furnaces and then transformed into a certified product (called BELTRECO in Italy and ROUGH in Switzerland). This product can be widely used in building and infrastructural works. Finally, the Group industrialized the internal recycling process of the white slag produced in the steel refining phase in the Vicenza plant.

## 4.2 Policies and QHSE Management System

The Group has adopted an integrated management system to guarantee the principles of the code of ethics and the policy on quality, health and safety, and environment (QHSE).

This system facilitates the identification, registration and evaluation process of the QSA results to conduct the continuous improvement process. Attaining certification by a third party is a consistent step toward implementing a management system. The goal is to have accredited and independent feedback on the Group's commitment.

The international standards adopted at the Group level are:

· ISO 9001: 2015 - quality management systems; • ISO 14001: 2015 - environmental management systems - Requirements and guidelines for use; • ISO 45001 - occupational health and safety management systems - Requirements; · ISO 50001: 2011 - energy management systems -Requirements with guidance for use. Obtaining the certifications has fostered the evolution of performance, facilitated the performance measurement and ensured control of business processes. In 2021, the Group extended the quality management system certification to the San Giovanni Valdarno plant.



The table below shows the company's plants' certifications obtained at the date of closure of operations in 2021.

Company	Site	Quality Management System	Environmental Management System	Health and Safety Management System	Energy Management System
		EN ISO 9001	EN ISO 14001	EN ISO 45001	EN ISO 50001
	Vicenza (VI)	x	x	х	-
AFV ACCIAIERIE BELTRAME SPA	San Didero (TO)	x	x	х	-
	San Giovanni Valdarno (AR)	x	-	х	-
STAHL GERLAFINGEN AG	Gerlafingen (CH)	х	x	х	-
LAMINÉES MARCHANDS EUROPÉENS LME	Trith Saint Léger (F)	х	x	х	х
S.C. DONALAM SRL	Calarasi (RO)	х	x	х	-

In particular, in 2021, the Group has:

 confirmed environmental management systems certification for all sites (ISO 14001), except for the plant in San Giovanni Valdarno:

• ISO 9001 guality management system certification extended to all Group plants; · confirmed, following the surveillance and certification audits, the Energy management system compliance to the ISO 50001 standard at the Trith Saint Léger site;

 completed the migration of the safety management system certification according to ISO 45001 for all sites of the Group.

The ISO 45001 standard offered the factories numerous ideas for management improvement, being part of a high-level system (HLS-High Level Structure) already present in the other system standards (ISO 14001 for the environment and ISO 9001 for quality), which can now be seamlessly integrated into a single management system.

## **4.3 EPD certification**

The Environmental Product Declaration (known as EPD® - Environmental Product Declaration) is a voluntary product certification scheme developed in the application of ISO 14025 (Type III environmental labelling), according to the International EPD System Program and validated by independent third parties.



undertaken. It identifies the environmental product declaration (EPD) as a tool with multiple advantages: from external communication to product marketing support up to the assessment of environmenta performance.

These declarations relate to the environmental impacts that can be associated with the life cycle of the product

and which are assessed through the analysis of the life cycle (LCA - Life Cycle Assessment) to guarantee transparency, objectivity and comparability of the results expressed, relating to the environmental performance of products. The facts contained in the EPD are of an informative/communicative nature on environmental performance, and there are no prescriptive performance thresholds.

The Group has developed a life cycle analysis and prepared an environmental product declaration of the hot-rolled merchant profiles produced in the Italian and French factories and the reinforced concrete rebar in coils created by our Swiss subsidiary.

In 2021, the study on the SBQ profiles life cycle produced in the Donalam srl plant in Calarasi was also completed, which today are attributable to a specific environmental product declaration.

We took the energy vectors conversion parameters and other information on the emission factors from 2019 data from the "Reliable Disclosure Systems for Europe -

Phase II" (RE-DISS II) 2019 project, while the values relating to the upstream processes and those relating to transport were obtained from Ecoinvent v. 3.6. The EPD declarations of the Group's products have been validated and registered under the primary international schemes (International EPD® System and IBU - Institut Bauen und Umwelt).

Concerning the assessments of the impacts that emerge from the life cycle analysis traced back to standard indicators, the Group uses the EPD as operational support in the continuous improvement process. It allows the identification of areas of intervention in the various production process phases, supply chain and customer supply.

This declaration is also a starting point for identifying the carbon footprint of products (GWP - Global Warming Potential). The Group has begun the evaluation of this indicator concerning the reference standards. In the Italian context, the environmental product declaration validation has received confirmation from ICMQ, with relative publication at the national Program Operator EPDItaly© to meet the requests of some national customers connected to "socially responsible" public purchases and supplies. Products destined for use in construction require a minimum-level Environmental criterion of Type III Environmental Product Declaration (EPD) certification compliant with UNI EN 15804 and ISO 14025, such as EPDItaly © or equivalent.

## **Program Operator EPDItaly© Membership**

In the Italian context, the AFV Acciaierie Beltrame environmental product declaration has obtained validation by ICMQ for subsequent publication at the national Program Operator EPDItaly©. The registration of the environmental product declaration in EPDItaly© also makes it possible to satisfy customer requests related to "socially responsible" public purchases and supplies. As part of the minimum ecological criteria envisaged for products intended for construction, the existence of compliance with the environmental requirements of the materials is recognized when these have a Type III environmental product declaration (EPD), compliant with the standard UNI EN 15804 and ISO 14025, such as EPDItaly © or equivalent. All documents have been updated with the data for the year 2021.

## **EPDItaly© certification**

- wEPD certification is an information and communication tool between producers, distributors and consumers that has multiple objectives, the main ones being:
- communicate detailed information on the environmental impact of their products by providing helpful information to make informed purchasing choices;
- implement a system of continuous improvement of the environmental quality of the products themselves.

## 4.4 Energy consumption

Energy for the AFV Beltrame Group plays a role of primary importance as it is the second-highest company cost: leaving out raw material scrap. Energy represents between 20% and 40% of all the other Group expenses. More than half of this percentage is covered by electricity, about 45% by methane gas. while the remainder is represented by oxygen and other technical gases used in processes. The Group's annual consumption is around 1.2 TWh / year of electricity and about 109,000,000 Sm3 / year of natural gas.

For these reasons, the strategy of the Group and the Energy office moves in three directions:

- 1. Achievement of the best supply conditions;
- 2. Constant monitoring of consumption;
- 3. Implementation of energy efficiency projects.

The Group joins the Metal Interconnector consortium and provides the quick load Interruptibility service to the network manager to achieve the best supply conditions. The energy office also plays an active role in purchasing from energy suppliers and monitoring daily market trends, which are increasingly insidious and complex. In 2021, wholesale electricity and natural gas prices increased by 200%, respectively and 400% compared to the minimum levels reached during the most critical phase of the Covid-19 pandemic, thus impacting businesses. During the year, therefore, together with the management, the energy office has assumed an increasingly central role in adapting the corporate strategy to the current market situation.

Over the years, the Group has implemented an energy monitoring system that today can count on a network of about 300 meters, most of them located in the three major plants, Vicenza, Trith Saint Léger and Gerlafingen. Thanks to them, it was possible to develop energy performance indices and analyse daily, weekly, monthly, and annual consumption trends. Reports are drawn up monthly which, discussed with the forepersons of each plant, aim to raise awareness among staff on the issue of energy saving.

Finally, the energy office collaborates closely with the maintenance and production departments to identify, study and implement energy efficiency projects within the plant processes. The energy efficiency interventions, in addition to optimizing production costs, also obtain other often overlooked significant advantages which are of fundamental importance: these are NEBs (Non-Energy Benefits) such as:

- Cost reduction: maintenance, personnel, environmental and taxes:

- Reduction of direct or indirect CO2 emissions depending on the savings obtained on natural gas or electricity; - Competitiveness: greater reliability and productivity, better process control;

- Quality improvement: reduction of defects, product improvement, greater customer comfort;

- Improvement of corporate image, an increase of employee professionalism, improvement of employee comfort;

- Risk reduction: lower risks of legislative and environmental compliance, lower risks on interruptions or other production problems, lower safety risks.

Regarding the last point, the Group's attention is maximum since, in all energy efficiency projects that impact machinery and operational management, the processes and procedures are analyzed to improve and possibly rethink whether it is possible to increase the safety of operators. In recent years, between the installation of new systems, optimization of existing systems and internal activities aimed at reducing consumption, the energy efficiency projects launched in the Group have been around 80.

## ORIGIN OF CONSUMED ENERGY **EXPRESSED IN GJ**



### 1 – Revamping of the smoke plant of the steel plant at the Vicenza site:

The steel plant's smoke system was partially revamped at the Vicenza site to ensure overall greater intake and energy savings on the tail fans. Some operational and management practices are still being studied concerning the smoke plant reducing compressed air consumption for cleaning the bag filter.

Revamping the compressed air system of the rolling mill: installing three new compressors, two of which are at variable speed, leading to a 15% reduction in electricity consumption. The peculiarity of this project is the signing of a performance contract with a maintenance company.

The economical amount is related to the degree of efficiency of the machines.

## 3 – The Swiss site Gerlafingen has implemented numerous initiatives including:

An energy mix improvement in the melting furnace: electricity consumption has been significantly reduced, as has the use of coal; these actions have enabled a savings of approximately 7,000 MWh / year in terms of electricity and 3,500t CO2 in terms of direct emissions. An energy mix improvement in the melting furnace: electricity consumption has been significantly reduced, as has the use of coal; these actions have enabled a savings of approximately 7,000 MWh / year in terms of electricity and 3,500t CO2 in terms of direct emissions. Furthermore, among the secondary interventions, we can mention:

- Installation of approximately 450 new lamps for annual savings of 1,250 MWh. The intervention also resulted in an improvement in visual comfort as well as in plant safety;

- Replacement of 24 AC motors with new high-efficiency IE4 motors for an annual electricity saving of approximately 590 MWh; thanks to this revamping, maintenance costs have also been significantly reduced.

## 4 – Revamping of rolling racks at the Romanian site of Calarasi:

In the summer of 2021, some rolling racks were revamped at the Donalam plant. We modified the electrical and automation part, replacing the old drives with the latest generation drives. This work has resulted in a significant improvement from the point of view of:

- Energy-saving of about 50%, passing from 7500 Ampère to 3872 Ampère for the K3 rolling stack and from 6000 Ampère to 3296 Ampère for the K4 stacks;

- Reduction of stops due to electrical failure;
- Reduction of harmonics introduced into the network;
- Greater lamination stability.



Improvement of auxiliaru shutdowns







## 4.5 Air emissions management

The control and reduction of atmospheric emissions are an aspect on which the Group has always focused, obtaining significant results, certified by monitoring the concentration values of the various pollutants, significantly lower than the authorized legal limits. Comparing the specific local laws of the states where the Group's plants are located allows the development of control and investment policies toward common prevention objectives. All plant investments are evaluated to ensure consistency with the best available techniques reported in the European documents (BREF - BAT Reference Document).

All production plants are subject to monitoring and control plans defined and verified by the control bodies. The emissions of the melting plants (EAF furnaces) are also subject to continuous monitoring to determine the flow rate and the concentration of particulate matter leaving the chimneys located downstream of the flue gas treatment plants. In 2021, the smoke abatement systems installed in the various plants were improved to optimize their performance:

 at the Vicenza site, the silo transport systems for the dust captured in the bag filter were replaced and made more efficient;

• the dosing system of the adsorbent material present on the Trith Saint Legér smoke plant was optimized to reduce the emissions of organic micropollutants;

 $\boldsymbol{\cdot}$  at the Gerlafingen site, changes were made to the steel

mill smoke abatement system, with the addition of numerous filter elements, ensuring greater efficiency. Furthermore, alarm management systems allow immediate repairs to be carried out in the event of system failures. A preventive maintenance program is applied in all plants to guarantee that the systems are fully efficient.

Dosing systems for adsorbent material (activated carbon) to control organic micro-pollutants are installed along the flue gas duct to guarantee emission levels much lower than the stringent European limits.

Technical-procedural methodologies are also applied to reduce emissions diffused from the handling processes of raw and auxiliary materials, often through water misting systems or localized aspirations in the loading/unloading areas.

Several European standards deal with the regulation of atmospheric emissions. On one side, they regulate industrial emissions, and on the other, they control air quality and the environment. Regarding the emissions limitation for industrial plants, the central reference is the directive 2010/75/EU, the so-called IED directive (Industrial Emission Directive).



Site in Vicenza, Italy

In 2021, the silo transport systems for the dust captured in filter bags were replaced and made more efficient.



In 2021, the dosing system of the absorbent material present in the flue gas system was optimized to reduce emissions of organic micropollutants.



In 2021, changes were made to the steel plant smoke abatement system, with the addition of numerous filter elements, ensuring greater efficiency.



## 4.6 Greenhouse gas management

## **Emission Trading System (ETS)**

The Group's Italian, Romanian, and French plants are covered by the Emission Trading System (ETS) mechanism, provided for by the European Union Directive 2003/87, to report and verify greenhouse gas emissions (CO2).

The EU ETS emissions trading system is one of the tools that the European Union has identified to reduce greenhouse gas emissions through a mechanism for allocating allowances to industrial installations or aircraft operators and the establishment of an exchange market of the same.

The number of plants involved exceeds 11,000 units and covers about 40% of the EU's greenhouse gas emissions.

The ETS works through a "cap and trade" principle, according to which a maximum limit is set on the total quantity of certain greenhouse gases that the plants covered by the system can emit. It also introduces a reduction coefficient on the total allocations of allowances available decrease over time. There is also an exchange of shares between operators and traders operating on European registers. These operators and traders can also exchange their shares with others.



The number of plants involved in the ETS exceeds 11,000 units and covers approximately 40% of the EU's greenhouse gas emissions. (Source ISPRA)

## Main features of phase four of the ETS (2021-2030)

The legislative framework of the EU ETS for the phase 4 trading period was revised in early 2018 (Directive 2018/410 / EU) to enable it to meet the EU emission reduction targets by 2023, in line with the policies developed to combat climate change in line with the Paris agreement signed in 2015.

The new directive 2018/410 / EU includes the following changes:

- increase in the linear reduction factor to 2.2% (i.e., a sharper annual decrease in emission guotas), with a forecast reduction of 43% compared to 2005 levels (and 55% compared to 1990 levels) for the sectors concerned;

- revision of the methods of free allocation of emission quotas to focus on the industrial sectors with the highest risk of relocation to non-EU countries benefiting from lower carbon costs (so-called carbon leakage);

- strengthening the market stability reserve (MSR -Market Stability Reserve), a mechanism established to reduce excess emission guotas in the market, thus conditioning the trading price (upwards) and encouraging investments to limit emissions.

The greenhouse gas emissions relating to the Group are summarized below and expressed in tCO2 eq:

	2020		2021			
	AFV	LME	Donalam	AFV	LME	Donalam
Allocations	106.653	70.569	13.008	87.056	58.159	12.796
Emissions	101.572	60.524	17.116	127.032	67.450	22.773

Sources:

European Commission - Energy, Climate change, Environment -The Intergovernmental Panel on Climate Change (IPCC)

The Gerlafingen plant does not fall within the scope of the ETS (Emission Trading System), while it is subject to compliance with Swiss Law no. 641.71, "Federal law on the reduction of CO2 emissions". Estimated emissions in 2021 are equal to 100657 tons. The issue of the ETS will be strongly influenced, in the coming years, by what was announced by the European Commission in the Green Deal package.

### Emissions focus for 2021

Production and emissions details	Billet production	Rolled products production	Total production	CO <sub>2</sub> emissions from process (steelworks)	CO <sub>2</sub> emissions from combustion (rolling mills)	Total CO <sub>2</sub> emissions
it of measurement	t	t	t	t CO 2	t CO 2	t CO <sub>2</sub>
FV Vicenza	1.063.390	680.945	1.744.335	73.380	35.128	108.508
FV San Didero	n.a.(*)	141.390	141.390	n.a.(*)	12.391	12.391
FV San Giovanni aldarno	n.a.(*)	53.947	53.947	n.a.(*)	6.133	6.133
onalam	n.a.(*)	161.822	161.822	n.a.(*)	22.773	22.773
ME	528.596	450.282	978.878	34.790	32.660	67.450
ahl Gerlafingen	687.116	657.371	1.344.487	54.844	46.337	101.181
otal	2.279.102	2.145.756	4.424.858	163.014	155.422	318.436



Breakdown of emissions	CO <sub>2</sub> emissions from process (steelworks)	CO <sub>2</sub> emissions from combustion (rolling mills)	CO <sub>2</sub> emissions from process (steelworks)	CO <sub>2</sub> emissions from combustion (rolling mills)
nit of measurement	%	%	t CO 2 / t of steel	t CO 2 / t of steel
FV Vicenza	68%	32%	0,069	0,052
FV San Didero	n.a.(*)	100%	n.a.(*)	0,088
AFV San Giovanni ⁄aldarno	n.a.(*)	100%	n.a.(*)	0,114
onalam	n.a.(*)	100%	n.a.(*)	0,141
ME	52%	48%	0,066	0,073
Stahl Gerlafingen	54%	46%	0,079	0,071
otal	51%	49%	0.072	0.072



Percentage emissions related to the Reporting boundary	Process emissions (steelworks)
Unit of measurement	%
AFV Vicenza	45%
LME	21%
Stahl Gerlafingen	34%



(\*) n.a.: not applicable as they are lamination plants - stand alone

■ CO2 emissions from combustion



AFV Vicenza Stahl Gerlafingen

Percentage emissions related to to the reporting boundary	Combustion emissions (rolling mills)
Unit of measurement	%
AFV Vicenza	23%
AFV San Didero	8%
AFV San Giovanni Valdarno	4%
Donalam	14%
LME	21%
Stahl Gerlafingen	30%



Breakdown of emissions	CO2 emissions from combustion internal transport (Scope 1) <sup>(a)</sup>	CO2 emissions Scope 1
Unit of measurement	t C02	t C02
AFV Acciaierie Beltrame	1.209	128.241
Donalam	299	23.072
LME	375	67.825
Stahl Gerlafingen	2.219	103.400
Total	4.102	322.538





NOTES

(a) Parameters used in the calculation of direct emission from transport:					
Fuel tCO 2 /t kg/L (15°C)					
Diesel	3,169	0,84			
Unleaded petrol	3,152	0,75			
LPG 3,026 0,52					
· · · · · · · · · · · · · · · · · · ·					

Source: ISPRA 2021

(b) Full details on Scope 2 in the dedicated section on page 67

## **European regulatory context**

On 11 December 2019, the European Commission officially presented the communication relating to the "European Green Deal."

The European Green Deal includes an action plan aimed at:

 promoting the efficient use of resources by switching to a clean and circular economy;

· restoring biodiversity and reduce pollution.

The document outlines the necessary investments and funding instruments available and explains how to ensure a just and inclusive transition. Each EU member country must prepare a targeted action plan to meet the proposed sustainable growth goals.



In this context, the Commission has reached an agreement (general approach) on the regulation of the Carbon Border Adjustment Mechanism (CBAM), which will support (and in the long term may replace) the ETS system. Today, it requires specific categories of companies to yield the emission quotas inherent to their production process each year against an annual allocation attributed free of charge to prevent the risk of relocating activities to countries without regulations on emissions of greenhouse gases. Based on the assessments carried out by the EU, the

ETS system as currently configured is no longer in line with the commitment to reduce greenhouse gases proposed by the Union. Therefore, the Carbon Border Adjustment Mechanism (CBAM) was introduced, which will gradually replace the free allocation system. The EU intends to achieve climate neutrality in 2050 and achieve a net internal reduction of greenhouse gas emissions of at least 55% (compared to 1990) by 2030. For this reason, states but also individual economic entities must operate to aim for the intended objectives. In July 2021, the "Fit for 55" package was published by the European Commission, containing the action plan for achieving the objectives set by the Green Deal, including reducing the count to reduce CO2 emissions by 55%. This package includes, among other things, some proposals to amend the ETS directive, the revision of energy and electricity products taxation, and the development of renewable sources.

Net zero emissions - 2050 (to be legislated)
50-55 percent emissions reductions from 1990 levels by 2030

Revenue collection based on non-recycled plastic consumption
10-15 mejor economies will be levied
Each to design own Plastic Tax - different state taxes

Revision of the current ETD
Review of exemptions for various sectors
Role of hydrogen in future fuels policy

Four options for reducing the risk of carbon leakage
Aim: to ensure equivalent carbon costs between imports and locally produced

Pricing of carbon inside the EU
Some sectors regulated through the ETS - floating carbon price

- Therefore, the CBAM will represent a mechanism designed to create conditions of equality in the production costs incurred by companies within the EU and for products imported from non-EU countries. The CBAM will be introduced on a transitional basis between 2023-2025. It will initially involve imports of iron and steel, aluminium, cement, electricity and fertilizers, without the imposition of financial obligations but exclusively information-based.
- Following this period, from January 2026, if confirmed, imports of the products mentioned above will be subject to authorization by the competent national authorities. Importers from non-EU countries will have to purchase CBAM certificates, which will be linked to ETS emission allowances (EUA, EU Allowances).

## **Beltrame group activities**

The Beltrame Group carefully monitors the evolution of this legislation and the possible risks and opportunities that arise from these reforms and has assembled a specific body within the Group.

In the context of the Strategic Committee, a discussion was started on the Group's decarbonisation objectives and on the strategies to be implemented to reach the proposed level.

A study was commissioned to identify the benchmarks currently applied in the carbon footprint reduction process, the planned activities, and the communication approaches used by the leading players in the global steel industry to strengthen the Groups position - placement in the "best in class" audience. The Group also intends to quantify and certify greenhouse gas emissions at an organisational level, along with the entire supply chain, according to ISO 14064-1 certification provisions. To this end, it has structured a monthly calculation procedure and related emissions reporting under its direct control (Scope 1, limited for now to process emissions from stationary and mobile combustion) and indirect ones generated by the production of electricity consumed (Scope 2). Furthermore, as identified in the GHG Protocol, we undertook to map components that contribute to the indirect emissions of Scope 3, an international standard for accounting and reporting corporate greenhouse gas emissions. As part of the assessment of Scope 3, the emissions deriving from transport activities upstream (procurement of goods) and downstream (shipment of semi-products, supply of finished products and waste management) are being identified and quantified, as well as the emissions generated from employee commuting and work missions.

A further contribution to Scope 3 stems from emissions deriving from purchased goods (e.g., raw and auxiliary materials, packaging, lubricating oils, refractories) and services used.

The process started will be completed by the middle of 2022.



Source: GHG Protocol: Technical guide for the calculation of Scope 3 emissions - Carbon Leadership Forum

The calculation of Scope 2 emissions, which concerns the indirect contribution of emissions deriving from the generation of electricity consumed by the Group, was based on the overall energy consumption of the plants.

Country	Location-based emission factor (gCO2e/kWh)	Market-based emission factor (gCO2/kWh)
Italy	213,4	458,6
France	51,1	58,5
Switzerland	128,0	30,3
Romania	299,5	265,2

The Market-based is related on the CO2 emissions emitted by the energy suppliers from which the organization purchases, through a contract, electricity and can be calculated considering: Energy Guarantee of Origin certificates and direct contracts with suppliers, factors emission factors specific to the supplier, emission factors relating to the "residual mix", i.e. energy and non-monitored or unclaimed emissions (methodology used, with emission factor source: AIB - European Residual Mixes, 2021). The Location-based method is based on average emission factors relating to energy generation for well-defined geographical borders, including

Factories	Scope 2 Location based Emissions ( CO2e in tons)	Scope 2 Market based (CO2 in tons)
AFV	123.165	264.914
LME	16.334	18.860
Stahl Gerlafingen	46.555	0 (*)
Donalam	10.105	8.941
Total	196.159	292.715

Factories	Scope 2 Location-based Emission Intensity (t CO2/t steel <sup>(a)</sup> )	Scope 2 Market-based Emission Intensity (t CO2/t steel <sup>(a)</sup> )
AFV Vicenza	0,110	0,237
AFV San Didero	0,026	0,057
AFV San Giovanni V.no	0,038	0,082
LME	0,036	0,035
Stahl Gerlafingen	0,065	0 (*)
Donalam	0,062	0,055

The contribution of Scope 2 emissions is approximately 38% of the total direct and indirect emissions (with the exclusion of those inherent to the supply chain, Scope 3) and is directly related to the types of electricity production plants installed in the country of reference.

Note (\*): For 2021, the plant purchased electricity entirely covered by guaranteed "non-fossil" origin. The markedbased Scope 2 figure for the Swiss plant is therefore zero.

The central departments of the EHS Group/sustainability, energy, finance and the Central Technical Function (CTF) It was also based on the following emission factors specific to the countries to which they belong (defined as "locationbased ") and dependent on the national mix of energy sources.

local, sub-national or national borders (methodology used, with emission factor source Greenhouse gas emission intensity of electricity generation by country- EEA and with source "Umweltbilanz Strommixe Schweiz 2018" - BAFU for Switzerland). Scope 2 emissions calculated with the Market-based method are expressed in tons of CO2, as the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO2 equivalent) as can be inferred from the reference technical literature. The Scope 2 2021 emissions evaluation led to the following results, which are expressed both in absolute terms and as an index:

monitor and review all development and investment projects to define transition requirements and specify partnerships capable of framing the various projects within the pillars provided by the Green Deal. These departments are central to accessing the subsidized finance and funds that the EU has available.

- AFV Vicenza, LME, Stahl Gerlafingen: tons of billets produced;

- AFV San Didero, AFV San Giovanni V.no, Donalam: tons of laminate produced.

## **4.7 Water resource management**

Concerning water consumption, the Group pursues the goal of limiting the use of water resources through cutting-edge treatment technologies and the application of management criteria aimed at saving. The good practices applied are based on evaluations related to:

• Purpose of the water used and identification of the equipment to be cooled;

• Possible need for water pre-treatment.

Purification processes downstream of use;

Identification of the various user flows and related circuits;

• Quantitative data of circulating capacity, recirculation rate, and treatment efficiencies;

Continuous control of the treated water quality;Rational use of chemicals.

The Group's factories' water use is essentially linked to the cooling of components of the production plants, which takes place both through exchangers (indirect cooling) and through direct contact (for example, in continuous casting and rolling plants). The water supply derives from extraction from the subsoil in the Italian plants and the one in Calarasi. In contrast, water from surface watercourses is mainly used in the Trith Saint Léger and Gerlafingen

plants.

The Vicenza plant cooling network is equipped with differentiated circuits but placed in cascade to each other and has been updated by installing a new battery of cooling towers characterized by better thermodynamic, sound and energy performance. At the Trith Saint Léger plant, the construction of the rainwater treatment plant continued. It filters water from the steel mill area and releases it to the surface water. We installed a new rolling mill wastewater collection network and meters in various sections of the water supply network to better monitor the effectiveness and study the technical-economic impact to identify actions to reduce water consumption.

At the Gerlafingen plant, we launched a study to optimise the entire water cycle, aimed at separating the circuits belonging to different types of water (industrial, civil, weather), which will consist of various application phases on a multi-year basis. Finally, industrial water is discharged into the sewer system or into surface water. The companies carry out water analyzes, through external bodies, in order to monitor that the quality complies with the regulatory requirements of the various countries.









## MATERIAL CONTENT FROM RECYCLING OPERATIONS

The Group's steel mills use electric arc furnaces (EAF) technology. On average, the material content deriving from recycling operations present in the Group's finished product is hioher than 95%.



## WASTE CLASSIFIED AS HAZARDOUS

The Group's annual waste production is around 500,000 tons, of which approximately 90% has been classified as not hazardous.



## RECYCLED AND VALORISED WASTE

We respected the recycling goals and valorised at least 90% of the waste produced in the Group again in 2021.

# 4.8 Raw and auxiliary materials and waste

AFV Beltrame Group pays great attention to ensuring that its activities have a reduced impact on the environment and are consistent with stakeholders' expectations, including by limiting the use of raw materials and natural resources. For this purpose, the Group implements continuous research on techniques and operating methods that make it possible to replace natural materials with byproducts of industrial origin and products deriving from waste recovery flows and optimise its production plants' efficiency.

The Group's steel mills use the technology based on an electric arc furnace (EAF), which involves using selected ferrous scrap of predetermined quality that is part of the steel production flow at the end of their relative life cycle. This scrap can be from the industrial sector (processing waste, classified as preconsumer) or downstream everyday use (so-called post-consumer). The material content deriving from recycling functions in the Group's finished product is higher than 95%. The ferrous scrap that enters the plants can be classified indifferently as a product deriving from a recovery cycle (so-called "end of waste" according to the European regulation EU 333/2011) or as waste and must comply with strict purchase specifications as well as rigorous confirmation and classification protocols at the entrance to the scrapyard.



## TOTAL WEIGHT OF WASTE GENERATED EXPRESSED IN IN TONNES AND BROKEN DOWN BY DESTINATION



Waste diverted from disposal

A scrap pre-selection plant is in operation in the Group's French plant, which allows the selection of highly performing ferrous materials for the electric furnace, guaranteeing high yields and reduced energy consumption. The resulting material from the scrap piece has a significant number of non-ferrous metals, which are recovered and enhanced in processing cycles outside the site.

The steel production process also provides the addition of subsidiary materials, which add energy and chemical value to the liquid steel bath present in the furnace (with reducing, fluxing, etc. functions). They are typically represented by lime, dolomite, coal and other slagging agents necessary for forming an adequate quality slag to protect the works and their subsequent use.

The Group has identified alternative materials and substitutes for some raw material flows in line with product and processes circularity. In particular, some types of residues, which originate from internal processes, are reused as slag, helping to reduce the consumption of lime and, therefore, the exploitation of non-renewable natural resources.

We perfected the refining slag recovery plant in Vicenza, which allows part of it to be reused after steel plants. appropriate treatment in the scrap's melting process. The Group's annual waste production is around In 2021, approximately 3,000 tons of this by-product 500,000 tons, of which about 90% has been classiwere recovered and removed from the landfill. fied as nonhazardous. In line with the project called AWaRe (All Waste The same material is used in cement factories (particularly in France), which use it as a substitute Recovered), which aims to optimise the recovery of for raw materials, also obtaining the result of reduwaste produced on the sites starting from their cing the carbon footprint of the generated binder. internal reuse, in the year 2021, we respected the Also, in Vicenza, the industrial experimentation of recycling and valorisation objective of at least 90% polymers, deriving from the recovery cycle of the of the waste produced in the Group. plastic fraction of separate waste collection, was completed with very positive results in partial replacement of the coal blown into the EAF furnace. The results showed excellent metallurgical performances associated with a conspicuous saving of natural resources and reducing CO2 emissions into the atmosphere.

The industrial plant will be installed in 2022, and similar tests with recycled materials will be conducted at the Trith Saint Legér site, which has a similar plant configuration in Vicenza.

The Group is also focused on identifying recovery

## ELIVERED DESTINATION OF WASTE



Waste directed to disposal

Hazardous waste diverted from disposal
 Hazardous waste directed to disposal

Non-hazardous waste diverted from disposal
 Non-hazardous waste directed to disposal

paths for other waste streams produced and has activated contacts towards specific supply chains (for example, cement and concrete production or infrastructural works), which have shown interest in the recycling of black slag and industrial aggregate in their processes.

The latter is marketed in Italy and Switzerland with CE marking per European product standards and managed according to a factory production system (FPC) certified by third parties.

In France, EAF slag is commonly used in constructing roads, and building works, consistently with what is reported in the SETRA ministerial guidelines. A further example of the circular practice is recovering the zinc present in the powders that originate from the smoke filtration treatment of the smoke abatement steel plant.

The recovery process is carried out in external plants through thermal processes and makes it possible to avoid the approximately 40,000 tons of hazardous waste in landfills every year.

The ferrous scale that descends from the rolling process is used to produce counterweights in cement factories, glass factories or initial smelting steel plants.
#### **4.9 Radiometric measurements**

In the steel industry and at an international level, specific directives provide for metal scrap radiometric control to prevent accidental melting of radioactive sources, leading to contamination of industrial matrices and the environment and creating radiation risks for workers and the population. For years, the Group has implemented a series of radiometric surveillance procedures for scrap metal and other subsidiary materials and stringent control over all the batches of steel produced or procured.

All plants have road and railway vehicle radiometric detection systems near the weighing equipment. There are also instruments for measuring the radioactivity of steel specimens and environmental radioactivity.

In 2021, the complete overhaul of the monitoring and reporting systems for the levels of radioactivity present in the loads entering and leaving the Group's plants began, with particular attention paid to the control of scrap loads.

The revamping process started from the Trith Saint Legér site, also following the accidental melting, which occurred in October 2021, of a small radioactive source, presumably present inside a cargo of scrap and not identified by the portal control during screening.

The episode was handled following the prescriptions of the French authorities and did not cause significant impacts on workers, the population and the surrounding environment.

Thanks to their extensive surface area and the new data processing software, the new plant configuration envisaged the total replacement of the measurement panels with systems capable of more perceptiveness.

Similar improvements are also being assessed for the Italian and Swiss plants. In particular, for the latter, in 2021 all the portals for the control of entry by truck and rail were replaced and evaluations are underway for further improvements in 2022.

Finally, we also acquired new portable measuring instruments to improve field monitoring in the presence of radiometric anomalies.





# 4.10 Conservation of biodiversity and territories

#### **PROJECT: Steel in rail cars**

The principle of circularity of steel is primarily due to its characteristic of being recyclable repeatedly. But if the logistic solution foreseen for transporting scrap, semi-finished or finished products is by road, the ecological advantage diminishes with each trip. The "steel on rails" project was born from this observation, supported by the detailed analysis of numbers and volumes inscribed in a strategic path towards maximizing intermodality. AFV Beltrame Group carries out many initiatives in this direction. All the group plants are oriented towards a unified approach of attention to the environment and certainly to costs. Rail transport, in particular, makes a significant contribution to the path towards increasingly sustainable mobility. It is also among the most efficient transport systems in terms of energy and climate-altering emissions. The current year is expected to move about 1 million tons by rail throughout the group, with a growth of 70% compared to three years ago.

#### Investments:

The main investment is taking place in Italy. In particular, the Vicenza railway junction was extended with the restoration of the double track that serves the laminates warehouse with the simultaneous reactivation of the attached weighbridge. In San Giovanni Valdarno the existing link, inactive since 2009, was reactivated and adapted. Thanks to this 25,000 tons of steel passed from road to rail in 2021, with a potential of 35,000 tons.



And finally, in August 2021, the San Didero junction has been expanded, allowing 18-wagons trains to be accommodated in the plant against the 15 of the past, with the consequent logistics costs optimization and further reduction of the environmental impact.

So, 220 thousand tons of steel have travelled by carriage, the equivalent of 8 thousand fewer trucks on the roads. The purchase and handling of scrap by rail have increased at least 25%, and this quantity is destined to grow.

In total, in the Italian handling alone, between scrap semi-finished products and finished product, approximately 460 thousand tons have travelled by train in 2021: double the average of the last three years. Also, in this case, there were 16,000 fewer trucks on the roads.

We recently approved further investments to double the train lines dedicated to billet loading, thus increasing the exchange of semi-finished products between factories by rail. Circularity is guaranteed precisely by the interchange between locations: if semi-finished products leave Vicenza for the Group's factories, the trains involved in the delivery then return loaded with scrap. No journey is made without a load. In addition, this organization has allowed all the subsidiaries of the AFV Beltrame Group to integrate the range with products that are mutually supplied (only inter-company exchanges amount to 40 thousand tons per year). This exchange required logistical and organizational adjustments to enhance the connection in terms of wagon traffic. The environmental advantage is obvious. The economic one depends, among other things, on the excellent balance between the flows. The partnerships with the railway transport company MIR (Mercitalia Rail) and DB Cargo and with the management companies of the internal connections, particularly Logyca UMF, are fundamental in the process and therefore strengthened.

#### Not only Italy

All the Group's plants are connected, not only in Italy. The Group has also developed an agreement between Stahl Gerlafingen, the Swiss-based subsidiary that produces rebar and its derivatives for construction, and SBB Cargo, the backbone of the Swiss economy for rail freight transport. The agreement provides for the logistics control entirely on the rail of 100,000 tons of steel scrap destined for the Swiss factory. Stahl Gerlafingen works approx. 800,000 tons of scrap per year. More than 20% of these come from abroad. Half of this 20% is moved by road (the rest were already on rail). Until recently, this handling resulted in 4,000 trips per year by truck: approximately 15 per day. Thanks to the agreement, the 70 trucks that ploughed the country's roads each week are now reduced to two trains. These new connections include another strategic partner, Ultra Brag, which manages the temporary storage - crucial to the project - and the steel scrap loading and have invested in structures and improvements to accommodate the loads. At the terminal port of Birsfelden on the Rhine, the scrap is stored and subsequently loaded onto the wagons towards Gerlafingen. Overall, the entire organization also allows for better planning, more punctual deliveries and precise tracking. Together, the three companies have created a virtuous system for optimizing the supply chain. Not to

mention the finished product which in 2021 in Stahl Gerlafingen reached about 280 thousand tons transported by rail. Let's not forget Donalam, where for our production of special steels in 2021 we have sent about 160 thousand tons to our Calarasi plant by a train of semi-finished products for processing. Other flows: intermodal and widespread transport The more structured customers, especially abroad and in Northern Europe, are already organized with internal railway connections. This mode is called transport widespread. Wagons dedicated to a specific customer are loaded directly from the Vicenza office, which receives them "comfortably" at the destination site, having the structure set up to do so. To give you an idea of the increase of this system and the consequent reduction in CO2 emissions, consider that in 2016 300 tons of steel travelled per year. The forecast for 2021 is 30 thousand tons. When this method is not possible the so-called intermodal transport is applied, whereby the steel travels by road only for those short stretches necessary to reach the railway junction. This intermodal method has borne its fruit: data confirms that over 150,000 tons of steel have been removed from the road every year, with an annual increase of 10% achieved in the last five years.

#### The synergies of transport

Circularity, therefore, also involves transport. Flexible and modular systems must maximise cost-effectiveness and accessibility by favouring renewable or lower impact energy sources to develop a sustainable and decarbonised freight transport chain. Integrating ships and trains and port infrastructures with railways is necessary. To use an environmental metaphor, we need to reproduce green corridors that connect ports, railway junctions and processing sites and then destination markets. However, a combination that requires substantial planning and investment commitment is favoured by the widespread use of digital technologies to manage arrivals and departures and loading and unloading of warehouses to be economically sustainable in the long term. A mix of efficiencies has been implemented to protect the environment and profitability. The advantages of which are increasingly understood by all the players involved in the supply chain. The geographical aspect of the territory in which AFV Beltrame Group is located is not a facilitating element. Still, we observed that the acceleration of the Group had been momentum for the entire system. Customers are increasingly projected towards efficiency and attention to the environment, considering them linked closely. Therefore, investments in this sense are desired by all companies at various levels. Consequently, infrastructures and states are also adapting to this trend. There is still a long way to go, but the route has been mapped out.



#### **PROJECT: 100 thousand trees for Piedmont**

Paulonia plants absorb CO2 up to 10 times more than other trees. They grow quickly. Their flowers are lavender and fragrant and very popular with bees. The leaves are good nourishment for poultry and have a wood widely used in the production of furniture, floors and musical instruments because it is light and insects don't attack them.









Planting a tree is not enough to make one, although it's a great start. **100 thousand Trees for Piedmont** is a program AFV Beltrame Group has joined, aimed at creating a reforestation project by increasing the region's green by creating more areas capable of reducing the presence of CO2. An initiative mainly structured in awareness-raising actions and follow up in which the Paulonia association, focused on protecting the environment, has identified a series of areas suitable for hosting plants in the Piedmont region.

The parameters for selecting the areas mainly concern the proximity to urban centres, areas of high traffic flow and perimeter areas of cities or areas subject to high concentrations of air pollutants. The project aims to establish a carbon sink and related sequestration of CO2 and the consequent improvement in the quality of air and life. Paulonia, known for its beauty and the marvellous white or lilac flowers it produces (the name derives from that of the Russian noblewoman Anna Pavlovna, hence the nickname "tree of the princesses"), grows quickly and has a very appreciated wood in the construction of furniture, musical instruments and structure. From its flowers, loved by bees for the high amount of nectar, beneficial substances are also obtained for medicines. Just think that one hectare of Paulonia can guarantee over 700 kg of honey with excellent nutritional characteristics.

The ma ight ha can qui oxygen anti-sm Very su ndustr associa spring surrour mont, a munici Finally, with the co plan



The majestic foliage with large leaves covered with light hair can capture dust from the air. Above all, it can quickly absorb large quantities of CO2, restoring oxygen, and for this reason, it is also known as an anti-smog tree.

Very suitable for phytoremediation, it is perfect in industrial areas. For this reason, together with the association, the Group planted over 800 trees in the spring of 2021. Part of these was grown in areas surrounding the headquarters of San Didero in Piedmont, and a portion was donated to neighbouring municipalities.

Finally, AFV Beltrame Group, always in collaboration with the Municipality of San DIdero, has also willing to plant the donated plants in the locations indicated by the municipal authorities, supporting all the costs.





#### **PROJECT: Eco-pastures and beehives, when biodiversity en**ters the company

This project is in line with biodiversity protection and the restoration of green corridors through the reforestation of areas adjacent to the Trith Saint Leger plants, where the French plant of the group is based. We aim to restore and protect the ecosystem and its biodiversity. Protection at the French site also includes adopting responsible practices in maintaining green spaces. In fact, since spring 2021, these areas have been "under the care" of herbivorous animals (goats, sheep and donkeys) in eco-pasture. Thanks to these animals, even the most challenging areas are effectively reached, and invasive plants are eradicated naturally with zero environmental impact. Dedicated enclosures have also been created, which also house ditch goats, an endangered species (in France, there are only 900 specimens). An appointed external company carries out the maintenance and care visits.

Still, to protect biodiversity and to favour pollination processes, two hives have been installed, which are added to the 8 present also in Switzerland. Both bees and grazing animals will be the protagonists of awareness-raising activities dedicated to the community and children as soon as the pandemic context allows it.



For over 100 million years, bees have been essential for maintaining ecosystems on Earth. They are essential for the development of biodiversity, guaranteeing almost 80% of the pollination of plant species.



Eco-pasture in LME allows us to respond to various problems: • Maintaining hard-to-reach

Eradicate invas

especially the Ja

olweed;

Preserve enda



Bees are an excellent indicator of the environmental healthiness of the area, allowing you to draw up an inventory of pollution and the quality of the local environment. The hive preparation is a concrete action in favour of biodiversity. It is also about making employees aware of biodiversity and sustainable development challenges and mobilizing them around a virtuous and federating project

Eco-care is an alternative method for landscape maintenance in urban or peri-urban areas. From May to October, a flock of sheep, goats, or donkeys settle in certain regions to graze the lawn. As the name suggests, this practice is environmentally friendly as it reduces noise, pollution, and the use of chemicals. In addition to protecting existing biodiversity, it also represents an actual reduction in the maintenance costs of green spaces.

ive plants, panese

ironmental

gered



ME produces jars of honey nd kits for candles with eeswax that are given o employees. A similar roject is also underway at he Stahl Gerlafingen plant.







# Attention to human capital

#### 5.1 Group human resources. People, relationships and value

#### Attention to human capital

In a company like ours, the specialization in some professions is very high. The training of specific figures takes months, sometimes even years, and attention to human resources is essential. The criticality arises in the attracting talents phase, given the competition with companies and more attractive sectors than ours for potential candidates. It is, therefore, necessary to propose something additional, trying to offer the new high school or university graduate, as well as the now established professional, what is expected from a leading company and market leader.

We are present at job fairs and career days for recent graduates. We organize visits to the company for schoolchildren and associations. We are active in the leading professional social networks. We manage the research, selection, and onboarding process professionally and structured, trying to win over candidates before letting them win us over. Given the difficulty in training and shaping the most specialized profiles, it is a priority to retain people once in the company and adequately manage the inflow and outflow.

We are developing welfare and total compensation systems that offer employees something more than a simple salary to help with retention. We try to satisfy employees through work hours and then shift flexibility. We bring services to the company that we would otherwise be saught externally-in their time, focusing on prevention, health and investing as a company to make sure that everything possible is done in this direction. Some colleagues have worked in the company for generations. Whenever possible, they proudly continue introducing their children to work for the Group, for which they have developed so much passion. And this is in our DNA. There is no way to build such a sense of belonging merely through marketing methodologies or work psychology but through decades of attention and centrality of the individual.

The enhancement of human capital has always been one of the company's priorities and one of the fundamental challenges imposed by the Covid-19 pandemic. Digital transformation remains the key to restarting, and companies need to seize this opportunity, which is also an excellent modernization

opportunity to bring about new

growth.



The management and relationship with our people are undoubtedly based on the principles enshrined in our Code of Ethics and the Group's Sustainability policies, in full compliance with local regulations and collective agreements. Still, it is based on the honourable relationships we build with our collaborators.



### BELTRAME GROUP **NFV**

#### **5.2 The trend in employment levels**

The steel sector is one of the main productive sectors of the national industrial system. Its supply chain contributes to job creation e wealth and sees downstream a plurality of manufacturing sectors for which steel is the primary raw material. From the production of crude steel to its transformation into primary products and derivatives, the steel sector, according to Federacciai \* data, employs 70,000 direct employees in Italy, which with the related industries reaches 140,000 people, with an estimated indirect employment impact of three times as much.

Steel is used in various strategic manufacturing sectors: from construction to mechanics, cars to medical and food, and shipbuilding. However, the leading industry of use remains that of building with a share, according to Federacciai data, equal to 36.5%. In 2020 the steel industry of the Old Continent provided direct employment to 326,000 people and indirectly to over 2.7 million along the entire supply chain and related activities. \*\*

Regarding the specific AFV Beltrame Group, the number of employees at the Group level has grown in the last three years, reaching 2,258 units. The employment policy continues to be concentrated on significant investments in development and training activities, dedicated induction courses (e.g., Induction Week), and training activities in collaboration with the institutions of the territories in which the Group operates (e.g., Giovani d'Acciaio).

\* https://www.promozioneacciaio.it/UserFiles/File/pdf/ eventi2019/FEDERACCIAI-RAPPORTO-SOSTENIBILI-TA 2019.pdf

\*\* https://ftp-siderweb.s3.eu-west-1.amazonaws.com/ speciali/Speciale\_II%20futuro%20dell%27industria%20 siderurgica%20europea\_2022.pdf

#### **5.3 Human resources compensation**

The implementation of AFV Beltrame Group's remuneration policy called "Corporate Compensation Policy" intends to establish the reference framework and guidelines to be followed by the "Countries" in the development of remuneration programs, taking into account the specific regulatory provisions of each country. We must align the standards of the remuneration policy with the business objectives, financial results and economic sustainability of the Group. The approach to be adopted must adhere to international regulatory requirements and be connected with individual and collective performance in the interest of all stakeholders. The remuneration policy must be inspired by the principles of fairness and transparency in compliance with the corporate mission and values.

The purpose of the Corporate Compensation Policy is to encourage the growth and motivation of human resources in a sustainable way and line with the company's results and strategies. The Corporate Compensation Policy applies to all Group companies and regards the remuneration of all categories of employees, managers, white collars and blue collars.

AFV Beltrame Group's remuneration policy must follow the following principles: Clear and transparent management of remuneration programs: Adherence to regulatory requirements and principles of reasonable professional conduct, continuous benchmarking of trends and practices in the labour market to ensure the balance between internal and external salaries; Compliance with the principle of internal equity, both at the individual "Country" level and the Group level; Sustainable remuneration is linked to the company's results.

The remuneration policy aims to retain employees, with particular attention to talents and resources with critical skills. The benefits policy does not provide for differentiation between full-time and part-time and temporary employees. As regards insurance coverage, some countries have stipulated specific health insurance policies.

#### The federal law on equality between women and men in Switzerland

Switzerland's federal law on equality between women and men was recently revised. The law was supplemented with the obligation for employers to conduct an internal analysis of equal pay. The amendment seeks to strengthen the constitutional right to equal compensation for similar work and work of equal value. Recently, an external consultancy firm checked out AFV Beltrame Group's Swiss site. At Stahl Gerlafingen, the staff are delighted that the company fully complies with these provisions.

# EQUAL TREATMENT BETWEEN MEN/WOMEN

EQUAL PAY

Wage equality in Switzerland has been registered in the Federal Constitution since 1981 (Art. 8 para. 3 Cst.). It is also specified in the Federal Law on Gender Equality (LPar), which entered into force in 1996. Equal pay is an obligation that applies in all employment relationships, both in employment relationships under private Law and in those of public Law. From 1 July 2020, employers with at least 100 male and female workers are subject to new obligations regarding equal pay. Regardless of the employment rate, all male and female employees are included in the calculation of male and female workers, excluding apprentices. In concrete terms, the new provisions envisage three obligations for employers and employers: to analyse, verify and inform.

#### **Analyse** (July 1, 2020, to June 30, 2021)

From July 1 2020, private and public employers and employers will have one year, i.e., until June 30 2021, to analyse their wage practices to identify any unequal treatment between women and men. Employers and employers are free to choose the method to carry out the analysis. However, the technique must be scientific and compliant with the law (art. 13c para. 1 LPar). **Check** (July 1, 2020, to June 30, 2021)

Once the analysis has been carried out, employers and employers must have it verified by an independent body (Article 13d LPar).

Inform (July 1, 2020, to June 30, 2021)

Employers and employers are obliged to inform workers about the equal pay analysis results in writing within one year from the conclusion of the audit (art. 13g LPar).

If the wage parity analysis indicates that it is respected, no further investigation is necessary. If not, the study must be repeated four years later.

The Swiss company Stahl Gerlafingen of the Beltrame Group has obtained the Certification certifying full compliance with all relevant regulations.



#### **5.4 The Academy for training**

AFV Beltrame Group launched high guality 'on demand' training in 2021 with its own Learning Management System. It is a digital and online Academy that offers interdisciplinary activities for the training and development of the skills of all managers, employees and internal collaborators and the enrichment of the company's business.

AFV Beltrame Group's goal is to provide continuous training on managerial, technical and linguistic content, through a dedicated and customized platform, with courses lasting up to 4 hours and viewable every day and at any time, from any device (pc, tablet, smartphone).

In this way, a tangible online knowledge library is available to the Group, from which to draw skills not only when required by the company but also based on the wishes and needs of employees in a self-training perspective. The project is active in all the Group's offices: Italy, France, Switzerland and Romania.

We engage participants through periodic reminders, and a bulletin board exhibits the training proposal in three of the Group's languages, Italian, French, and German. There are training courses of a more technical nature, such as lamination and security, up to courses dedicated to current issues, such as sustainability and finance, and language courses. The multimedia contents, cards, reports, and presentations, can be downloaded and develop various themes. There is also the possibility that each country embeds its contents independently.

In total, there are over 500 basic training pills created and distributed by Skilla in collaboration with Niuko, a training company of Confindustria Vicenza, dedicated to the socalled "soft skills", in addition to those on technical sector training, digitized by Festo Consulting / Academy with contents created by internal experts.

Speexx instead deals with language training, which includes one-to-one courses in the various languages of interest and basic training in English. Oltrematica has provided the Tutorami platform for the management and consultation of content, with a configurator that allows you to prepare training sessions based on materials, videos, lessons, and know-how the company provides.



CYBER SECURITY





**PROBLEM SOLVING** 

**RESULTS ORIENTA-**TION





COURSE IN LAMINATION PEOPLE MANAGEMENT

The AFV Beltrame Group Corporate Academy was born in a general context where changing scenarios, which generate complexity and indeterminacy, require companies like ours to realign strategies and continually adapt training to maintain competitiveness constantly. Our goal is to ensure our people's professional, cultural and human growth by creating value, supporting change processes, ensuring the alignment of corporate matters, and strengthening the competitive position in the market.

#### Some of the issues addressed in the AFV Beltrame Group digital academy:



ENGLISH LANGUAGE



LEADERSHIP



DIGITAL SKILLS



SAFETY



SECURITY AWARENESS

	<b>)</b>	
11		

**MODELLO 231** 



#### **5.5 Industrial relations**

Industrial relations in AFV Beltrame Group are based on clear and transparent communication between the company and the workers' representatives. To follow this approach, we organise periodic meetings in all countries between the HR Departments and the trade unions or employee representatives, in which the following issues are analysed:

- results and improvement policies on health, safety and the working environment;

- economic and industrial results of the Group, of the country and each plant;

- a point on the market situation and the general prospects for next year, for the country and the Group;

- human resource management strategies. In Italy, these periodic meetings are called "observers". They are organised quarterly in each plant and generally once a year on a national basis.

Observers represent an innovative tool in the panorama of industrial relations. The company and the workers' representatives cooperate in reviewing results and determining actions to be implemented to improve the company's general performance in all areas and benefit all in good times and more difficult ones. It is a highly innovative approach based on transparency and responsibility that aims to create a cohesive system where all the social partners, each with their role. They come together to share the results and discuss the company's prospects.

The minimum notice period for operational changes is consistent with national contracts and laws and proportionate to the extent of the changes required. As part of the activities carried out by AFV Beltrame Group, along the entire value chain, there are no elements of risk that could limit the right to freedom of association and collective bargaining.





SAFETY AND WORK ENVIRONMENT

MARKET AND GENERAL

PERSPECTIVES BY

COUNTRY AND

GROUP



#### 5.6 Digitalisation

**Corporate digitalization** starts from a change in mentality, adapting all internal processes to the modern and current needs imposed by a digital age. Speed of execution and efficiency are essential.



By analyzing the HR processes, we realized that there was room for improvement and optimization. To develop these aspects, we chose the route of digitalization. Where paper is not required by law, we have tried. We are still trying to transfer the entire cycle of the employee's professional life into a digital format, with a view to sustainability, simplification, and a unique added value given to content activities compared to repetitive and insignificant ones. The advantages were evident from the beginning of the project: Staff satisfaction involved in the process, which saw an increase in the level of their contribution to the activities, the reduction of human errors in execution and forgetfulness, the standardization and reduction of timing. These are just some of the aspects that we have seen emerge, but also, the greater ease in data extraction and processing is completely changing the way we approach information. Data that previously filled paper files, forcing people to be physically present to fill in the forms, and whose contents had to be manually transferred to the system, or worse still, remain on paper without being processed, is now available for consolidation and analysis. From the Exit questionnaires (forms administered to resigning employees followed by an interview with HR managers about the reasons for the change), we can, for example, extract the causes of the most frequent resignations.

criterion, intervening promptly when necessary. The same thing happens with the annual appraisal reviews (staff evaluations carried out by managers on their collaborators followed by an interview and the collaborator's feedback guestionnaire). This process has already been successfully tested in the Swiss office, and with the management of the end questionnaires-we administered the trial period online to new hires and managers. Even requesting job instruments for new hires has become an online checklist that human resources and managers fill out in the Italian offices. This process generates a series of automatic emails for all the corporate bodies involved to optimize the activities carried out in the past manually with a massive waste of time and no added value.



We can do it by period, area of belonging, or any other traced

93

#### Some data on human resources in AFV Beltrame Group:













#### 5.7 Training & Cybersecurity

The Group's IT strategy is based on five macro-areas coordinated by the Business Relationship Management activity.

Two of these are represented by Digitization and Cybersecurity.

These sectors, closely related to each other, have undergone an exponential increase in every industrial sector in recent years. It is easy to understand how the growth in digital and information technologies in business benefits and performance has increased the risks of exposure to cyber-attacks and so-called Cyber Crime.

The steel sector is not immune to these threats. Like companies in other manufacturing sectors, those in the steel industry also run the risk of cyber-attacks for extortion of money, the risk of attacks by activists and the risk attacks for damaging competition.

Furthermore, the recent events involving Russia and Ukraine and the related cyberwar that is taking place these days (hidden from most people but persistent and dangerous) have made it even more critical and urgent to monitor this topic. It is a matter that has been on the desk of every CIO (Chief Information Officer) worldwide for some years now. A cyberattack can block the entire IT system of a company and, therefore, also of a steel mill.

Without a computer system, it is not possible to manage customer orders. Production cannot be scheduled, and orders cannot be sent to suppliers. You don't have field data or your equipment visibility. An attack can paralyze the company for several weeks, even if existing backups are restored. In addition to these, there may also be offensives directed at production systems.

Cyber-attacks (including recent ones) that were successful in the various industrial sectors and not least in the steel sector have had consequential impacts:

plants or services stops (and therefore lost money);
requested ransoms amounting to several tens of millions of euros.

The companies involved are important international groups with structured information systems that have invested time, resources and money in IT security. Therefore, no one can or must consider themselves immune to cybersecurity. AFV Beltrame Group is very attentive to this issue and has increased investments in IT and Cybersecurity to increase the security and protection of the company from cybercrime.

The Group has undertaken and applies constant monitoring and remediation activities in areas sensitive to Cybersecuri-





ty. Antivirus, antispam, patching and upgrade of obsolete systems, password complexity, multifactor authentication, backup systems, WAF, disaster recovery systems, vulnerability assessment and penetration test are tools we use, to name a few.

In 2021, the Group equipped itself with a SIEM (Security Information Management and Security Event Management): a system that automates the process of collection and orchestration of system logs and which therefore makes it possible to monitor IT events and, in particular, those potentially dangerous from the point of view of Cybersecurity.

In 2021, the Group also equipped itself with a SOC (Security Operations Centre) service. The SOC is the organizational unit that has the task of supervising and managing the security of information systems. This group monitors IT events 24 hours a day. It can report any suspicious event withing the company perimeter (for example, access to the system at night or not usual, access to prohibited areas, suspicious behaviour, anomalous events, etc.).

Finally, despite the significant investments, efforts and measures taken from a technical point of view, over 80% of the attacks are successful. A reason is due to human error: a a password that is easy to guess, an unreasonable click on a link, the use of an unverified USB key, access to a

compromised website, the response to a fraudulent SMS. The above events can compromise the security of an establishment o of the entire Group. We introduced a persistent Cybersecurity Training campaign for all Group employees based on the KnowBE4 multimedia platform, collaborating with the HR and the Training department. Among the most relevant issues on which the Group gave the training, we highlight:

- Security Awareness
- Phishing Fundamentals
- Creating Strong Password
- Ransomware
- · Social Media "Stay secure in a connected world."
- European GDPR
- Social Engineering
- Credential Harvesting Attack

The human factor remains one of the weakest areas in these scenarios and, therefore, one of the most formidable principles if well trained and informed.

Suspicious event detection



Training and blocking threat

#### **5.8 Welfare in AFV Beltrame Group**

AFV Beltrame Group is a company historically susceptible to the well-being of its employees and the territory in which it operates, having belonged to the same family for generations and having employees who, in turn, have worked in the company for as many generations. In the past, the Group applied it for "spontaneous" welfare initiatives, whereby the property personally met the needs of the employees in an unstructured but extremely human and effective way. Since this is no longer possible, with a view to ever closer to the needs of employees, the company has decided to focus recent initiatives on two invaluable values: time and health. Trying to offer employees in the company services that they would otherwise have to go looking for externally saves people personal time (and travel, with costs and all that goes with it). More free time means being able to devote themselves to their interests and loved ones.

The Group safeguards time and health by administering flu vaccines, usually in autumn, in all Italian offices. In association with availability supplied by the local health authorities, the Group administered vaccines free of charge to all those who wished to be vaccinated by a doctor available in the infirmaries.

An initiative favouring health and prevention that has been greatly appreciated is also the one proposed as a nowtraditional gift to colleagues on the occasion of Women's Day so that all female employees in Italy can take advantage of a free check-up in an affiliated laboratory. Additionally, we'd like to point out the effort made by the company to improve the canteen by offering balanced meals according to the guidelines of an expert nutritionist and dietician, making them healthier, and distributing free fruit in the offices and the factory in Vicenza.

Other prevalent initiatives at the Vicenza office are ordering online and receiving organic shopping directly in the car park at the end of the work shift and a laundry service at discounted prices that collects items at our offices. Employees of the parent company can also call a contracted mechanic who assists directly in the company parking lot, avoiding employees having to go to the workshop or call the tow truck in case of breakdowns in their car.

In the immediate future, the Group will make a further effort toward flexible or remote working, which will exponentially increase the serenity and well-being of the employees who will use it. All these initiatives also bring a considerable advantage in terms of sustainability, reduction of social costs, and benefits for the environment

Welfare is in the DNA of AFV Beltrame Group. In the thirties, Cesira Beltrame, daughter of the founder Antonio, gave interest-free loans as an advance on salary and subsidies in particular cases of illness. The company had already equipped itself with a canteen service for workers. The benefits included an internal health insurance fund and accessible medical, pharmaceutical and hospital assistance.

The after-work organization also organized marine and mountain trips and stays. Even then, people's well-being was fundamental.

Giancarlo Beltrame himself, at the helm of the company in the sixties, having at heart people and the territory, has always carried out initiatives to support them. Over time, these initiatives have strengthened a strong sense of belonging, well-being, and sharing of objectives within the company. Today AFV Beltrame Group has become a significant international Group. It includes multiple actors with different territorial and regulatory needs, but the training, welfare and empowerment solutions continue to consider all our workers to accompany, support and meet their needs.

#### 5.9 Equal opportunities and respect for human rights

#### **Equal gender opportunities**

Human rights are the essential prerogatives of human The company promotes personnel development based on totally merit-based criteria. There is no space for beings, the basis of freedoms and justice, and the gender or other discrimination, neither in the selection foundation of just and peaceful societies. phase nor during the internal path of workers. Respect for human rights is a universal value that must AFV Beltrame Group wants to create a work enviinspire the principles of conduct even if the state has not ronment where everyone, regardless of gender, can issued specific rules to protect them. fully express their potential in the enhancement of its AFV Beltrame Group has drawn up a specific policy on people. Diversity is a fact, but drawing value from it and this issue to establish the principles of conduct to promoting inclusion requires concrete actions. ensure respect, protection and promotion of human The company is committed to promoting a culture of rights during company activities. merit and talent in all processes and actions. Our This policy applies to AFV Acciaierie Beltrame SpA and efforts are concrete to ensure that this merit finds the all subsidiaries. proper support. For example, offering equal career The recipients are all individuals and interest-bearing opportunities, parenting support, agreements that help groups who could suffer the positive or negative effects of our Group's activities or who could exert some influence employees with services that allow for a more excellent balance between work and private life, comparable on them. These individuals are workers, directors, training investments, and the fight against violence or shareholders, customers, suppliers, financial partners, harassment. trade associations, trade unions, and public institutions. With this specific goal in mind, on 25 November of Our policy is in line with the international treaties and each year, an awareness-raising event against violence European regulations indicated below and applies their against women is organized in all the Group's plants. fundamental principles:

During the reporting year, no episodes of discrimination were reported, and consequently. it was not necessaru to take corrective measures.













Vaccinations





Citizens of the world





Professional training

Recycling

Energy efficiency

Intra-group synergies

Human Rights Intra-group training

#### **Human rights**

External references:

- Universal Declaration of Human Rights of the United Nations:

- European Convention on Human Rights;

- OECD guidelines for multinational companies;

- Fundamental Convention of the International Labour Organization ILO (No. 29, No. 87, No. 98, No. 100, No. 105, No. 111, no. 138).

Internal references:

- Ethical code:

- Organizational Model and related Protocols.

AFV Beltrame Group respects and promotes human rights, committing itself not to violate them and not to carry out activities that could negatively impact them, counteracting this impact should it occur.

Considering that activities detrimental to human rights can consist of both actions and omissions, the following human rights have been identified on which the Group's activities may have an impact:

GENERAL RIGHTS OF HUMANITY:

1) Rights to life, freedom of thought and opinion; 2) Rights of community; 3) Right to privacy; 4) Right to safety and health of the Person and respect and protection of the Environment.

SPECIFIC RIGHTS OF WORKERS

1) Forced or compulsory labour; 2) Freedom of association and the right to organize and collective bargaining; 3) Equal pay and discrimination in employment or profession; 4) Health, safety and respect for the Environment; 5) Child labour; 6) Right to leisure and rest.

# **Youth policies**

#### The partnership with the National Institute of Applied Sciences (INSA) of Valenciennes.

The National Institute of Applied Sciences (INSA) is a section of Hauts-de-France's Polytechnic University (UPHF), present in the Valenciennes and Maubeuge offices. It arises from the merger of 3 UPHF components: - the Institute of Science and Technology of Valenciennes (ISTV);

- the National School of Engineers in Computer Science, Automation, Mechanics, Energy and Electronics (ENSIAME); - the Faculty of Sports Sciences and Professions (FSMS). It is one of 204 French engineering schools accredited since September 2020 to issue an engineering degree. The school's goal is to train engineers in the fields of modelling, numerical simulation and experimental validation of complex phenomena related to mechanics, energy, mechatronics and associated advanced materials. For engineering training, INSA Hauts-de-France offers three courses: the student course, the apprenticeship course and continuous training.

In 2021 LME entered into a partnership with INSA. The purpose of this collaboration is to carry out various pedagogical training, professional training activities, support for students' work projects and, at the same time,

provide financial support to the Institute. LME offers future INSA engineers the opportunity to put themselves to the test in the field, working on essential projects and encouraging them to seek practical solutions to the problems that arise.

The partnership with INSA also intends to be a vital selection and recruitment pool for LME for the most deserving students to offer a career path in the company.

#### Investing in resource talent: interns and apprenticeships

AFV Beltrame Group believes in apprenticeships as a the course, 3 of them were hired by the company. In addition, LME collaborates with AFPI (Centre de formation training model and is committed to developing long-term planning for young interns in all its locations. in the Nord Pas-de-Calais area) and has been present since The possibility of offering an internship or apprenticeship last year at their career day. path is a strategic lever for all the Group companies. It represents a concrete opportunity for professional and personal enrichment for young people, overcoming the difficulties in accessing young people to the world of Work. It is a question of rediscovering that essential synergy between the education system and the world of professions to respond to the needs and expectations of the younger generations.

The offer of an internship within AFV Beltrame Group has functional characteristics both of a training structure in a broad sense and of the implementation of a learning method aimed at enhancing design-managerial autonomy and the assumption of responsibility in the field.

For example, in 2021, at the Trith Saint Léger site, we hired 24 apprentices at the end of the contract, one of which in the design office and one in the safety department. The Group's French plant expects to hire a further 27 apprentices by 2022. Last year at the Swiss headquarters, at the end of an internship project that involved ten apprentices at the end



#### 5.10 Covid management

#### **2021 will be**

remembered as the year of viral virus variants responsible for a surge in illnesses across Europe and around the world. The greater transmissibility of the new variants has resulted in more significant number of infections in absolute terms, thus also determining an increase in the number of severe cases.



Since the onset of the pandemic, the Group has established measures to counter the spread of Covid-19 by setting up a crisis committee. This committee aimed to create a standard set of guidelines aimed at ensuring the health of workers and business continuity, sharing actions and measures to be taken in different countries, analysing the various issues, and proposing solutions.

In 2021, the Group shared guidelines and the already accepted safeguard measures across companies. Some of the policies adopted were suspending business trips and transfers. We used audio/video conferencing tools for business meetings. We didn't allow external staff (customers/suppliers/consultants) to enter our premises.

We asked all our employees who, for professional or personal reasons, have travelled to inform the competent human resources management immediately. The implementation of primary measures for the prevention of contagion (such as washing your hands frequently, keeping a safe distance, staying at home if you have flu symptoms, etc.).

We continued to distribute relevant information to all

employees and external companies, activating preventive measures to allow access to the plan by transporters.

Working from home was used extensively, and we distributed personal protection devices profusely to staff.

The procedures for accessing the canteen and changing rooms have also been changed to maintain a safe distance. Some of these measures (for example, the latter mentioned) have been progressively and further strengthened with the progression of the pandemic and the relative communication of virus spread data provided by certified government media. We continued to sanitise the most frequently used premises within the company throughout 2021, according to the shifts indicated by individual Plant managers.

Lastly, rapid swabs were available at each plant's infirmary for any employees who requested them following contact with family members who were positive for covid-19.



# 227.265 lt

Litres of the disinfectant gel used in all AFV Beltrame Group locations in 2021

# 584.200

Masks distributed in all AFV Beltrame Group locations in 2021 5.11 The health and safety of employees.

A health facility with a nursing service is available in all main facilities in the Group. These facilities are qualified to provide immediate care and medications in a minor accident or illness.







Activities relating to the protection of health and safety at work are among the main assets of the Group. Training interventions, worker information and training, plant and work environment evolution and constant improvement of the company's Health and Safety Management system are fundamental to achieving its maximum optimization and commitment. Activities on the protection of health and safety at work continued throughout 2021. All Group sites are equipped with a Health and Safety management system implemented and certified in compliance with the international reference standard.

The application of systems in line with ISO 45001 standards favoured analysis and organisation in the various operating contexts and the needs and expectations of the interested parties as "preparatory" requirements for the correct setting of the entire SGSS (health and safety management system). The rule is clear in outlining the purpose of these new activities, whose essential objective is to understand the most critical issues of the context that can influence, positively or negatively (risks/opportunities), how the company faces its responsibilities in terms of health and safety. For this purpose, the context analysis aims to provide the organisation with a set of knowledge that it must use, both at a strategic and operational level, to guide its efforts to implement and continuously improve the SGSS. Like the context, the points related to leadership and consultation and participation of workers are also vital aspects of ISO 45001, which are reflected in the participatory management for safety in place in the Group.



# Accident phenomenon and occupational p. disease

As regards accidents, we note that the accident phenomenon in the Group has recorded a progressive improvement over the last few years. Still, in 2021 it went against the trend, with an increase in the frequency index (LTIFR), a parameter that includes all accidents resulting from an absence from the workplace for at least one day.

- In 2021, 97 injuries were recorded with consequent loss of working days (LTI) and 66 injuries that did not involve loss of working days (MI). The frequency index at the Group level, calculated on the basis of LTI injuries, is equal to 24.7.
- The analysis of the causes of accidents (LTI) showed that the leading causes are attributable to:
  unsafe behaviour or actions for 69% of cases;
  technical causes or dangerous situations in 18% of cases;
- organizational deficiencies in 13% of cases;
- The main types of accidents in 2021 are related to collisions and crushing (about 37%) and trips and slips (about 18% of cases), often in situations unrelated to process operations.
- e, All the events were also analysed and discussed with the
- on injured person upon returning to work to identify the causes, implement remedial actions, and increase sensitivity to a safe approach to the various work phases.
- In 2021 there were no cases in which the Group definitively declared liability concerning occupational diseases or causes of mobbing.

#### **Main interventions**

The Group launched an action plan in 2021 to reduce the accident phenomenon, which has shown a growing trend in the last period, which the Group intends to counter.

The plan was called SHARP, indicating a series of actions aimed at reducing injuries (Safety and Health Actions for injury Reduction Plan) and implying the need for drastic and immediate action.

This action plan introduces or consolidates some golden rules aimed at a substantial reduction of accidents in the Group's plants and aims to raise awareness and strengthen awareness of safety at all levels.

The steps put in place in 2021 were the following:

1. focus on safety or short training breaks at the beginning or during the work shift (socalled "safety pills") by the shift managers, dealing with specific topics or contingent issues related to the safe approach of Department;

2. safety meetings in the production departments, involving EHS with shift managers and department managers, for a periodic examination of the accidents that have occurred and their causes, of near-misses, of reports received on dangerous situations or behaviours;

3. accurate and timely analysis of accidents and near-misses with the functions concerned, identifying the root causes of the event using specific methodologies (RCA). Approach to each cause identified with radical and targeted action without neglecting any element that may have contributed to the event;

4. dissemination of press releases and information brochures on incidents or accidents, sharing causes and possible everyday actions between the Group's sites (Serious Event Review);

5. planning of periodic interactive visits to the production departments by managers, with EHS representatives to make it clear that the priority on safety belongs to all hierarchical levels and organizational functions (Visible felt leadership);

6. resuming and strengthening behavioural audits (SWAT), according to the Group's standard, through an observational approach and the direct involvement of the operators;

7. evaluation and collecting the reports that arrive from the workers with plans for a resolution and feedback;

8. dissemination of safety slogans by installing panels containing safety messages in the work areas;

9. periodic work procedures review concerning technical-organizational changes and correct application in the field;

10. definition of a medium-term training program on behavioural safety and awareness according to international standards.



#### Safety first

#### **EHS Roadmap of the Group**

In 2021, the "EHS Roadmap for Excellence" program continued in all Group plants with the following main activities:

implementation of the Group standards on EHS, eleven standards defined, applied and monitored:
1. H&S Reporting and Investigation and Environmental reporting (management of reports relating to accidents and accidents and information relating to monitoring environmental parameters);
2. Mobile Equipment (mobile vehicles and risk of pedestrian/vehicle interference); Work at Height;
3. Housekeeping and 5s implementation (order/ organization and cleaning in the workplace);

4. Contractor Safety Management (safe management of contractors);

5. EHS Audit - EHS Scorecard (audit between the various companies);

6. Energy Isolation and LO.TO.TO. (Isolation of energy sources before maintenance operations);

7. Liquid steel (risk management related to liquid

steel and slag in all phases of handling and transport); SWAT program (behavioural audit); 8. JSA - Job safety analysis for risk assessment of non-routine operations.

9. Definition of a specific improvement plan for each site (EHS Road map);

10. Monthly meetings of the EHS Committee in all companies;

11. Monthly calls for coordination and sharing between the companies.

The Group also launched a benchmarking program on the leading personal protective equipment (PPE) used, particularly regarding safety shoes, helmets, and protective goggles, to standardize and optimize the devices and reduce residual risks. of work activities.

The Group also analysed work clothing to standardize its technical characteristics and unify the supply and washing service of the garments. The conclusion of this path is expected by 2022.



#### Investments in health and safety

The primary investment projects for environmental management, health and safety in 2021 concerned:

- Improvement of plant and machine tool safety (MASAI Project Machine Safety Improvement);
- Replacement of overhead cranes for semi-products and finished products;
- Preparation of a new product storage area chemists in Gerlafingen;
- Installation of new fire detection systems near hydraulic power units;
- Installation of automated production support systems for risk reduction;
- Subdivision and segregation of pedestrian paths near plants;
- Optimization of safety devices for billet heating furnaces;
- Improvement of radio communication devices;
- Updating the operating machinery fleet;
- Installation of new radioactivity measurement systems in Trith Saint Legér and San Giovanni Valdarno.

#### **EHS Cross Audits**

Despite the restrictions on travel and interpersonal exchanges due to the pandemic emergency, we maintained a constant exchange of information and checks. The Group conducted comparisons between Group plants carried out on a virtual platform on the aspects of legislative compliance and operational management aimed at sharing best practices and identifying ideas for improvement.

The Group organized remote meetings monthly with all the Group's EHS managers, often in shared form between plants, for a continuous discussion on various aspects of the Health, Safety, and Environmental Management System regarding the state of the application and the implementation activities in progress in the Group's plants:

- EHS Management System
- Occupational Health and Safety
- Accident / Injury and Near-Miss Reporting
- Pollution prevention and control



- Suppliers, Contractors and Visitors
- Working at heigh elevations
- Internal logistics and circulation plan
- Isolation of energy sources (LOTOTO)
- Machine Safety
- Order, cleanliness and organization of the workplace
- Management of temporary workers
- $\boldsymbol{\cdot}$  Lifting of loads (use of overhead cranes and lifting
- accessories)
- Use of Forklifts
- Emergency management
- Safety of isolated workers
- Confined spaces
- $\boldsymbol{\cdot}$  Risks associated with the presence of liquid steel/incandescent slag
- Legionnaires' disease prevention
- Health surveillance
- $\boldsymbol{\cdot}$  Waste collection and separation.



#### **Event investigation**

The Group records and analyses both the events that led to an injury and the accidents without consequences for the workers, using a methodology that makes it possible to identify the root cause analysis (RCA - root cause analysis).

Identifying the causes of events, both direct and indirect, is a fundamental tool for the definition and implementation of adequate improvement plans to prevent the recurrence of such events.

Reports received from the departments are analysed and managed according to their priority, giving feedback on the actions taken, and this is very important to the Group.

#### SWAT (Safety Walk and Talk)

Interactive safety visits (SWAT) are based on observing unsafe acts and conditions and on the action required to correct them.

The SWAT program allows us to reinforce key safety behaviours, promote the development of a preventive culture in our organization, and encourage all participants to aim for accident-free work.

All the workers of the Group's plants are involved in exchanging information also on EHS issues, updating results and programs, and disseminating a culture on EHS matters embedded into daily actions. EHS communication is implemented through various communication channels, such as monitors, bulletin boards, intranets, LinkedIn.

#### Awareness campaigns

In addition, one has begun in the Group's factories awareness campaign using images and signs displayed in areas with more significant traffic to the production departments. The messages were addressed to the inherent concepts:

Five basic rules underlying the prevention program routine for all of our sites.

- These rules are:
- 1. Use of PPE (personal protective equipment);
- 2. Respect procedures and safety instructions;

3. Reporting of near misses, dangerous behaviours and conditions;

4. Safety of machines and systems before maintenance, zero energy status (LOTOTO: lockout/ tagout/tryout);

5. Compliance with prohibitions (smoking ban, alcohol and drug regulations, restrictions and correct use of mobile phones);

6. Invitation to reflect before acting (STOP rule).

#### Safety leadership

AFV Beltrame Group proposes leadership for safety in their managers and supervisors who are called to implement concrete actions to improve the safety conditions of the persons under their responsibility. At each site, there is a committee to guide activities and programs in health and safety. A "Safety awareness" workshop was remotely organised to consolidate our approach to security in December 2021, which involved all Group functions and local contacts, in which guidelines and actions were discussed and shared to increase awareness and culture of safety.



#### The 5 basic rules of safety





#### 6.1 Territory and Community



AFV Beltrame Group has always acknowledged the fundamental principle that business activities cannot disregard interaction with its territory and communities. It has always played a closely linked role in social, educational, and cultural aspects. This approach has led to the construction of a stakeholder network in all the Group's countries. A careful dialogue and exchange of opinions take place to achieve the objectives.

#### Support for local sport

The Group favours and sponsors some sports associations, from runners to cyclists, which help team building, sharing, and well-being.

In Italy, the company sponsors two amateur clubs: A.S.D. AFV Beltrame runners and the AFV Acciaierie Beltrame 1986 Cycling Society.

Despite COVID 19, our "Blacks" runners did not spare participating in most of the organised races held in compliance with regulations mandated for such an exceptional period. Therefore, we only report the main events below.

In March 2021, in Brugnera, in the province of Pordenone, the Brugnera and Alto Livenza Marathon took place. Four "Blacks" athletes repeated the 7-kilometre circuit three times, and three runners reached the podium.

The "Ultrabericus" followed in May.

In mid-June, our team participated in the traditional "Juliet and Romeo Half Marathon" in Verona, where A.S.D. AFV Beltrame won a category podium. Also, in June, the "Blacks" attended the 10 km Strabacino, a competitive event for charity held in Villaverla (VI).

At the beginning of July, the team was in Fara di Primiero for the "First Dolomites Marathon" and at the "Corsa del Trenino": about twenty kilometres of ups and downs that start in Asiago in a suggestive alpine setting that put even the most experienced runners to the test. Also, on this occasion, A.S.D. AFV Beltrame won a category podium.

There was no shortage of "Blacks" in September at the "Venice Night Trail", a night race through the streets of Venice. And again, on the 24th of September, the team split up for two simultaneous races: "La Mezza del Brenta" in Bassano and the "Padova 10 km" race. The "Trenta Trentina" saw a category podium at the end of the summer.

In autumn, the "StrArzignano 10 km," the "Mezza di Treviso", the "Venice Marathon", and finally the "Mezza dei 6 comuni," a half marathon through six municipalities on the Asiago mountain plane ended up with two category podiums.

In a Christmas atmosphere, the "Maratonina Città Murata" took place in Cittadella (PD) which always attracts numerous participants, not only from Veneto. Among the "Blacks", there has been a shower of "Personal Best" and a category podium. But our athletes also have participated in some races beyond national borders: "The Valencia Marathon", "The Lisbon" half-marathon, and the "Nice" Marathon. In 202, the "Run Project" was also noteworthy. This event was a format supported by AFV Beltrame Group and dedicated to running enthusiasts and the new generation of runners, with a complete program of structured sports activities, group training and training evenings. The foreign countries of the Group also have sports at heart. They are committed to financing sports clubs or promoting local city teams in which employees compete.

This year in France, for example, Laminés Marchands Européens also supported the baseball team of Valenciennes, called "Les Vipères" founded in 1989 and the handball club "Red Swans". These are local sports clubs which can support themselves, hire athletes, get promoted, attract new athletes, and promote sports thanks to the financial donations they've received. In Switzerland, Stahl Gerlafingen AG supports the local football team, while the Romanian Donalam Srl supports the mini basketball Clubul Sportiv "Temerarii" Calarasi.



















#### **6.2 Donations in favour of the territory**

In 2021, AFV Beltrame Group continued its charitable endeavours, financing generous projects in favour of local non-profit organizations and associations with the aim of social solidarity, especially in the cultural and health sectors, in favour of children.

Last year, the company supported:

#### ASD Delfini 2001:

The company is not for profit and exclusively pursues the goal of enhancing and assisting disabled people, who, through sport and integration with non-disabled people working within the organization, receive adequate psychophysical support. The company carries out educational and rehabilitative activities for children and young people who have motor, psychic and psychic problems caused by congenital or acquired disabilities and proposes competitive and recreational sports activities, purely for amateur intents, through the participation and promotion of tournaments, events, competitions, wheelchair basketball competitions and other sports for the disabled, in particular, those provided for by the Italian Paralympic Committee, in the province of Vicenza in the Veneto region, in Italy and abroad, covering all age groups (children, teenagers, young people, adults, seniors).

#### **Vicenza for Children:**

The association was born from the united forces of many families and many volunteers who offer time, commitment, enthusiasm and experience to stand alongside sick children and support their families. The activity mainly concerns the San Bortolo Hospital in Vicenza and the San Bassiano Hospital in Bassano del Grappa. Vicenza for Children is a voluntary association that collaborates with the General Management of UISS 8 Berica and operates in the Paediatric ward, the Oncoematological Day Hospital and the Tin (Neonatal Intensive Care). In synergy with health personnel, the association offers children, and their families support, mainly emotional and affective. It also supports families in difficulty, even economically, and helps to guarantee children an additional service through greater comfort given by the purchase of specific medicines and electromedical instruments for the Vicentine hospitals of reference. In addition, as part of projects agreed with hospitals, it strives to carry out renovations of hospital spaces to make the environments more functional and welcoming, continually improving services for children.



#### **Meyer Paediatric Foundation:**

point for national paediatrics for research, methodologies, innovative care and childcare. The Florentine hospital represents health excellence fic point of view and make it increasingly many hospitality projects aimed at children that allow them to play in a comfortable environment full of colours and curiosities, experience the many the playfulness of clowns and experience "pet therapy."

#### Città della Speranza Foundation:

The Città della Speranza Foundation was founded in 1994 thanks to the commitment of Franco institutions to improve the conditions of young Oncoematological patients concretely. Over time, many people joined his solidarity project, making Città della Speranza grow and achieve incredible results

Città della Speranza Foundation is now a national funding research, the formulation of early diagnoses, the identification of therapies and innovative care for children. It welcomes the support of a dense network of volunteers whose support has helped save many lives over the

#### Veneto Eye Bank Foundation:

The Banca degli Occhi del Veneto Onlus Foundation has been working for 30 years to restore the joy of seeing through transplanta-



To support the communities in which it operates, **AFV Beltrame Group supports** projects that promote shared value to create a place where the interests of individual actors are positioned and intertwined.

It was born from the idea of professor Giovanni Rama - ophthalmologist surgeon - and the entrepreneur/Knight of Labour Dr Piergiorgio Coin, founded by the Veneto Region and started operating in 1989. It is a non-profit organization and a non-profit organization of social utility (ONLUS), and now a regional reference centre for corneal transplants in Veneto and Friuli Venezia Giulia cooperates to collect ocular First Bank in Europe for the number of corneas collected and distributed, thanks to the great sensitivity of many families and the tireless work of many operators, every year assembles over 4000 eye tissues for transplantation and works to promote the culture of corneas donation, collection, processing and distribution of ment of pathologies of the anterior segment of the eye. It is also constantly engaged in research to improve transplantation techniques and the treatment of other eye diseases. It is among ses that with cornea transplant alone. It is also constantly engaged in research to improve transplantation techniques and the treatment of other eye diseases. It is among the first centres globally capable of distributing flaps of corneal stem cells reconstructed in vistered in the list of Tissue Banks certified by

following the "Guidelines for the collection, processing and distribution of tissues for tran-European member accredited by the Association of American EyeBanks. In 2005, he received the Gold Medal of Merit for Public Health.

CSR can be intertwined at every company level and aspect. First of all, it is a value we include in our corporate culture. Secondly, we render each commitment a reality to communities and the territory through projects and initiatives aimed at mutual growth and development.

#### **Art4sport Association:**

Art4sport is an association that helps children and young people with prostheses to achieve their sporting dream.

The members of the art4sport team are children with disabilities and limb prostheses who have asked their parents to be able to join the association's projects to start a sports journey or to resume practising the sport they did before their disability.

It does not matter which sport they choose or the "competitive" level they reach, the important thing is that they can have fun again with other kids and if sporting successes also arrive ... so much the better! Sport is essential for children and young people with prostheses. It gives them great motivation and satisfaction, is extremely aggregating, keeps the body fit and allows them to acquire greater awareness of their body. These children often need sports prostheses and much specific equipment and aids (wheelchairs, lifts, overalls, etc.) to practice sports. But prostheses and sports equipment are costly aids and are not subsidized by the National Health System. They must be studied and designed from time to time according to the type of amputation of each child and the sport he wishes to practice.

If we also consider the need to change them or replace them often to follow the child's natural growth, the high cost that families have to face is evident, which is therefore covered thanks to funds from art4sport. Another problem is the lack of adequate local sports facilities and the difficulties for individual sports clubs in procuring the equipment suitable for a disabled person to practice sports.

For this reason, the Association follows projects dedicated to the adaptation of sports facilities where necessary.

#### **Piemontese Foundation for Cancer Research:**

The Foundation was established to contribute significantly to the defeat of cancer by creating an oncology centre in Piedmont that knows how to combine scientific research with clinical practice and makes the best human and technological resources available today available to cancer patients.

Today this centre exists and operates: it is the Candiolo Institute. To fulfil its mission, the Foundation undertakes to complete the construction of the same and equip it with the best technologies available.



It also directly manages oncology research activities and promotes related study projects, which, in connection with the activities carried out in the national and international field, lead to an expansion of the scientific community's knowledge and the improvement of the quality of life of those affected. The Foundation is responsible for finding the economic resources necessary to realise its goals directly through structured fundraising activities and organises all the required initiatives and events to achieve this goal.

#### Società del Quartetto:

The Quartetto Company di Vicenza is a non-profit association that has organized and promoted seasons of concerts, festivals, and individual concerts for over a century. It is also committed to spreading the knowledge of music in kindergartens and primary schools. AFV Beltrame Group supports the "Encounters on the Fifth Floor" project promoted by the Association in collaboration with the S. Bortolo Hospital in Vicenza.

The "Encounters on the fifth floor" are very informal live performances. The music is brought to an extraordinary place on tiptoe, the Oncology ward, offering patients, their families, and medical and paramedical staff moments of serenity and hope through musical notes.

#### University of Padua Engineering Department:

Donation of a metallographic optical microscope for didactic purposes.

Social solidarity is also active in the Group's foreign offices.

In October 2021, a month usually dedicated to disease prevention affecting women, the French branch of AFV Beltrame Group supported the **"Ruban** 

**Rose**" association, responsible for funding research and raising awareness of the early diagnosis of breast cancer.

In addition, to combat discrimination and help young people integrate into professional life, LME has partnered with the **APEI** - an association that welcomes adults with intellectual disabilities or who suffer from an alteration of adaptive behaviour through practical and enriching actions. The company offers these people the possibility of job placement and the tools to do so. The people hired feel gratified and valuable in carrying out a job in line with their skills.

The Romanian branch of the Group supported the local Red Cross project as part of the "Good Deeds Auction" event. It aims to reduce school dropouts and provide a hot meal to poor children in the Valea Jiului area, where the badger unemployment and dropout rates are highest in South-Eastern Europe. "The Good Deeds Auction" was the first event in Romania dedicated to the charity that brought together six charitable foundations to improve the social, educational and, last but not least, emotional situation of a large number of marginalized children and young people. Other social solidarity activities of Donalam in Romania involved the donation of medical equipment and supplies to the Calarasi hospital, sponsorship to equip laboratories in local high schools, and technical tools for the University.

And yet again, the sponsorship of the exhibition: "Italian Excellences", an international collection of illustrations for children and the donation to the **Inspectorate for Emergency Situations "Barbu Ştirbei**" of Calarasi to which the Group donated high-quality personal protective equipment and performance and accident prevention material necessary to carry out the interventions of the fire brigade.



# Sustainability performance



#### 7.1 Sustainability performance



#### **ENVIRONMENTAL SUSTAINABILITY**

Ensuring natural resource availability and quality

GRI 300	N. KPI	References
301-1	1	Materials used
302-1	5	Energy consumption
303-1	3	Water management
303-2	1	Management of impacts related to water discharge
303-3	2	Water withdrawal
305-1	5	Direct emissions of GHG
305-2	6	Indirect GHG emissions
305-7	2	Significant Emissions
306-1	1	Waste management
306-2	2	Waste-related impacts
306-3	2	Waste generated
306-4	4	Recovered diverted from disposal
306-5	4	Waste directed to disposal
307-1	1	Non-compliance with environmental laws
308-1	1	Supplier evaluation
N indicators	40	



Ensuring quality of life, safety and services for citizens

RI 400	N. KPI	References
.01-1	2	Hiring and turnover
01-2	1	Benefits
02-1	1	Minimum notice periods
03-1	2	Occupational health and safety management system
03-2	4	Hazards, risk assessment, and incident investigation
03-3	1	Occupational health services
03-4	2	Participation consultation
03-5	1	Training on occupational health and safety
03-6	2	Promotion of worker health
03-7	1	Prevention of occupational health
03-9	4	Work-related injuries
04-1	1	Training
05-1	2	Diversity
06-1	1	Non-Discrimination
07-1	1	Freedom of association
12-1	1	Human rights
13-1	1	Local communities
19-1	1	Non-compliance with laws and regulations
I. indicators	29	



#### **ECONOMIC SUSTAINABILITY:**

Ensuring economic efficiency and income for the enterprise

#### GRI 200 N. KPI References 201-1 Economic Value 1 0 Dislos of a second is a initial set

N. indicators	4	
206-1	1	Anti-competitive behavior
203-3	2	Risks of corruption incluents

The following are the critical indicators considered essential for the assessment of sustainability performance. All reported data refer to the Beltrame Group boundaries, including the companies AFV Acciaierie Beltrame Spa (site in Vicenza, San Didero and San Giovanni Valdarno), Laminés Marchands Européens SA, Donalam Srl and Stahl Gerlafingen AG.

The Group developed seventy-three indicators for the three years from 2019 to 2021.

In particular, we selected the following:

- 4 economic sustainability indicators;

- 40 environmental sustainability indicators;

- 29 social sustainability indicators.

These indicators are extracted from the many data sets collected and analysed for business management. The collected data are periodically updated, reviewed and reexamined in the context of the specific meetings held at the different sites of the Beltrame Group.

Concerning the Group's financial performance, please refer to the Consolidated Financial Statements available on the website: www.gruppobeltrame.com.

#### **Boundary of material issues**

The following table shows the Group's issues defined as material for the Group. The "Where the impacts occurred" column shows the subject that can generate an impact for each problem, both internally and externally to the Group. In addition, the "Type of impact" column indicates the role of the Group concerning the impact generated for each material issue, i.e. whether the organization directly causes the effect, contributes to its generation or is directly connected to the result through a business relationship.

Material themes identified by AFV Beltrame	GRI Standard Topic	Perimeter of imp	pacts
Group		Where they have occured	Туре
Environmental impact of production/product	301 - Materials 303 - Water and Effluents (2018) 305 - Emissions 306 - Waste (2020) 307 - Environmental Compliance	AFV Beltrame Group	Created by AFV Beltrame Group
Energetic efficency	302 - Energy	AFV Beltrame Group, Suppliers of products, services and energy carriers	Created by AFV Beltrame Group
Health, safety and welfare	401 - Employment 403 - Occupational Health and Safety (2018) 405 - Diversity and Equal Opportunity	AFV Beltrame Group	Created by AFV Beltrame Group
Economic performance and value creation	201 - Economic performance	AFV Beltrame Group	Created by AFV Beltrame Group
Product quality and safety and customer service	Na	AFV Beltrame Group, Clients	Created by AFV Beltrame Group
Circular economy	Na	AFV Beltrame Group	Created by AFV Beltrame Group
Training and development of human resources	404 - Training and Education	AFV Beltrame Group	Created by AFV Beltrame Group
Ethical and transparent management	205 - Anti-corruption 206 - Anti-competitive Behavior 307 - Environmental Compliance 419 - Socioeconomic Compliance	AFV Beltrame Group	Created by AFV Beltrame Group
Procurement/Supply Chain	308 - Supplier environmental assessment	AFV Beltrame Group, Supply chain	Created by AFV Beltrame Group
Digital and technological innovation	Na	AFV Beltrame Group	Created by AFV Beltrame Group
Human rights of workers	402 - Labor/management relations 406 - Non-discrimination 407 -Freedom of association and collective barganing 412 - Human rights assessment	AFV Beltrame Group	Created by AFV Beltrame Group
Non material themes but still dealt with by AFV Beltrame Group	GRI Standard Topic	Perimeter of imp	Dacts
Employment support	401 - Employment	AFV Beltrame Group	Created by AFV Beltrame Group
Territory preservation	307 - Environmental Compliance	AFV Beltrame Group	Created by AFV Beltrame Group
Engagement with the local communities	413 - Local communities	AFV Beltrame Group	Created by AFV Beltrame Group
Inclusive, cultural and economic development	201 - Economic Performance	AFV Beltrame Group	Created by AFV Beltrame Group

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#### Improvement goals



The activities described in the previous chapters frame in detail the involvement of the Group in the development of concrete actions in favor of sustainability and show the pursuit of a continuous improvement in performance in ESG issues. To this end, a path has been undertaken that will lead in 2022 to the consolidation of the indicators representative of sustainable management, integrated into the traditional company performance parameters and which will allow the relative targets to be defined. The sustainability improvement objectives have been divided into five pillars, subject to a trend assessment starting from the year 2020, to which the related indicators and future objectives are associated. The areas of interest and related indicators are as follows:

Scope	Indicator
Reducing energy consumption of steel mills	kWh / ton semi-product (billets)
Reducing energy consumption of rolling mills	kWh / ton finished product
Reduction in natural gas consumption of steel mills	Sm3 / ton semi-product (billets)
Reduction in natural gas consumption of rolling mills	Sm3 / ton finished product
Increase in the share of renewable energy used	RES percentage of energy supply
Reduction of Scope 1 carbon dioxide emissions from steel mills	Ton CO2 / ton semi-product (billets)
Reduction of carbon dioxide emissions from Scope 1 rolling mills	Ton CO2 / ton finished product
Reduction of Scope 2 carbon dioxide emissions from steel mills	Ton CO2 / ton semi-product (billets)
Reduction of Scope 2 carbon dioxide emissions from rolling mills	Ton CO2 / ton finished product
Optimisation of water use processes and reduction in water consumption	m3 H20 / ton finished product
Valorisation and recovery of waste produced	Percentage of waste delivered for recovery operations (including internal recycling)
Reduction in accident rates	Injury frequency index with lost days (LTIFR)
	Injury and medication frequency index (TIFR)

Each Group site is committed to identifying the actions to be implemented to pursue the strategic objectives that will be defined by the Steering Committee and approved by the Board of Directors within the first half of 2022. In order to optimize the operational activities that will be proposed in the improvement project, an organization has been defined in which the Sustainability function will be supported by a structure that will coordinate the Group's decarbonization plan, which is currently being developed.

#### 7.2 GRI content index

The table shows the indicators selected for this sustainability report and the correspondence with what is reported by the Global Reporting Initiative (GRI) where relevant.

The contents of this document have been prepared in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards of 2016, with the exception of the specific Standards: GRI 303 (Water and effluents) and GRI 403 (Occupa-tional Health & Safety) published in 2018; GRI 306 (Waste) published in 2020. The Report was prepared in accordance with the GRI Standards: according to the "in accordance - Core" option

GRI standard	Disclosure	KPI description	Document section	Page			
General disclosure							
	Organizationa	al profile					
	102-1	Name of the Organization	Methodological note	10			
	102-2	Activities, brands, products and services	History and Evolution	14-15			
	102-3	Location of headquarters	Methodological note	10			
	102-4	Location of operations	AFV Beltrame Group structure	19			
	102-5	Ownership and legal form	Methodological note	10			
	102-6	Markets served	AFV Beltrame Group structure	19			
	102-7	Scale of the Organization	Creation of value for Stakeholder Sustainability performance	20-21 132			
	102-8	Information on employees and other workers	Sustainability performance	132			
	102-9	Supply chain	Sustainable supply chain management and procurement policy	42-43			
	102-10	Significant changes to the organization and its supply chain	AFV Beltrame Group structure	19			
	102-11	Precautionary Principle or approach	Ethics, business integrity and compliance Anticorruption Policy	22-23 24-25			
GRI 102: Generale	102-12	External initiatives	UN Sustainable Developement Goals Equal opportunities and respect for human rights	32-33 97			
disclosure	102-13	Membership of associations	Creating stakeholder engagement	36-39			
	Startegy						
	102-14	Statement from senior decision-maker	Letter to our Stakeholder	6-7			
	Ethics and int	egrity					
	102-16	Values, principles, standards and norms of behavior	Mission, Vision and Value Ethics, business integrity and compliance	16-17 22-23			
	Governance						
	102-18	Governance structure	Corporate Bodies	18			
	Stakeholder e	Stakeholder engagement					
	102-40	List of stakeholder groups	Identification and dialogue with stakeholders	34-35			
	102-41	Collective bargaining agreements	Sustainability performance	132			
	102-42	Identifying and selecting stakeholders					
	102-43	Identifying and dialogue with stakeholders	Identification and dialogue with stakeholders	34-39			
	102-44	Key topics and concerns raised					

tandard	Disclosure	KPI description	Document section	Page
	Reporting pract	lice		
	102-45	Entities included in the consolidated financial statements	Mathedalagiaal pata	10 11
	102-46	Defining report content and topic Boundaries	wethodological note	10-11
	102-47	List of material topics	Materiality analysis Sustainability performance	30-31 121
	102-48	Restatements of information		
02:	102-49	Changes in reporting		
rale osure	102-50	Reporting period		
	102-51	Date of most recent report	Methodological note	10-11
	102-52	Reporting cycle		
	102-53	Contact point for questions regarding the report		
	102-54	Claims of reporting in accordance with the GRI Standards		
	102-55	GRI content index	GRI Content Index	124-130
	102-56	External assurance	Report by a third-party assurance	140-142
tandard	Disclosure	KPI description	Document section	Page
00: Economic				
omic performance				
03:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
gement bach	103-2	The management approach and its components	Creation of value for Stakeholder	20-21
	103-3	Evaluation of the management approach		20-2 I
01: omic rmance	201-1	Direct economic value generated and distributed	Creation of value for Stakeholder Sustainability performance	20-21 131
corruption				
03:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
gement ach	103-2	The management approach and its components		24.05
	103-3	Evaluation of the management approach	Anticorruption Policy	24-25
05: orruption	205-3	Confirmed incidents of corruption and actions taken	Anticorruption Policy	24
competitive behavio	r			
03:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
gement ach	103-2	The management approach and its components	Anticorruption Policy	24-25
	103-3	Evaluation of the management approach		∠ <del>+</del> -∠J
)6: ompetitive	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Anticorruption Policy	24

GRI standard	Disclosure	KPI description	Document section	Page
	Reporting pra	octice		
	102-45	Entities included in the consolidated financial statements		
	102-46	Defining report content and topic Boundaries	– Methodological note	10-11
	102-47	List of material topics	Materiality analysis Sustainability performance	30-31 121
	102-48	Restatements of information		
GRI 102:	102-49	Changes in reporting		
Generale disclosure	102-50	Reporting period		
	102-51	Date of most recent report	Methodological note	10-11
	102-52	Reporting cycle		
	102-53	Contact point for questions regarding the report		
	102-54	Claims of reporting in accordance with the GRI Standards		
	102-55	GRI content index	GRI Content Index	124-130
	102-56	External assurance	Report by a third-party assurance	140-142
GRI standard	Disclosure	KPI description	Document section	Page
GRI 200: Economic				
Economic performan	ce			
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Orestion of value for Otolichalder	00.01
	103-3	Evaluation of the management approach	Creation of value for Stakeholder	20-21
GRI 201: Economic	201-1	Direct economic value generated and	Creation of value for Stakeholder	20-21
		distributed		131
Anti-corruption				
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components		
	103-3	Evaluation of the management approach	Anticorruption Policy	24-25
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Anticorruption Policy	24
Anti-competitive beh	avior			
CDI 102-	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management	103-2	The management approach and its		
approach	103-3	Evaluation of the management approach	Anticorruption Policy	24-25
GRI 206:				
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Anticorruption Policy	24

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GRI standard	Disclosure	KPI description	Document section	Page
GRI 300: Environmental				
Materials				
CDI 100.	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management	103-2	The management approach and its components	Beltrame's commitment to responsible	54-55
approach	103-3	Evaluation of the management approach	Raw and auxiliary materials and waste	70-71
GRI 301: Materials	301-1	Materials used by weight or volume	Sustainability performance	136
Energy				
	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
GRI 103: Management approach	103-2	The management approach and its components	Energy consumption Air emissions management Policies and QHSE Management System	58-59 60 54-55
	103-3	Evaluation of the management approach	Energy consumption Air emissions management	58-59 60
GRI 302: Energy	302-1	Energy consumption within the organization	Sustainability performance	136
Water and Effluents				
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Water resource management	68-69
	103-3	Evaluation of the management approach	System	54-55
	303-1	Interactions with water as a shared resource	Weter recourse monogement	68-69
GRI 303: Water and Effluents	303-2	Management of water discharge-related impacts		00 07
	303-3	Water withdrawal	Sustainability performance	137
Emissions				
GRI 103	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Air emissions management	60
	103-3	Evaluation of the management approach	Greenhouse gas management	62
	305-1	Direct (Scope 1) GHG emissions	Greenhouse gas management	63-67
GRI 305: Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability performance	137
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Sustainability performance	137

GRI standard	Disclosure	KPI description	Document section	Page
Waste				
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components		
	103-3	Evaluation of the management approach	Raw and auxiliary materials and waste	70-71
	306-1	Waste generation and significant waste- related impacts		
	306-2	Management of significant waste-related impacts		
GRI 306: Waste	306-3	Waste generated	Sustainability performance	138
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
Environmental Compliance	е			
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Beltrame's Commitment to	
	103-3	Evaluation of the management approach	Responsible Environmental Management	54-55
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Beltrame's Commitment to Responsible Environmental Management	54-55
Supplier Environmental As	ssessment			
CPI 103-	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Sustainable supply chain management	
	103-3	Evaluation of the management approach	and procurement policy	42-43
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable supply chain management and procurement policy	42-43

GRI standard	Disclosure	KPI description	Document section	Page
GRI 400: Social				
Employment				
GRI 103.	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management	103-2	The management approach and its components	- Attention to human capital	84-85
	103-3	Evaluation of the management approach		0100
GRI 401 <sup>.</sup>	401-1	New employee hires and employee turnover	Sustainability performance	132
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	The trend in employment levels	86
001100	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	31 121
Management approach	103-2	The management approach and its components	Attention to human capital	84-85
	103-3	Evaluation of the management approach		
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Industrial relations	90
Occupational Health and S	Safety			
	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
GRI 103: Management	103-2	The management approach and its components	The health and safety of employees	102-107
approach	103-3	Evaluation of the management approach	Safety first	106-109
	403-1	Occupational health and safety management system	Policies and QHSE Management System	54-55
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services	The health and safety of employees	102-109
GRI 403: Occupational Health	403-4	Worker participation, consultation, and communication on occupational health and safety		
and Safety	403-5	Worker training on occupational health and safety	The Academy for training	88-89
	403-6	Promotion of worker health	The health and safety of employees	102-109
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety first	106-109
	403-9	Work-related injuries	Sustainability performance	133
Training and Education				
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	The Academy for training	88-89
	103-3	Evaluation of the management approach	Training & Cybersecurity	95
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Sustainability performance	134

GRI standard	Disclosure	KPI description	Document section	Page
Diversity and Equal Op	portunity			
CDI 102:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Equal opportunities and respect for human rights	97
	103-3	Evaluation of the management approach	The federal law on equality between women and men in Switzerland	87
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Corporate Bodies Sustainability performance	18 134
Non-discrimination				
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Equal opportunities and respect for	97
	103-3	Evaluation of the management approach	haman ngnto	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Equal opportunities and respect for human rights	97
Freedom of Associatio	on and Collective B	argaining		
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Equal opportunities and respect for	97
	103-3	Evaluation of the management approach	numannynts	
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Industrial relations	90
Human Rights Assessr	ment			
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Equal opportunities and respect for	97
	103-3	Evaluation of the management approach	numan ngnts	
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Equal opportunities and respect for human rights	97
Local Communities				
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	components	- Connection with territory	112-117
- *	103-3	Evaluation of the management approach	•	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Connection with territory	112-117
Socioeconomic Compl	iance			
GRI 103 <sup>.</sup>	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components	Ethics, business integrity and	22-23
	103-3	Evaluation of the management approach	compliance	
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Ethics, business integrity and compliance	22-23
Provide the second s				

GRI standard	Disclosure	KPI description	Document section	Page
Material issues unrelated	to specific discle	osures of the GRI Standards		
	Product quality	& safety and customer services		
	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
	103-2	The management approach and its components	Ouality and product safety	48-49
	103-3	Evaluation of the management approach	() p	
	Circular econor	ny		
GRI 103:	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
Management approach	103-2	The management approach and its components		
	103-3	Evaluation of the management approach	Circular economy	42-43
	Digital and tech	nological innovation		
	103-1	Explanation of the material topic and its Boundary	Materiality analysis Sustainability performance	30-31 121
	103-2	The management approach and its components	R&D and technological innovation	43
	103-3	Evaluation of the management approach	Continuous improvement	50-51

#### 7.3 Economic sustainability parameters

The economic value generated by the Group and consequently distributed to the stakeholders is represented by the scheme of the generated, retained, and distributed value reported below. This value is determined by the value generated in the reference period by the sale of services and products and by other income (financial income, other income, etc.) net of depreciation and write-downs, and the value redistributed, in various forms, to the Group's stakeholders. The Group calculated this value based on the items in the income statement used in the Group's consolidated financial statements at 31 December 2021.

EVG & D model items (€/1000)	2021
ECONOMIC VALUE GENERATED	1.901.263
Revenue	1.901.053
Financial income and charges	210
ECONOMIC VALUE DISTRIBUTED	1.702.831
Operating costs	1.474.505
Employee wages and benefits	149.006
Payments to providers of capitals	7.921
Dividends distributed to shareholders <sup>(a)</sup>	24.001
Payments to the Public Administration	47.217
Community investment	181
ECONOMIC VALUE RETAINED	198.432

#### NOTES:

- The values shown in the table are expressed in thousands of Euros.

- (a) The figure for "Dividends distributed to shareholders" was approved by the Shareholders' Meeting on 19 May 2022

#### 7.4 Social sustainability parameters

#### GRI 102-8 Information on employees and other workers

			2019			2020			2021	
Total of employees		Male		Total	Male		Total	Male		Total
Total number of employees	n°	1.881	155	2.036	1.945	159	2.104	2.076	182	2.258
Employees by type of contract and gender		Male		Total	Male		Total	Male		Total
Permanent (Perm.) Temporary (Temp.)	n° n°	1.855 26	150 5	2.005 31	1.933 13	154 4	2.087 17	2.033 43	175 7	2.208 50
Employees by contractual hours and gender		Male		Total	Male		Total	Male		Total
Full-time Part-Time	n° n°	1.860 21	128 27	1.988 48	1.923 23	131 27	2.054 50	2.049 27	154 28	2.203 55
Employees by type of contract and geographical area				Total			Total			Total
Italy	n°	751	24	775	802	5	807	828	11	839
Romania	n°	270	0	270	273	0	273	338	0	338
Switzerland	n°	492	0	492	527	2	529	552	0	552
France	n°	492	7	499	485	10	495	490	39	529
External employees		Male		Total	Male		Total	Male		Total
Interns	n°	0	0	0	0	0	0	1	0	1
Temporary workers	n°	69	5	74	50	4	54	57	3	60
Total	n°	69	5	74	50	4	54	58	3	61

#### GRI 102-41 Collective bargaining agreements: 99.91% of workers are covered by collective bargaining agreements in the various countries where AFV Beltrame Group operates GRI 402-1 Minimum notice period for operational changes: the minimum notice period is determined by the CCNL

Employees covered by a national collective agreement		Male		Total	Male		Total	Male		Total
Executive	n°	30	3	33	34	4	38	33	3	36
Manager and White collar	n°	366	132	498	363	137	500	390	152	542
Blue collar	n°	1.485	20	1.505	1.548	18	1.566	1.651	27	1.678
Total	n°	1.881	155	2.036	1.945	159	2.104	2.074	182	2.256

#### GRI 401-1 New employee hires and employee turnover

New hires during the reporting period, by age group and gender of the employee		<30			Total	<30			Total				Total
Male	n°	95	113	31	239	82	99	31	212	144	160	46	350
Female	n°	8	11	2	21	11	10	3	24	19	24	5	48
Total	n°	103	124	33	260	93	109	34	236	163	184	51	398
Male	%	40,1	10,7	5,3	12,7	32,0	9,2	5,1	10,9	49,8	14,1	7,1	16,9
Female	%	33,3	11,7	5,4	13,5	42,3	10,6	7,9	15,1	55,9	23,1	11,4	26,4
Total rate	%	39,5	10,8	5,3	12,8	33,0	9,3	5,3	11,2	50,5	14,8	7,3	17,6
Terminations of employment contracts during the reporting period, broken down by age group and gender of the employee		<30			Total	<30			Total				Total
Male	n°	52	95	63	210	28	55	64	147	55	100	66	221
Female	n°	4	7	5	16	6	11	4	21	8	9	6	23
Total	n°	56	102	68	226	34	66	68	168	63	109	72	244
Male	%	21,9	9,0	10,7	11,2	10,9	5,1	10,6	7,6	19,0	8,8	10,2	10,6
Female	%	16,7	7,4	13,5	10,3	23,1	11,7	10,5	13,2	23,5	8,7	13,6	12,6
Total rate	%	21,5	8,9	10,9	11,1	12,1	5,6	10,6	8,0	19,5	8,8	10,4	10,8
Total number of turnovers in the reporting period, by geographical area			s recruited	Employe the co	es who left ompany				ees who company				ees who company
Italy	n°	7	3	(	69	7	79	4	17	1(	05	7	3
Romania	n°	4	0	:	27	5	57	5	54	1:	29	6	4
Switzerland	n°	9	5		70	ç	90	5	53	9	7	7	4
France	n°	5	2		60	1	10	1	4	6	7	3	3
Total	n°	26	50	2	26	2	36	1	68	3	98	24	44

#### GRI 403-9 Work-related injuries <sup>(a)</sup>

Employees injuries
Fatal injuries
High-consequence injuries (excluding fatalities)
Total recordable injuries (LTI+MI)
Other workers injuries
Fatal injuries
High-consequence injuries (excluding fatalities)
Total recordable injuries (LTI+MI)
Main types of injuriy - Employees
Stumbles
Crushes
Cuts
Others
Main types of injuriy - Other workers
Stumbles
Crushes
Cuts
Others
Employees worked hours
Total
Safety indicators - Employees

Fatal injuries rate

High-consequence injuries rate (excluding fatalities) Total Recordable Injury Rate (LTI+MI) (TIFR)

#### NOTES:

(a)

INJURIES:

- Injuries to temporary employees are also included.

- Includes occupational injuries involving an absence from work of more than one day (LTI) and medication (MI).

- Injuries en route are only included when transport has been organised by the organisation.

- Injuries with serious consequences refer to injuries that have caused more than 180 days of absence.

OTHER WORKERS:

- Workers of the main contracting companies present at the Group's Italian and foreign sites.

ACCIDENT RATE

- (°) The rate is calculated as the ratio between the number of accidents and the total number of hours worked in the same period, multiplied by 1.000.000.

	2019	2020	2021
n°	0	0	0
n°	6	6	4
n°	132	94	163
n°	0	0	0
n°	0	0	0
n°	15	8	9
n°	31	20	29
n°	26	31	61
n°	9	10	14
n°	66	33	59
n°	5	2	3
n°	6	6	3
n°	0	0	1
n°	4	0	2
h	3.332.231	3.223.610	3.934.370
(°)	-	-	-
(°)	1,80	1,86	1,02
(°)	39,61	29,16	41,43

#### GRI 404-1 Average hours of training per year per employee

									2021	
Average per capita training hours		Male (per capita)	Female (per capita)	Total (per capita)	Male (per capita)	Female (per capita)	Total (per capita)	Male (per capita)	Female (per capita)	Total (per capita)
Executive	h	37	19	36	24	14	23	13	11	13
Manager and White collar	h	31	44	35	15	21	16	26	26	26
Blue collar	h	33	43	33	13	29	13	25	34	26
Total average	h	33	43	34	14	22	14	25	27	26

#### Parental leave

leave
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Total number of employees who took parental leave, by gender.

Total number of employees who took parental leave, by gender

Number of whom returned to work during the reporting period after parental leave

Number who were still on parental leave at the end of the reporting period

Total number of employees who returned to work after taking parental leave and rem employed by the organisation for 12 months after returning, by gender

#### GRI 404-1 Annual training hours per type

								21
Type of training								
Safety and Environment	h	%	19.624	35	18.952	57	30.556	52
Informatics	h	%	54	0	1.156	3	443	1
Languages	h	%	4.147	7	920	3	2.178	4
Industrial	h	%	22.705	40	3.502	10	11.036	20
Opex	h	%	417	1	0	0	301	1
Department-specific	h	%	4.854	9	4.278	13	2.895	5
Transversal skills	h	%	2.664	5	3.446	10	5.227	9
Other training courses	h	%	2.065	3	1.208	4	5.027	8
Total	h	%	56.530	100	33.462	100	57.663	100

#### GRI 405-1 Diversity in governing bodies and among employees

		2019				2020 2				21			
Employees by classification and gender		Male	Female	То	tal	Male	Female	Т	otal	Male	Female	То	tal
Executive	%	1,5	0,1	1	,6	1,6	0,2	1	,8	1,6	0,1	1	,7
Manager and White collar	%	18,0	6,5	24	4,5	17,3	6,5	2	3,8	17,3	6,7	2	4
Blue collar	%	72,9	1	73	3,9	73,6	0,9	7	4,4	73,1	1,2	74	4,3
Total	%	92,4	7,6	1	00	92,4	7,6	1	00	91,9	8,1	10	00
Employees by classification and age		<30		50>	Total	<30		50>	Total	<30		50>	Total
Executive	%	0,1	0,8	0,7	1,6	0	1	0,9	1,8	0	0,7	1	1,7
Manager and White collar	%	2,4	14,2	7,9	24,5	2,3	13,6	7,8	23,8	2,5	13,8	7,7	24
Blue collar	%	10,6	41,6	21,8	73,9	11,1	41,6	21,8	74,4	11,8	40,5	22,1	74,3
Total	%	13,1	56,5	30,4	100	13,4	56,1	30,5	100	14,3	55,0	30,7	100
Employees by gender and age		<30		50>	Total	<30		50>	Total	<30		50>	Total
Male	%	11,6	51,9	28,8	92,4	12,2	51,7	28,6	92,4	12,8	50,4	28,8	91,9
Female	%	1,2	4,6	1,8	7,6	1,2	4,5	1,9	7,6	1,5	4,6	1,9	8,1
Total	%	12,8	56,5	30,6	100	13,4	56,1	30,5	100	14,3	55	30,7	100

			2021	
		Male	Female	Total
	n°	768	77	845
	n°	2	8	10
	n°	1	2	3
	n°	1	6	7
mained	n°	2	3	5

#### 7.5 Environmental sustainability parameters

	_			
		2019	2020	2021
Division of Materials				
Raw materials (Scrap and Cast Iron)	t	2.225.280	2.189.869	2.548.203
Ferroalloys	t	29.257	28.421	34.076
Fluxes	t	117.683	115.916	140.806
Electrodes	t	2.541	2.484	2.946
Oxygen	1.000 m3	74.532	72.711	86.838
Subdivision Fluxes				
Lime	%	71,9%	72,4%	73,1%
Fluidifying agents	%	5,0%	4,6%	4,8%
Carbons	%	23,0%	23,0%	22,1%
Productions				
Semi-finished products and billets	t	2.005.866	1.960.059	2.279.102
Rolled profiles	t	2.019.554	1.897.891	2.145.756

#### GRI 303-3: Water withdrawal (c)

Produced water	Megaliters	0	0	0
Seawater	Megaliters	0	0	0
Groundwater	Megaliters	2.256	2.226	2.479
Surface water	Megaliters	2.337	2.244	2.312
Source refered to all areas				
		2019	2020	2021

#### GRI 302-1: Energy consumption within the organization (b)

		2019	2020	2021
Energy consumptions by type of fuel				
Natural Gas	GJ	3.445.297	3.378.285	3.845.018
Diesel	GJ	39.739	39.747	52.117
LPG	GJ	2.067	1.880	2.614
Gasoline	GJ	1.516	1.315	1.472
Electric energy purchased	GJ	4.210.420	4.130.424	4.659.325
Total	GJ	7.699.040	7.551.652	8.560.545
of which from renewable energy sources	GJ	9.921	1.323.821	1.309.350
of which from non-renewable energy sources	GJ	7.689.119	6.227.831	7.251.195

	2021
Specific energy consumption per tonne of steel produced (Rolled profiles)	
Natural Gas m3/t	50,8
Electric energy purchased kWh/t	603,2

#### NOTES:

- (a) The materials shown in Table 301-1 are non-renewable. Following the improvement of the data collection process, the data for electrodes and rolled profiles for the years 2019 and 2020 were also included.

- (b) The following conversion factors were used to calculate energy consumption in GJ:

Natural gas: equal to 35.281 GJ/1000sm3 (source ISPRA 2021);
Diesel: equal to 42.873 GJ/t (source ISPRA 2021);
LPG: equal to 45.858 GJ/t (source ISPRA 2021);
Petrol: equal to 43.128 GJ/t (source ISPRA 2021);
Electricity: constant equal to 0.0036 GJ/kWh.

Industry-specific water consumption per tonne of steel produced (R	olled	pro
Industrial water		

#### GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions <sup>(d)</sup>

		2019	2020	2021
Emissions				
NO <sub>x</sub>	Value kg	344.454	419.512	417.573
SO <sub>x</sub> <sup>(e)</sup>	Value kg	180.700	99.710	105.160
Particulate Matter (PM)	Value kg	16.773	10.787	15.006

#### Specific CO2 emissions per tonne of steel produced (Rolled profiles)

Direct CO2 emissions (Scope 1)<sup>(f)</sup>

Indirect CO2 emissions (Scope 2 - location-based)

#### NOTES:

- (c) With regard to water withdrawals in water-stressed areas, AFV Beltrame Group used the Aqueduct Tool developed by the World Resources Institute (WRI) to identify areas potentially at risk. According to this analysis, company sites and plants were not found to be located in water stress areas. The WRI tool is available online at: https://www.wri.org/our-work/project/aqueduct. For the analysis, the results in the "baseline water stress" column were taken into account. Water-stressed areas are defined as those with an Extremely High risk. All water sampled is fresh water (≤1,000 mg/l total dissolved solids).

- (d) More details on how emissions are calculated can be found in section 4.6 Greenhouse Gas Management.

- (e) Calculated as the sum of the values of the plants in Vicenza, Trith Saint Léger, Gerlafingen and Calarasi

- (f) The figure for 2021 also includes direct emissions from mobile combustion

	2021
les)	
m3/t	2,23

	2021
t CO2/t	0,15
t CO2e/t	0,09

#### GRI 306-3 Waste generated

		2019		2020		202	1
Total weight of waste generated							
Hazardous t S	%	38.167	7	38.757	8	48.392	9
Non-hazardous t s	%	527.071	93	455.366	92	464.381	91
Total t	%	565.238	100	494.123	100	512.772	100

#### GRI 306-4 Waste diverted from disposal <sup>(g) (h)</sup>

			201		202	20	202	1
Total weight of waste diverted from disposal								
Hazardous	t	%	36.127	10	37.274	10	41.900	11
Non-hazardous	t	%	323.682	90	352.717	90	350.521	89
Total	t	%	359.809	100	389.990	100	392.421	100
Waste diverted from disposal by recovery operation								
Hazardous	t	%	36.127	10	37.274	10	31.842	9
Preparation for reuse	t	%	5	0	2	0	0	0
Recycling	t	%	10.409	3	10.657	3	10.857	3
Other recovery operations	t	%	25.713	7	26.615	7	20.985	6
Non-hazardous	t	%	323.682	90	352.717	90	306.734	91
Preparation for reuse	t	%	4.036	1	16	0	2	0
Recycling	t	%	150.034	42	206.696	53	156.321	46
Other recovery operations	t	%	169.612	47	146.005	37	150.412	45
Total	t	%	359.809	100	389.990	100	338.576	100

#### GRI 306-5 Waste directed to disposal <sup>(g) (i)</sup>

			201	19	202	20	202	21
Total weight of waste directed to disposal								
Hazardous	t	%	2.022	1	1.417	4	4.506	11
Non-hazardous	t	%	132.829	99	30.227	96	34.737	89
Total	t	%	134.850	100	31.644	100	39.243	100
Waste directed to disposal by disposal operation								
Hazardous	t	%	2.022	2	1.417	4	4.506	11
Incineration (with energy recovery)	t	%	89	0	62	0	537	1
Incineration (without energy recovery)	t	%	145	1	109	0	81	0
Landfilling	t	%	1.783	1	1.236	4	2.452	6
Other recovery operations	t	%	5	0	10	0	1.436	4
Non-hazardous	t	%	132.829	98	30.227	96	34.737	89
Incineration (with energy recovery)	t	%	406	0	456	2	696	2
Incineration (without energy recovery)	t	%	0	0	0	0	0	0
Landfilling	t	%	132.311	98	29.398	93	33.390	85
Other recovery operations	t	%	112	0	373	1	651	2
Total	t	%	134.850	100	31.644	100	39.243	100

#### NOTES:

- (g) The discrepancy between the amount of waste produced and the amount of waste delivered is due to the accumulation in areas within the Vicenza, Trith Saint Léger and Gerlafingen sites of industrial aggregate from the processing of electric furnace slag, as indicated in the respective permits, awaiting commercialisation.

- (h) More than 9% of non-hazardous waste was sent to on-site recovery operations during 2021

- (i) All waste was disposed of outside the Group's facilities

#### GRI 307-1 Non-compliance with environmental laws and regulations

Significant fines and non-monetary sanctions for non-compliance	with environmer
Total monetary value of significant fines	€
Total number of non-monetary sanctions	n.
Cases brought through dispute resolution mechanisms	n.

#### Transport details (I)

	2019	2020	2021
Scrap purchase			
by road %	76	73	67
by rail %	20	22	26
by ship %	5	5	7
Total %	100	100	100
Finished products delivered			
by road %	79	78	78
by rail %	16	19	20
by ship %	5	3	2
Total %	100	100	100

#### NOTES:

- (I) Intermodal transport has been included under the heading 'by train'.

2019	2020	2021
tal laws and/or regu	lations	
0	0	0
0	0	0
0	0	0



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#### INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of AFV Acciaierie Beltrame S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of the AFV Acciaierie Beltrame Group (hereinafter also "the Group") as of December 31, 2021.

#### Responsibility of the Directors for the Sustainability Report

The Directors of AFV Acciaierie Beltrame S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

#### Auditor's Independence and guality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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#### Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) -Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- 1. analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2. comparison between the economic and financial data and information included in the paragraph "7.3 Economic sustainability parameters" of the Sustainability Report with those included in the Group's Financial Statements:
- 3. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of AFV Acciaierie Beltrame S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

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In addition, for material information, taking into consideration the Group's activities and characteristics:

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- at group level:
  - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for AFV Acciaierie Beltrame S.p.A., which we selected based on the activity carried out, the contribution to the performance indicators at the consolidated level and its location, we carried out site visits, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

#### Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the AFV Acciaierie Beltrame Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

#### Other matters

The data for the year ended December 31, 2019 presented for comparative purposes in the Sustainability Report have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Signed by Cristiano Nacchi Partner

Padova, Italy June 29, 2022 AFV Acciaierie Beltrame S.p.A. Registered office: Viale della Scienza, 81 36100 Vicenza - Italy Companies Register of Vicenza and VAT number 13017310155 R.E.A. Vicenza nr. 292852 Code Identification CEE IT 13017310155 Cap. Soc. € 113.190.480,00 I.V. info.it@beltrame-group.com www.gruppobeltrame.com

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