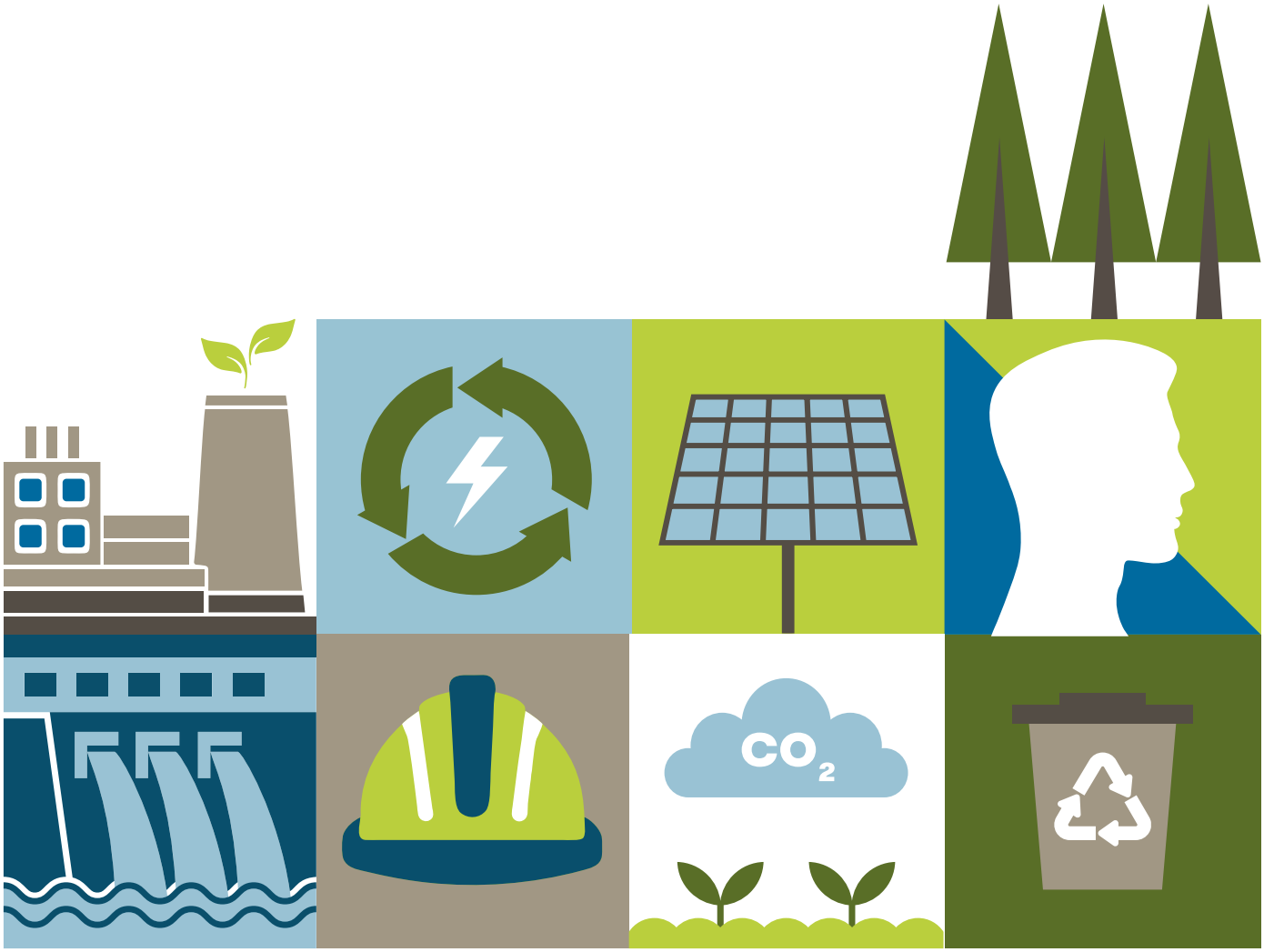
Sustainability Report

FINANCIAL YEAR 2024



AFV BELTRAME GROUP

AFV Beltrame Group
Viale della Scienza 81 – 36100 Vicenza - Italy
info.it@beltrame-group.it
www.gruppobeltrame.com

Progress with vision, distribute with fairness.
We support the present, to protect the future.

SUSTAINABILITY REPORT

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AFV BELTRAME GROUP

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LETTER TO STAKEHOLDERS

Dear Stakeholders,

there are words that, over time, risk losing strength. "Sustainability" is one of them. For us, however, it continues to be a precise task. A responsibility that is renewed every day in our operations, in the difficult choices, in the projects that look far ahead. This 2024 Sustainability Report is more than just a document: it is the story of a tangible commitment that defines us, challenges us and brings us together.

2024 was a particularly demanding year, marked by a range of ongoing global challenges. We have chosen not to stand still, not to be satisfied. We have updated our materiality analysis, paying close attention to the voices that surround and engage us. What emerged was a clearer map of our responsibilities, but also of our opportunities. That's where we started again.
We have obtained, as the first steel company in Europe, the certification of compliance with the GSCC standards, which acknowledges the credibility of our decarbonisation journey. The Global Steel Climate Council has officially certified the Group's baseline carbon footprint and Science-Based Emission Reduction Targets (SBET). It is a goal, of course, but also a starting point.
We have invested in sustainable technologies, in more efficient plants, in renewable energy. We have launched remote self-consumption of our hydroelectric plants, acquired in 2023, a project that combines innovation and roots, because those plants are part of our history and will also be part of our future.

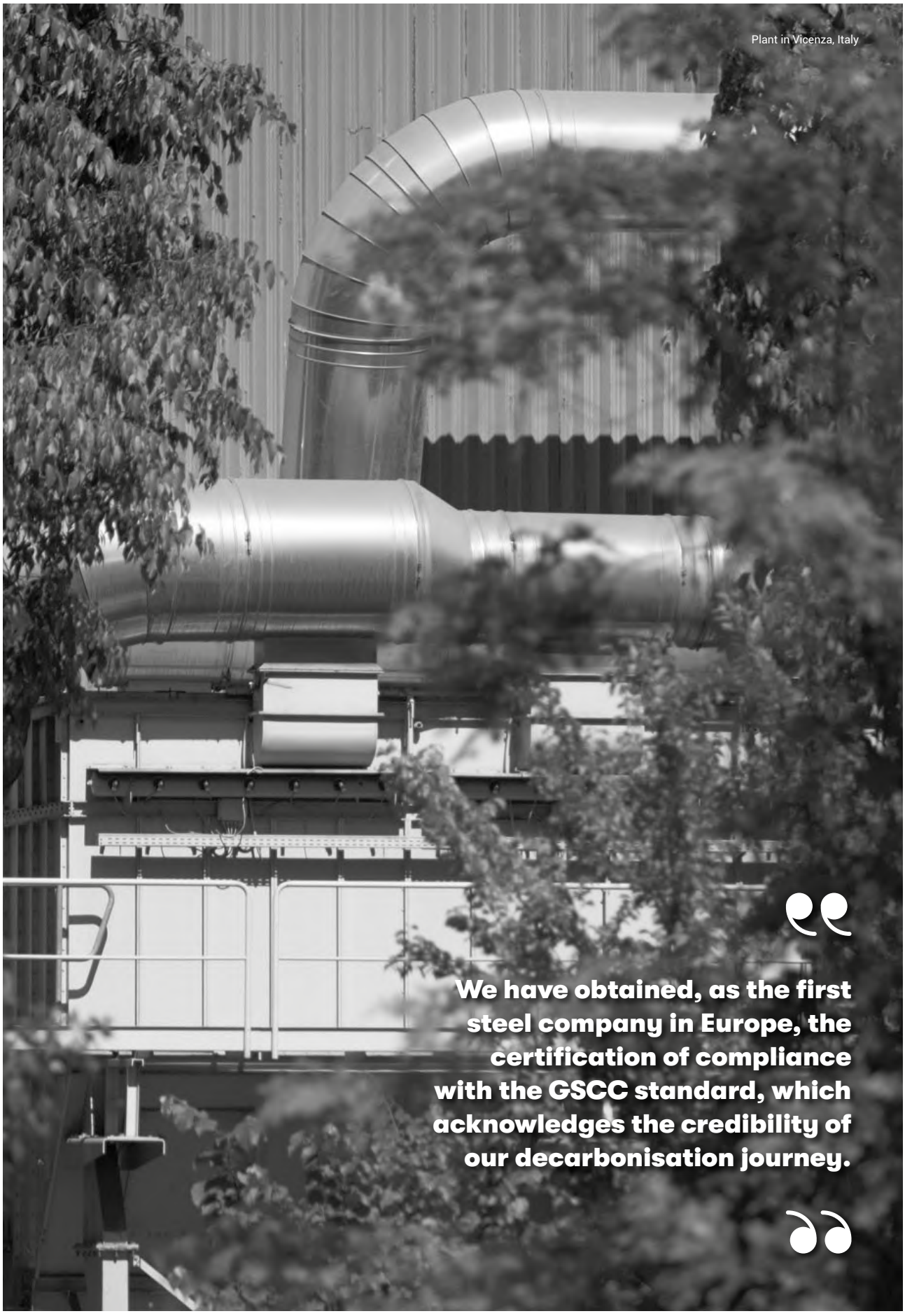
For the first time, we have included the environmental and social data of our Târgoviște plant in Romania, because transparency knows no boundaries. We have also updated our Code of Ethics to make it even more aligned with the values we strive to uphold: integrity, respect and fairness.
But above all, we have continued to believe in people. In those who, every day, build our shared future with skill and passion. In those who train, get involved, propose ideas. In those who ask us to do better and help us do it.
The vision that guides us is clear: we want to be a company that creates value without consuming the future. That grows without leaving anyone behind. That innovates without forgetting its own identity. To achieve this, it will proceed with new investments. In technologies, of course. But also in relationships, in listening, in trust.

To you, who accompany us on this journey, we extend our most sincere thanks. Your gaze is our compass. Your judgement, our measure. Your support, our strength.

Alain Creteur
Chief Executive Officer and CEO Stahl Gerlafingen

Antonio Beltrame
President and Chief Executive Officer

Raffaele Ruella
Chief Executive Officer and Group CFO



Plant in Vicenza, Italy

We have obtained, as the first steel company in Europe, the certification of compliance with the GSCC standard, which acknowledges the credibility of our decarbonisation journey.

THE ADDED VALUE OF SUSTAINABILITY

Within the framework of evolving European regulations and growing expectations from the market, civil society and investors, sustainability has become an essential element in the definition and implementation of industrial strategies.

For AFV Beltrame Group, operating in a sustainable manner means consistently integrating Environmental, Social and good Governance (ESG) principles into the daily management of activities, investment decisions and relations with stakeholders, along the entire value chain. In this process, we have adopted a systemic and structured approach, based on the desire to have tools to quantify the impacts of our activities, assessing risks as well as identifying opportunities arising from their sustainable management, while maintaining a vigilant focus on the evolving regulatory landscape.

A recent example of the evolution in our corporate approach, highlighted in this Sustainability Report, is represented by the first steps taken with a view to double materiality. The gradual adoption of this principle, initiated ahead of the timelines set by the new regulatory framework, reflects the company's commitment to increasingly comprehensive integration, both for the AFV Beltrame Group and its value chain, particularly in light of the amendments introduced by the Corporate Sustainability Reporting Directive (CSRD). In 2024, we initiated a comprehensive process to analyse the ESG topics relevant to the Group, recently completing the assessment of impacts (inside-out materiality), which will be further refined through the progressive involvement of external stakeholders.
Among the key material topics identified, outlined in detail later in this Report, are the commitment to decarbonisation, the development of circular models, the focus on health and safety at work, engagement and dialogue with the supply chain and the relationship with local communities, associations and the surrounding area. In parallel, the Group has planned, for 2025, the assessment of the second size of relevance, i.e. the assessment of financial materiality (outside-in).

This process will be carried out through a detailed and systematic assessment of risks and opportunities related to external ESG factors, with the aim of fully integrating these variables into risk management, strategic planning and financial reporting processes.
To support this journey, we have strengthened the internal governance structure dedicated to sustainability, enabling effective and cross-functional oversight of ESG objectives through the Strategic Committee, which provides direction and supervision. This is supported by Operational Committees present in each geographical area where the Group operates, in charge of the concrete implementation of initiatives, coordination among local functions and monitoring of sustainability performance. This structure reflects the Group's desire to guarantee structured, integrated and inter-functional management of sustainability, aligning corporate governance with long-term challenges and with regulatory and market requirements. In conclusion, we are confident that we can be acknowledged for the constant commitment we have made to share the milestones of our sustainability journey through clear, consistent communication supported by concrete evidence.

The process of aligning with the new ESG reporting requirements defined by the European ESRS standards, although currently under revision, represents for us a further opportunity to enhance the engagement of all players in the value chain, increase our competitive potential in the markets and strengthen our corporate reputation, ultimately ensuring long-term value creation, in line with our vision of a sustainable, resilient and innovation-driven Beltrame Group.

Giovan Battista Landra
Group Sustainability & Environment Director

Plant in Vicenza, Italy

SUSTAINABILITY AS A DRIVER OF BUSINESS GROWTH

In the current context, marked by an acceleration of the energy transition, coupled with increased social awareness and growing regulatory pressure, sustainability stands as an essential element for the competitiveness and resilience of businesses. AFV Beltrame Group has chosen to tackle this challenge by turning it into a strategic opportunity for value creation, integrating ESG (Environmental, Social, Governance) principles into its business model and adopting a systemic and structured approach based on five fundamental pillars. The Group directs its efforts towards these pillars through targeted projects aimed at improving performance, with clear indicators and transparent, ambitious objectives:

- decrease in the rate of accidents at work and lost days;
- reducing the organisation's carbon footprint;
- reducing industrial water consumption;
- reducing electricity and natural gas consumption and promoting the use of renewable energy.
- optimal waste management, with a focus on recycling and recovery.

The governance of sustainability within the Group is entrusted to a multi-level structure that guarantees consistency between strategic vision and daily operations. The Sustainability Steering Committee, composed of senior representatives from the main corporate functions, is responsible for defining the guidelines and monitoring the implementation of related policies. At the local level, the Country Sustainability Committees ensure the implementation of strategies across the various plants, while the Head of Sustainability Projects acts as a liaison between governance and the operational structure. This structure makes it possible to effectively monitor environmental, social and governance issues, promoting a widespread and shared culture of sustainability.

Strategic investments and economic benefits

Investments made with a sustainability focus bring multiple benefits, not only in terms of economic advantage but also in competitiveness, health and safety and innovation.

One of the most significant areas of intervention is that of energy performance and the development of plants for the production of renewable energy, also in consideration of the fact that **energy** represents the second-largest industrial cost after ferrous scrap. In particular, the Group has defined a structured approach to coordinate the various energy efficiency initiatives, including those of greatest interest, such as:

- the revamping of reheating furnaces;
- the adoption of burners to heat and dry the ladles;
- the acquisition of hydroelectric power plants;
- the installation of photovoltaic systems or participation in consortia for collective procurement from renewable sources.

Furthermore, the implementation of digital technologies for real-time monitoring and optimisation of energy consumption contributes to improving the overall efficiency of the plants, enhancing intervention capabilities and reducing the risk of malfunctions and/or downtime. These projects have made it possible to reduce the specific energy consumption per tonne of steel produced, with a direct impact on the reduction of CO_2 emissions and operating expenses.

In order to ensure maximum transparency in responsible energy management, the Group is committed to obtaining certifications relating to the implementation of management systems compliant with the voluntary ISO 50001 standard at its plants. In parallel, by its very nature, the Group adopts a **circular economy** model, using ferrous scrap as its primary raw material. This scrap comes from steel products that have reached the end of their life cycle or from waste generated directly by production processes, yielding clear benefits in terms of natural resource savings, energy efficiency and CO_2 emissions reduction. In addition, the commitment to maximising the value of by-products and other circular resources, whether within or beyond the production cycle, plays a vital role across the business. EAF slag, for example, is processed into certified products such as BELTRECO and RUVIDO, which are used in construction and infrastructure. This makes it possible to contribute to the economic and environmental sustainability of the production cycle, not only avoiding disposal costs, but also generating revenues from their sale. From a circular economy perspective, it is also worth highlighting the development of strategies aimed at improving the efficiency of water systems and promoting the efficient reuse of water in production processes, thereby reducing the consumption of this primary natural resource and encouraging energy efficiency. Water is also a fundamental element for the production of hydroelectric energy, a business recently integrated into the Group's operations. With reference to the management of occupational **health and safety**, the Group constantly works to increase the awareness and culture of safety at all levels, prioritising communication and the sharing of various safety-related aspects. In particular, specific structural investments were carried out, as well as constant and widespread monitoring activities, which allowed the activation of a so-called "Crash program" at selected Group plants.

Sustainable innovation: Chalibria and Global Steel Climate Council

On the path towards an increasingly responsible steel industry, AFV Beltrame Group has implemented a decarbonisation plan that provides for the development of projects to reduce CO_2 emissions, a fundamental prerequisite for the launch, in the autumn of 2022, of the Chalibria brand, the first certified carbon-neutral steel in the European long products market.
Chalibria is certified for Scope 1, 2 and 3 (upstream) emissions according to the "cradle to gate" approach and is annually validated by the certification body in compliance with international standards ISO 14064-1 and PAS 2060.
Residual emissions, which cannot yet be eliminated through investment projects within the organisation, are offset through the purchase of carbon credits generated by CO_2 removal or reduction projects outside the organisational boundary. This approach allows the Group not only to offer a product with a neutral impact, but also to respond in a credible and transparent manner to the increasingly stringent demands of the market and European regulations. To date, in contrast to the current market contraction, the resilience of sales of the Chalibria product is evident, showing a positive trend compared to the total, confirming its robustness and market appreciation.

The strategic value of Chalibria has also been recognised at the institutional level: the Group has received numerous awards, both in Italy and abroad, for this project, reflecting its ability to combine sustainability and competitiveness.
In parallel, AFV Beltrame Group joined the Global Steel Climate Council (GSCC), an international organisation that promotes sustainable practices in the steel sector. The GSCC aims to define a global standard for the production of low-emission steel, based on scientific and transparent criteria. The Group has obtained certification of compliance with the GSCC standard, becoming the first European steel company to achieve this goal.
The GSCC certification validates the Group's carbon footprint and its medium-to-long-term science-based emission reduction targets (SBET), in line with the Paris Agreement. This recognition strengthens the credibility of the decarbonisation process undertaken and opens up new opportunities in the international markets most sensitive to ESG criteria.

Competitive benefits

The integration of sustainability into the business model generates positive impacts across multiple thematic areas, as described below. From a **commercial standpoint**, obtaining Environmental Product Declarations (EPDs) has allowed AFV Beltrame Group to work with customers active in regulated markets or involved in public procurement processes, where specific participation criteria are required and the Group meets these requirements effectively. In addition, the low-emission steel produced by the Gerlafingen plant, which is accounted for in the KBOB (Conference of Coordinating Boards of Construction and Buildings of Public Contractors) registry, already meets the needs originated by Swiss public procurement requirements. Also, the availability of a carbon neutral product, such as Chalibria, allows the Group to offer a valuable solution to the most virtuous customers, anticipating future regulatory and/or market developments. This strengthens the Group's position as a preferred supplier, fostering partnership agreements with clients who sometimes also participate in purchasing groups focused on sustainability issues.

As anticipated, with reference to **regulatory risk**, AFV Beltrame Group's proactive approach to sustainability has also resulted in significant benefits in terms of risk management and competitive positioning with respect to future environmental regulations. The Group's early adoption of low environmental impact technologies and processes has enabled it to already comply with forthcoming European regulations, thus avoiding the urgent investments that many competitors will have to make.
In particular, the Clean Industrial Deal proposes a revision in 2026 of the Public Procurement Framework, which could provide for the use in public procurement of low-emission steel with important advantages for manufacturers active on this issue. On the other hand, again with reference to the evolution of environmental regulations, the participation in the EU ETS (Emission Trading System) has allowed AFV Beltrame Group to benefit from its environmental performance exceeding industry standards, creating an advantage over competitors with less efficient plants. Also by virtue of the full implementation of the Carbon Border Adjustment Mechanism (CBAM), the company has established oversight to monitor regulatory developments and assess any potential impacts.
In **financial terms**, the transparency in sustainability reporting, combined with external audit activities and the implementation of detailed environmental monitoring and reporting systems, has positioned the Group favourably for access to subsidised financial instruments, including loans at preferential conditions by sustainability-oriented financial institutions.
Lastly, in the **HR area**, alongside the focus on occupational health and safety aspects, the Group is committed to providing continuous training programs and courses, also taking advantage of digitalisation, contributing to the professional growth and loyalty of employees.

Lastly, the company's active support for local initiatives fosters a strong connection with the **territory**, promoting social cohesion and the enhancement of local traditions. From a strategic point of view, local roots strengthen the corporate reputation, foster solid relationships with local institutions and stakeholders and open the way to new opportunities for collaboration. Companies that are actively engaged with local needs become more attractive to talent, especially to younger generations, who are increasingly attentive to the sustainability impacts of the organisations they choose to work for.

METHODOLOGICAL NOTE

Introduction
This Sustainability Report of AFV Acciaierie Beltrame S.p.A. and its subsidiaries, hereinafter "AFV Beltrame Group" or "the Group", has been prepared in accordance with the reporting principles proposed by the Global Reporting Initiative (hereinafter also "GRI").
Although AFV Beltrame Group is not required, under Legislative Decree 125/2024, to publish its sustainability reporting for the current financial year, it has nonetheless voluntarily chosen to prepare this Sustainability Report. The aim is to enhance transparency towards stakeholders and to communicate the Group's strategy and related performance in relation to ESG (Environmental, Social, Governance) criteria and principles. The Report is published annually.

The document was also the subject of a limited assurance engagement according to the criteria set forth in ISAE 3000 Revised by the external auditing firm Deloitte & Touche S.p.A.
The audit was carried out according to the procedures indicated in the "Independent Auditor's Report", included in this document.

The strategic approach to sustainability
AFV Beltrame Group has adopted a strategic approach to sustainability, understood as sustainable development, i.e. development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. This approach is being progressively integrated into the Group's governance and across the entire value chain. Sustainability, together with ESG principles, is today a cornerstone of company management, with the aim of concretely contributing to sustainable development, business continuity and resilience. To ensure operational integration, the Group has defined a structured system of clear and measurable Key Performance Indicators (KPIs), represented through a sustainability dashboard, with specific objectives assigned across the various company functions according to a consolidated systemic process, capable of guiding strategic decisions.

The Group's sustainability policy is built around two main pillars: the sustainable optimisation of production processes and the strengthening of dialogue and value creation for all stakeholders, both internal and external.

Preparation of the Report and references used
The Sustainability and Environment Department coordinated the drafting of the 2024 Sustainability Report, transversally involving the entire organisational structure of the Group companies included in the reporting scope, each having its own operational sustainability committee (Country Sustainability Committee[1]). The contents of this Report have been prepared, following the "in accordance" option, in compliance with the 2021 GRI Sustainability Reporting Standards.

Objectives of the document
The 2024 Sustainability Report is the tool through which AFV Beltrame Group annually communicates the results achieved along its sustainability journey to its key stakeholders. The document adopts a Group-wide reporting approach, also describing the data relating to the companies included in the reporting scope of the Group's consolidated financial statements. Detailed information on the scope of consolidation and the reference period is described in the paragraph "Reporting scope of the Report and period analysed".

Document definition
The reporting methodology according to the option "in accordance" with the GRI Standards was confirmed by the Sustainability Steering Committee[2], to which the results of the process were presented in a first version, subsequently also shared with the Board of Directors of the Parent Company. This document was then definitively approved by the Board of Directors on 08 July 2025.

Notes:
1) Country Sustainability Committees: local operational committees that promote and support sustainability-related projects, also monitoring their progress; they work with the other corporate departments to collect data for the preparation of the Sustainability Report.
2) Sustainability Steering Committee - SSC: strategic committee responsible for developing the corporate sustainability strategy, defining and supporting improvement projects and activities and defining priority areas.

Reporting scope of the Report and period analysed

AFV Beltrame Group operates at European level through direct branches and an articulated network of distributors on the local market, investee companies, agents and its own sales structures. The Group's production structure includes seven steel plants, three in Italy (Vicenza, San Giovanni Valdarno and San Didero), one in Switzerland, one in France and two in Romania (Călăraşi and Târgovişte) and 12 plants for the production of energy from renewable sources located in Italy (distributed over 10 sites between Piedmont and Veneto). This Sustainability Report refers to the 2024 fiscal year (1 January - 31 December) and, where available, includes a comparison with the data for the years 2022 and 2023. The publication is scheduled for the third quarter of 2025. The scope of the economic and financial information coincides with that of the Group's Consolidated Financial Statements as at 31 December 2024; otherwise, the scope of data relating to sustainability issues includes the following companies:

- AFV Acciaierie Beltrame S.p.A. is the Parent Company with headquarters in Vicenza. With reference to this Company, it should be noted in particular that, due to the acquisition of Idroelettriche Riunite S.p.A. (hereinafter also "I.R.") which took place on 22 June 2023 and its subsequent merger by incorporation into the Parent Company on 31 December 2023, the reporting scope of this 2024 Sustainability Report has been extended to include data relating to that Company, with regard to both social (GRI 400) and environmental aspects (GRI 300)[1)].
- Laminés Marchands Européens S.A., a French subsidiary based in Trith Saint Léger, part of the AFV Beltrame Group since 1994;
- Stahl Gerlafingen A.G., a Swiss subsidiary based in Gerlafingen, part of the AFV Beltrame Group since 2006;
- Donalam S.r.l., a Romanian subsidiary based in Călărași, part of the AFV Beltrame Group since 2007. It should be noted in particular that the data relating to the Company are available without exception for the Călăraşi plant, while for the Târgovişte plant, acquired in March 2022 and currently still partially operational, given that the activity is limited to hot rolling, the scope of reporting was extended - starting from this Sustainability Report 2024 - also with regard to social (GRI 400) and environmental aspects (GRI 300)*. The calculation of greenhouse gas emissions (GRI 305) from the Târgoviște plant is excluded because it is not part of the decarbonization plan submitted and approved by the Group.

The scope of reporting on sustainability issues does not include the following companies:

- AFV Beltrame S.p.A. German Branch, secondary office of the Parent Company operating in Germany, not significant in terms of its contribution to the above-mentioned sustainability indicators;
- AFV Beltrame S.r.l., as an inactive company based in Romania;
- Alternative Energy Innovation S.r.l., as a company not significant in terms of its contribution to the above-mentioned sustainability indicators;
- Donalam Siderprodukte A.G., as a company not significant in terms of its contribution to the above-mentioned sustainability indicators;
- Ferriera Sider Scal S.r.l., as a company in the process of liquidation.
- Laminoirs du Ruau S.A., a company whose activity is suspended;
- Sipro Beltrame A.G., as a company not significant in terms of its contribution to the above-mentioned sustainability indicators.

Any differences with respect to the reporting scope specified above or clarifications on the calculation method are indicated in the respective sections of the document.

Note:

1) To facilitate comparison with previous years, the consolidated figures of the Group relating to the GRI 300 Standards have been presented in two versions: one that includes Idroelettriche Riunite S.p.A. (a company merged by incorporation into the Parent Company in 2023) and the plant of Târgoviște (relating to the company Donalam S.r.l., acquired in 2022) and one that excludes them.

Material topics reported

AFV Beltrame Group adopts a rigorous approach to sustainability reporting, in line with the requirements of the GRI Standards. These standards require that the financial statements describe information relating to "Material issues", i.e. those aspects that reflect significant, current or potential (positive or negative) economic, environmental and social impacts, including human rights. The principle of materiality is central to guaranteeing stakeholders a transparent, consistent and complete representation of the Group's ESG performance. In 2022, AFV Beltrame Group conducted an initial materiality analysis, integrating multidisciplinary approaches and involving internal and external stakeholders. The process included the application of international and sector guidelines, with the active participation of the Sustainability Steering Committee and the Heads of the main company functions at both central and local level. During 2024, the Group updated its approach, conducting a new impact materiality analysis with reference to the indications of the CSRD Directive, involving the main internal stakeholders in the opening phase.

The material topics covered by sustainability reporting are:

Material topic	Topic
Climate change adaptation	Climate change
Energy	Climate change
Climate change mitigation	Climate change
Pollution of air	Pollution
Pollution of living organisms and food resources	Pollution
Pollution from radioactive sources (substances of very high concern)	Pollution
Waters	Water and marine resources
Impacts on the extension and condition of ecosystems	Biodiversity and ecosystems
Use of resources (inflows of resources, including use and outflows of resources related to products and services)	Circular economy
Waste	Circular economy
Working conditions	Own workforce
Equal treatment and opportunities for all	Own workforce
Confidentiality (other work-related rights)	Own workforce
Working conditions	Workers in the value chain
Equal treatment and opportunities for all	Workers in the value chain
Economic, social and cultural rights of communities	Affected communities
Corporate culture	Business conduct
Active and passive corruption	Business conduct
Supplier relationship management, including payment practices	Business conduct

Contacts:
Mr. Giovan Battista Landra, Group Sustainability & Environment Director
gb.landra@beltrame-group.com

Mr. Andrea Costa, Group Sustainability Supervisor
a.costa@beltrame-group.com

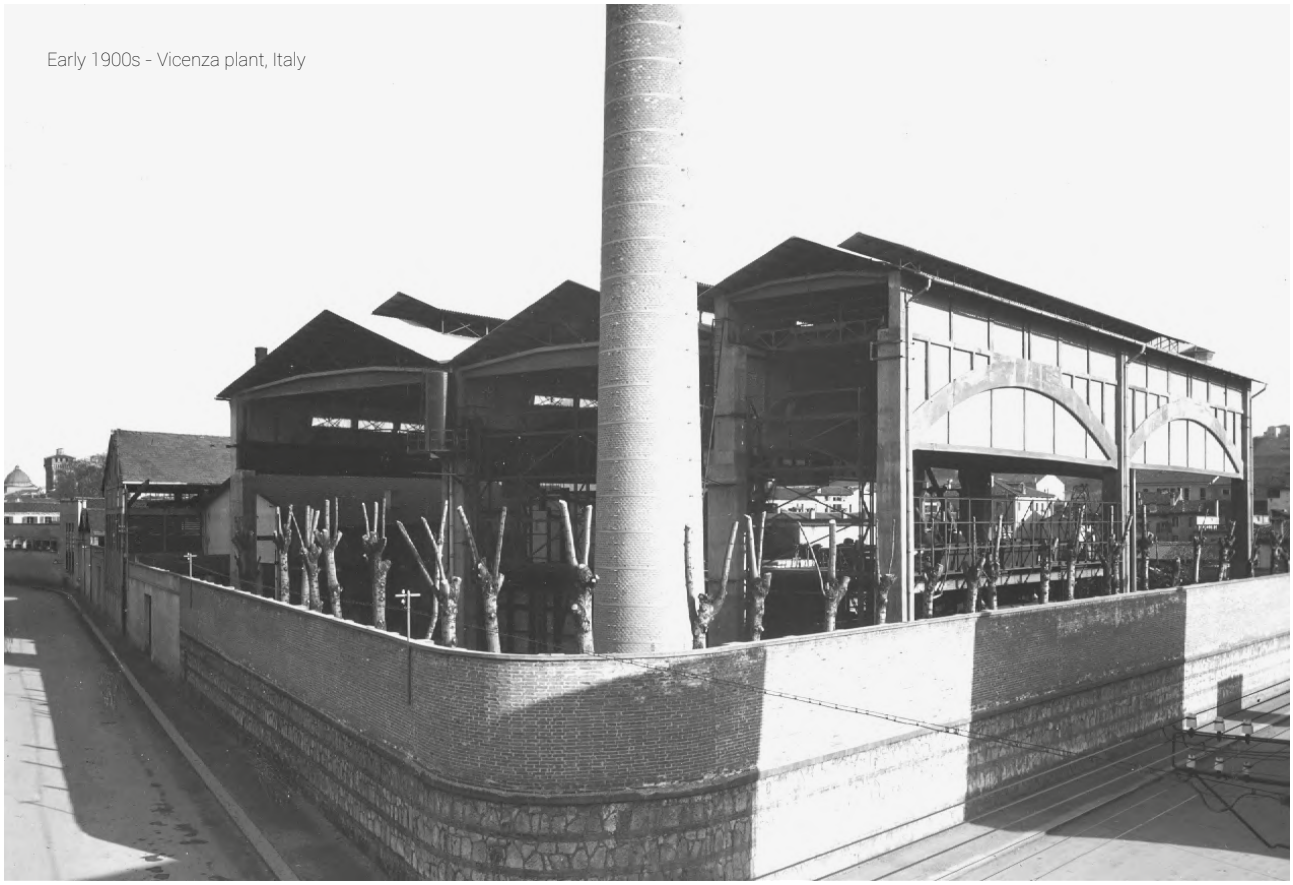
Plant in Vicenza, Italy

CHAPTER I
AFV Beltrame Group

1.1 HISTORY AND EVOLUTION OF AFV BELTRAME GROUP

Profile and history of the AFV Beltrame Group

The historical and industrial evolution of AFV Acciaierie Beltrame S.p.A. represents an emblematic case of entrepreneurial development in the Italian and European steel industry. Founded in 1896, the company has demonstrated remarkable adaptability and innovation, progressively building a position of leadership through a path of organic growth and strategic acquisitions.



Early 1900s - Vicenza plant, Italy

The origins of the company date back to the early phase of Italy's industrialisation, when Antonio Beltrame launched a mechanical repair and metalworking business. The company's technological development progressed rapidly: by the first decade of the 20th century, it had already diversified its production to include steam engines, compressors, pumps and specialised industrial systems. It also introduced innovative manganese iron casting techniques. A crucial moment in the company's development occurred in 1920, with the implementation of a rebar rolling mill, followed in 1926-27 by the installation of the steel mill.

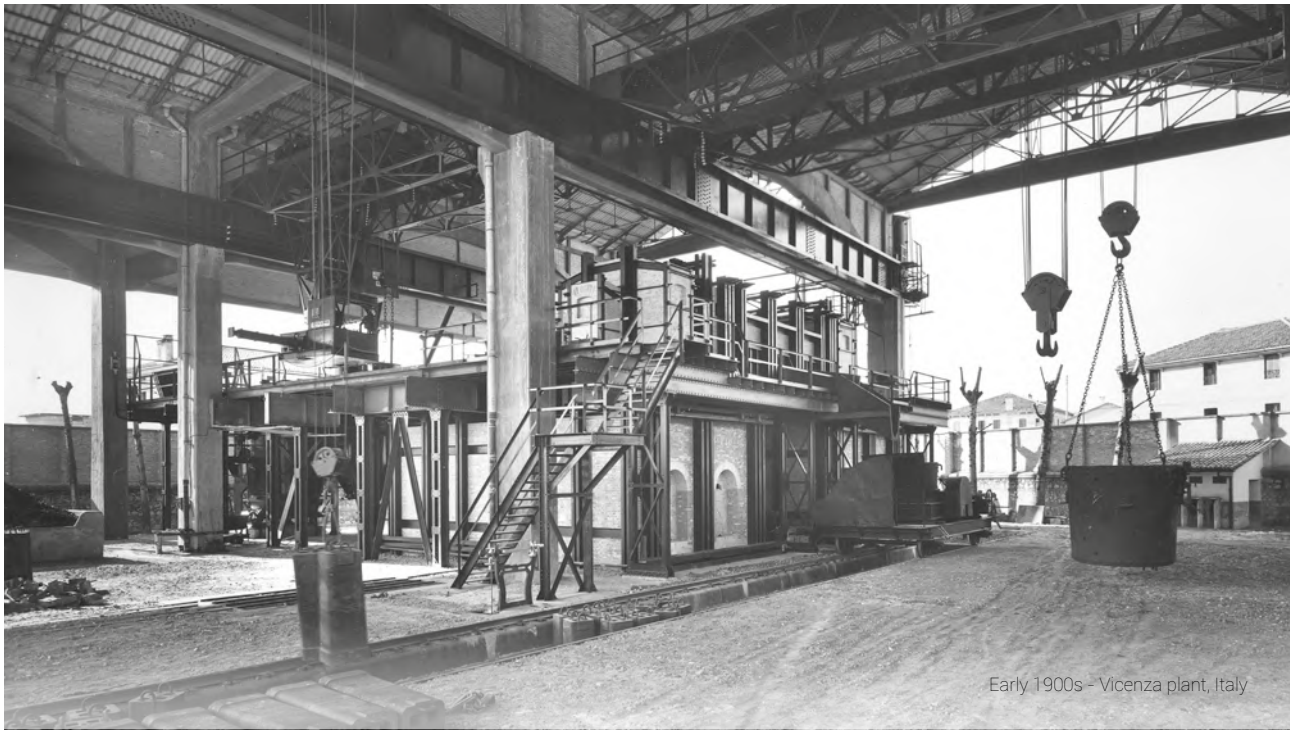
The issue of energy self-sufficiency, fundamental for industrial development, was addressed through a vertical integration strategy, involving the acquisition of hydroelectric concessions on the Bacchiglione River in the province of Vicenza and the construction of electricity distribution infrastructures.
The process of technological modernisation continued with the installation in 1939 of a 20-tonne Martin Siemens coal gas furnace. The post-war reconstruction marked the beginning of a new phase of expansion, characterised by the implementation of increasingly advanced technologies: in 1951 a 10-tonne electric furnace was installed, followed by significant upgrades in the 1960s and 1970s.

The industrial development strategy has followed a path of constant technological innovation and production optimisation. The 1970s and 1980s saw the implementation of increasingly sophisticated systems, culminating in the installation of a 120-tonne electric melting furnace and the modernisation of continuous casting systems, consolidating the national leadership in the merchant bars sector.

The Group's internationalisation, initiated in the 1970s through the establishment of strategic commercial partnerships in key European markets, experienced significant acceleration in the 1990s with the acquisition of the Laminès Marchands Européens Group, a transaction that doubled production volumes and optimised its geographic presence.

The expansion process continued into the new millennium with strategic acquisitions: Siderurgica Ferrero (2002), Stahl Gerlafingen A.G. (2006) and the extension into Romania through the plants in Călărași (2007) and Târgovişte (2022).

Early 1900s - Vicenza plant, Italy



Early 1900s - Vicenza plant, Italy

This latter operation, in particular, involves a multi-year investment plan aimed at the full restoration of production capacity, including the steel mill. The recent acquisition of Idroelettriche Riunite S.p.A. (2023) demonstrates the Group's attention to energy and environmental sustainability. With over 2,500 employees and a significant presence in Europe, the Group has integrated environmental sustainability and social responsibility objectives into its business strategies, developing circular economy projects and implementing an ambitious decarbonisation plan.

The launch of the Chalibria brand in 2022, certified as carbon neutral, further demonstrates the Group's commitment to sustainable innovation and the ecological transition of the steel industry. This century-long evolution demonstrates how the Group has successfully combined industrial tradition, technological innovation and environmental responsibility, establishing itself as a key player in the European steel industry.

With more than 2,500 employees, 11 rolling mills and 4 electric furnace steel mills (including the one in Târgovişte, currently undergoing modernisation), the Group serves around 40 countries across Europe and the Mediterranean basin.

I.II MISSION & VISION

The Group's mission focuses on the production of merchant bars, beams, steel for reinforced concrete and special steels, intended for various sectors, including construction, structural steels, shipbuilding, earth handling machinery and automotive. The Group is committed to developing its business in synergy with the well-being of the people involved, promoting continuous improvement of the relationships between sustainable productivity, social innovation and collective value.
This mission is supported by a daily operations that include investments, training and the implementation of best practices at all levels.

We create a company where business development, attention to people and sustainable productivity come together in a single virtuous ecosystem. We are committed to building a future in which economic growth is never separated from human well-being and environmental responsibility.

People are the beating heart of our organisation. We cultivate an inclusive environment where different talents can best express themselves, grow professionally and realise their potential. We promote physical and mental well-being, recognise individual contributions and promote a healthy balance between professional and personal life.

We pursue strategic and innovative growth, continuously exploring new opportunities while strengthening our market leadership. We invest in research and development to create solutions that generate lasting and mutual value for all our stakeholders.

We believe in productivity that does not consume resources but regenerates them. We optimise our processes to maximise efficiency and quality, always taking into account the impact on the territory and communities in which we operate.

I.III REFERENCE MARKETS

AFV Beltrame Group has built its strategic positioning on three fundamental pillars: strong technical and production expertise, a systematic commitment to operational excellence through continuous process improvement and a well-established reputation for reliability in relationships with commercial and industrial partners. These constitutive elements of the company philosophy translate into an integrated strategy aimed at creating sustainable value, both for the human capital of the organisation and for the reference market as a whole.
The geographical configuration of the Group's production and distribution assets represents a significant competitive advantage, characterised by a strategically optimised territorial presence in relation to the main consumption areas and the primary raw material supply basins. This organisational architecture, shaped by meticulous strategic planning, has allowed the Group to establish a comprehensive and highly efficient commercial presence across the European market, with further reach into the Mediterranean basin.
This geographical coverage is not merely a matter of territorial presence; it stands as a key strength that enables the optimisation of logistical flows, the minimisation of transport costs and the maximisation of responsiveness to market dynamics. Proximity to outlet markets and sources of supply is also a crucial factor for the economic and environmental sustainability of the Group's operations, allowing a significant reduction in the carbon footprint associated with logistics activities.
This European presence of the Group translates into a superior customer service capacity, guaranteeing optimal response times and efficient supply chain management, distinctive elements that further strengthen the company's competitive positioning in the international steel industry.

I.IV VALUES

AFV Beltrame Group's Values: A Shared Heritage
Innovation and continuous improvement cannot be mere words; they must be translated into tangible values, clearly articulated and shared at every level. It is a journey that starts from within, led by senior leadership and management, the first to believe in change and translate it into concrete actions. It is not just about processes, management systems, or logistics, but also about training, personal growth and services that add quality to the work experience.
But the change does not stop within the company's walls. The next step involves a broader ecosystem: suppliers, customers, institutions and training schools. To build a bridge between these worlds, it is essential to initiate an evolutionary process that places people at the centre, empowering them as key drivers of change and making them feel an integral part of the innovation processes. In this context, values become the glue that binds every piece together.

AFV Beltrame Group has developed a shared value system that represents its deepest essence, integrating rational and emotional elements. These values constitute the foundation of a transformative process capable of generating innovative synergies: between employees within the organisation, between suppliers and manufacturers, between manufacturers and end users of the products.
This value system is not limited to guiding operational decisions, but creates a virtuous circuit that generates tangible value for all stakeholders involved. Through the consistent implementation of these core principles, the Group is able to translate its values into a competitive advantage and shared well-being throughout the entire value chain.

Worker at the plant in Vicenza, Italy

I.V CREATING VALUE FOR STAKEHOLDERS

Highlights: AFV Beltrame Group in 2024

STEEL PRODUCED
2023: 2,000,008 tonnes
2024: 2,138,104 tonnes

ECONOMIC VALUE GENERATED
2023: 1,644,611 €/000
2024: 1,564,317 €/000

ECONOMIC VALUE DISTRIBUTED
2023: 1,619,531 € / 000
2024: 1,585,842 €/000

PERMANENT CONTRACTS
2023: 97.1%
2024: 97.3%

TECHNOLOGICAL INVESTMENTS
2023: 151,549 €/000
2024: 98,072 €/000

TRAINING HOURS
2023: 71,162
2024: 64,488

Regardless of its size and the production context in which it operates, every company finds itself within an increasingly globalised network, on which it makes an impact and by which it is impacted. And the resources it uses, especially the natural ones, belong to a single environment which everyone must strive to safeguard. But to run its business sustainably, the company must find innovative solutions that enable it to analyse, understand and respond to the complexity of the context in which it operates. Furthermore, it must build a structured, constant relationship with its stakeholders.
Only in doing so will it be able to move along a trajectory that combines economic growth, social development and preservation of the natural heritage.

SHAREHOLDERS' EQUITY
2023: 695,666 €/000
2024: 558,273 €/000

NET PROFIT
2023: (86,884) €/000
2024: (129,633) €/000

TURNOVER
2023: 1,747,890 €/000
2024: 1,613,667 €/000

NO. EMPLOYEES
2023: 2,329
2024: 2,533 (including Târgoviște)

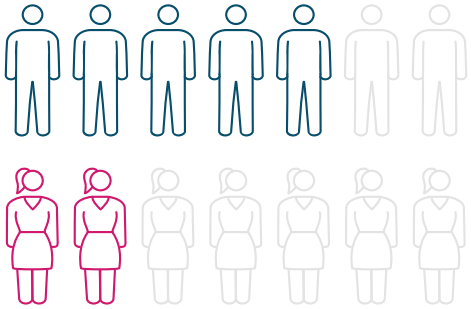
NO. PRODUCTION SITES
2023: steel production: 7
2024: steel production: 7
hydroelectric: 10

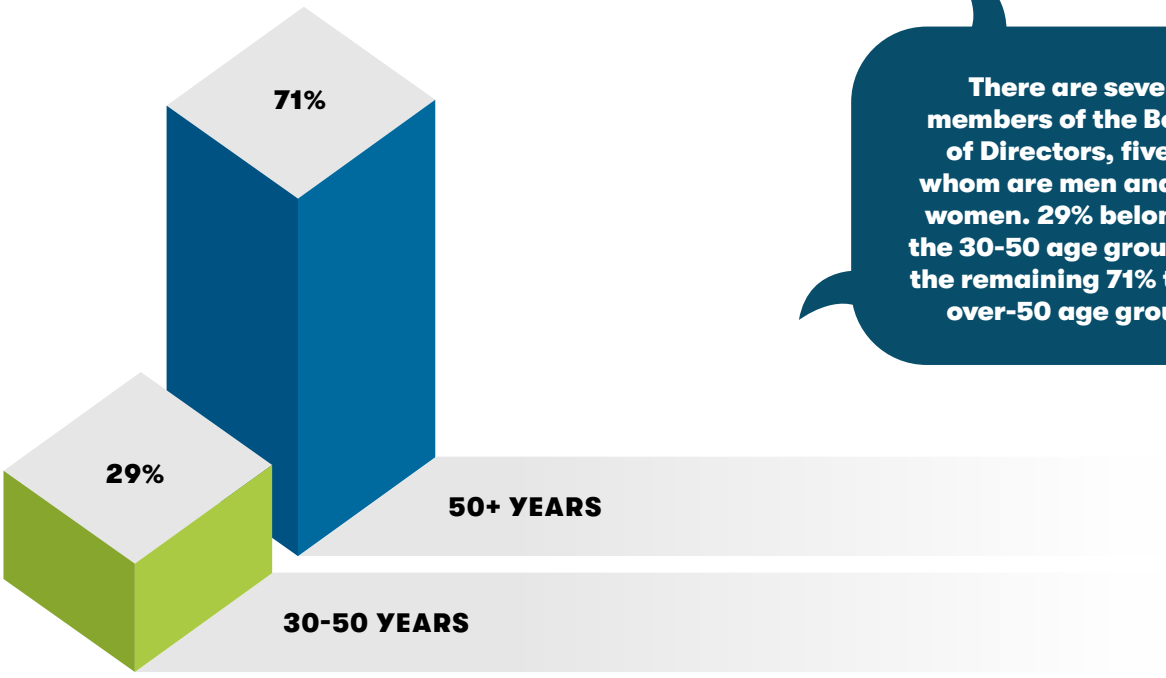
NO. CERTIFIED SITES (QHSE)
ISO 9001: 7
ISO 14001: 6
ISO 45001: 7
ISO 50001: 4

To succeed in this objective, it is however essential that the company adopts a systemic, inclusive and transparent approach and improves its ability to measure business decisions by analysing all the impacts (economic and otherwise) they produce, in the short, medium and long term. It is therefore essential to maintain a constant, constructive dialogue with stakeholders, focused on listening to their needs and requirements, in order to lay the foundations for a lasting relationship of trust as well as active engagement. Stakeholders represent a wide range of different interests: establishing and maintaining stable, long-lasting relationships according to the principles of transparency, fairness, clarity and completeness of information is crucial for the creation of shared, long-term value.

I.VI CORPORATE BODIES

Board of Directors	Board of Statutory Auditors
Antonio Beltrame President and Chief Executive Officer	**Andrea Valmarana** Chairman
Patrizia Beltrame Deputy Chairperson and Managing Director	**Primo Ceppellini** Standing auditor
Barbara Beltrame Giacomello Deputy Chairperson and Managing Director	**Dario Semenzato** Standing auditor
Alain Creteur Chief Executive Officer	
Raffaele Ruella Chief Executive Officer	
Carlo Beltrame Board Member	
Carlo Carraro Board Member	





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

I.VII STRUCTURE OF AFV BELTRAME GROUP

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

Note: the map represents only the steel plants of AFV Beltrame Group.

PARENT COMPANY:
AFV Acciaierie Beltrame S.p.A.
with headquarters and plant (steel) in Vicenza (VI), additional steel plants in San Giovanni Valdarno (AR) and San Didero (TO) and renewable energy production plants in Montecrestese (VB), Valbrenta (VI), Longare (VI), Vicenza and San Giorgio in Bosco (PD). Secondary office (permanent establishment): AFV Beltrame SpA German Branch[1].

Subsidiaries[2] (included in the consolidated financial statements):

80.23%
Laminés Marchands Européens S.A.S.
based in Trith Saint Léger, France

→ **100%**
Laminoirs du Ruau S.A.
based in Monceau-sur-Sambre, Belgium
(whose activity is suspended)

98.33%
Donalam S.r.l.
based in Călărași and plants in Călăraşi and Târgovişte, Romania

→ **75%**
which consolidates **Donalam Siderprodukte A.G.**
based in Zurich, Switzerland

86.47%
Stahl Gerlafingen A.G.
based in Gerlafingen, Switzerland

50%
Sipro Beltrame A.G.
based in Zurich, Switzerland

50%
Alternative Energy Innovation S.r.l.
based in San Giovanni Lupatoto (VR), Italy

Notes:
1) The social and environmental data relating to the Parent Company AFV Acciaierie Beltrame S.p.A. are available for the steel and renewable energy production plants. With reference to AFV Beltrame S.p.A. German Branch, these figures are not significant and are therefore not reported in this document.
2) The following subsidiaries of AFV Acciaierie Beltrame S.p.A. are also based in Europe, although not present in the consolidated financial statements:
- AFV Beltrame S.r.l., an inactive company based in Romania;
- Ferriera Sider Scal S.r.l., a single-member company in liquidation based in Vicenza.

Appointment of Directors and Composition of the Board of Directors

As stipulated in the Articles of Association, the company has a Board of Directors that may consist of a minimum of three and a maximum of nine directors, both executive and non-executive.

Directors are appointed by the Shareholders' Meeting, which also determines their number, both for executive and non-executive members.

Pursuant to the Articles of Association, the term of office of the Directors may not exceed a maximum period of three years; however, they may be re-elected. The Board of Directors currently consists of seven members who were appointed by the Shareholders' Meeting of 2 May 2023 and will remain in office for a three-year term (until the approval of the 2025 Financial Statements).

The assessment regarding the selection of the members of the Board of Directors, both executive and non-executive, is carried out by the Shareholders' Meeting taking into account the views of the shareholders, gender diversity, independence and professional skills, so as to give the greatest possible weight to the plurality and complementarity of skills of the highest corporate governance body.

Plant in Vicenza, Italy

NAME	OFFICE	COUNTRY	GENDER
Antonio Beltrame	President and Chief Executive Officer	Italy	M
Patrizia Beltrame	Deputy Chairperson and Managing Director	Italy	F
Barbara Beltrame Giacomello	Deputy Chairperson and Managing Director	Italy	F
Alain Creteur	Chief Executive Officer	Belgium	M
Raffaele Ruella[1)]	Chief Executive Officer	Italy	M
Carlo Beltrame	Board Member	Italy	M
Carlo Carraro	Board Member	Italy	M

Note:
[1)] Who also holds the role of Head of Sustainability Projects, whose responsibilities are described below.

The composition of the Board of Directors shows the presence of executive and non-executive members with different professional backgrounds, representing both shareholders, management and external professionals.
The Chairman of the Board of Directors holds the powers for the management of the Company and also serves as Chief Executive Officer. In order to prevent conflicts of interest where potentially present, the Chairman and members of the Board of Directors abstain from voting in the BoD.

Specifically in relation to sustainability, the Board of Directors plays the following roles:

it approves and monitors the progress of the sustainability strategy;

it approves the list of material topics and the Sustainability Report.

Note: no critical issues were reported to the Board of Directors during 2024.

Given the dynamic context in which the company operates, any training activities related to sustainability issues for members of the Board of Directors are organised on the basis of specific needs. The activity carried out during 2025 concerning the approval of the list of material topics represented an opportunity for the entire Board of Directors of the Parent Company to be updated on sustainability issues and ESG criteria, in accordance with regulatory developments and best practices.

Conflicts of Interest

The management of conflicts of interest is aligned with the provisions of Article 2391 of the Italian Civil Code. In the case of resolutions relating to transactions in which a member of the Board of Directors has an interest, such resolutions must be duly justified by the Board in terms of their reasons and appropriateness.
The legal provision is consistent with the general principle of transparency and the core values of the Group.

Remuneration Policies

The remuneration for the Board of Directors is determined by the Shareholders' Meeting upon appointment. In addition, the Board of Directors has the power to define the remuneration for its members holding special offices. As an unlisted company, there is no remuneration committee, nor does the Group use external consultants.

There is a specific "Remuneration Policy" for all other Group figures. Such Policy establishes remuneration composed of a fixed and a variable part and is communicated to the various company levels at the beginning of the year and reported at the end of the year with objective indicators, two of which are linked to an economic component and one to social sustainability.

Plant in Vicenza, Italy

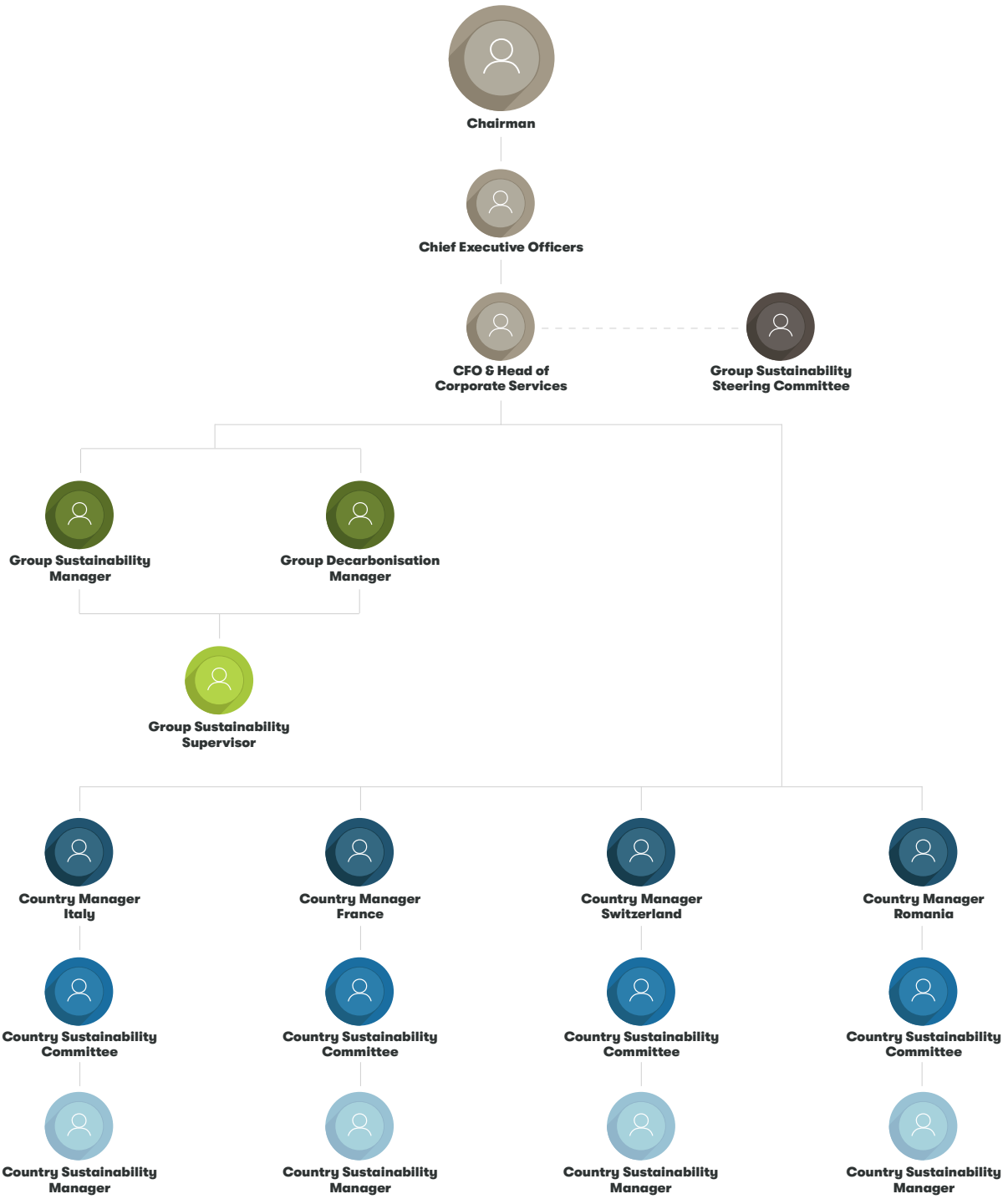
Organisational Structure for Sustainability

AFV Beltrame Group recognises the importance of integrating the management of economic, environmental and social impacts into its strategy and operational activities. Although operating outside a formal Corporate Governance system in the ESG sphere, the Group has established an organisational structure dedicated to sustainability, with the aim of centrally defining strategic guidelines and locally coordinating projects, while continuously monitoring the impacts generated.

The Group's CFO & Head of Corporate Services Managing Director also assumes the role of Head of Sustainability Project, thus ensuring a direct and continuous link between the administrative body and the operating structure dedicated to sustainability. The Board of Directors is responsible for defining, reviewing and approving the purpose, mission, vision and integrated sustainability strategy, based on the material issues emerging from discussions with stakeholders.

The dual role of the CEO as Head of the Sustainability Project ensures constant oversight of sustainability-related processes and ESG standards.

The organisational structure relating to sustainability and a description of the main roles can be found below:



Head of Sustainability Project
As an executive member of the Board of Directors, the Head of Sustainability Project leads the implementation of the sustainability strategy in collaboration with key corporate functions, reports on progress to the Board, and actively contributes to the development of the materiality analysis.

Group Sustainability Manager
Coordinates Group activities related to the sustainability strategy, translating the objectives defined by the Group Sustainability Steering Committee into concrete actions and projects.

Group Decarbonisation Manager
In connection with the decarbonisation strategy within the framework of the sustainability organisation, the Manager defines the strategy, targets and concrete actions for carbon management.

Group Sustainability Supervisor
Coordinates the operational enforcement of sustainability and decarbonisation projects at Group level, managing internal resources and collaborating with company functions. Oversees the monitoring of ESG initiatives and contributes to data collection and non-financial reporting.

Country Sustainability Managers
Present in all the countries, they coordinate the Country Sustainability Committees. They collect data and compile dashboards and KPIs, validate projects from a sustainability perspective and monitor their progress.

Lastly, the Group decided to have specific committees at both central and country level, with the following tasks:

Group Sustainability Steering Committee
Strategic committee responsible for developing the corporate sustainability strategy, defining and supporting improvement projects and activities and defining priority areas. The members of this committee include:

- CFO & Head of Corporate Services Managing Director (Head of Sustainability Projects);
- Group Chief HR & HS Officer;
- Country Manager France;
- Country Manager Switzerland;
- Country Manager Romania;
- Group Sustainability Manager;
- Group Decarbonisation Manager;
- Group Continuous Improvement Manager.

Country Sustainability Committee
Present in all the countries, it is an operational committee led by the Country Sustainability Manager with the presence and sponsorship of the Country Manager. Main tasks:

- ensure that the sustainability strategy is incorporated into operational processes and practices;
- assess the progress of KPIs;
- check the progress of projects;
- scout for new ideas and projects;
- oversee research and applications for grants and funds.

This structure enables the Group to continuously monitor progress within its Sustainability strategy and both its positive and negative impacts by means of defined dashboards and KPIs.

The impact management approach is bottom-up, with the Country Sustainability Managers monitoring KPIs at the individual country level, informing their Country Sustainability Committee, which in turn reports information to the Group level via the Group Sustainability Manager and/or Group Decarbonisation Manager.

This information is lastly reported to the Sustainability Steering Committee at regular meetings, which is ultimately responsible for communications with the highest corporate governance body.

I.VIII POLICY AND REGULATORY RISK

The identification, analysis and measurement of risks, along with the development of mitigation and management methods, are essential elements of sustainable management and of the process of integrating ESG criteria into the activities carried out by AFV Beltrame Group. In fact, the relevance of this aspect also emerged from the analysis that led to updating the list of material topics, confirming within this scope an aspect related to so-called "Corporate culture", in continuity with the previous material topic described as "Policy and Regulatory risk".
One of the Group's fundamental principles, also enshrined in its Code of Ethics, is the strict compliance with laws and regulations in force in Italy and in the other countries where it operates. For this reason, the relevant company functions continuously conduct an in-depth analysis of the risks associated with the evolution of national and international regulations that could impact the Group, both in terms of new reporting requirements and business impacts.

Sustainable Finance: CSRD and Taxonomy
The regulatory process on sustainable finance aims to ensure common rules and an organic approach to counteract greenwashing and create dedicated financing channels for companies, enabling them to genuinely demonstrate their sustainability. The European institutions, in particular, are working to promote sustainable development from an economic, social and environmental point of view, actively contributing to the implementation of the Paris Agreement, through various regulatory instruments aimed at implementing a financial system that supports sustainable growth.
Since 2018, the European Commission has been developing the Sustainable Finance Agenda, including the Sustainable Finance Action Plan, within the framework of the European Green Deal, as well as defining a Strategy to finance the transition to a sustainable economy. In this context, the following key points are fundamental, namely:

1. the creation of a science-based classification system of sustainable activities (known as the Taxonomy);
2. the introduction of a mandatory disclosure regime for both financial and non-financial companies concerning their impact on the environment and society, as well as the sustainability-related operational and financial risks they face;
3. the provision of a set of tools (such as benchmarks, standards, norms and labels) designed to support companies, financial market participants and intermediaries in aligning their investment strategies with the Union's environmental objectives.

Taxonomy
EU Regulation 2020/852 introduced the Taxonomy of eco-sustainable economic activities into the European regulatory system; it is a classification of activities that can be considered sustainable based on alignment with the environmental objectives of the European Union and compliance with certain clauses of a social nature. To be eco-sustainable, an activity must meet the following criteria:
1. make a "substantial contribution" to at least one of the six environmental objectives:
   - climate change mitigation;
   - climate change adaptation;
   - sustainable use and protection of waters and marine resources;
   - transition to a circular economy;
   - prevention and reduction of pollution;
   - protection and restoration of biodiversity and ecosystems;
2. "Do No Significant Harm" (DNSH) to any of the environmental objectives;
3. be carried out in compliance with minimum social guarantees (for example, those provided for by OECD guidelines and United Nations documents);
4. comply with the technical screening criteria set by the European Commission.

Taxonomy aims to provide guarantees to capital market operators by protecting private investors from the so-called "greenwashing" practices, helping companies reduce their climate impact and directing private capital towards more sustainable development, in line with the commitments made under the Paris Agreement on climate change.

Corporate Sustainability Reporting Directive (CSRD)

On 28 November 2022, the European Council definitively approved the Corporate Sustainability Reporting Directive (CSRD), one of the cornerstones of the European Green Deal and of the Sustainable Finance Agenda, which amends Directive 2014/95 (NFRD - Non-Financial Reporting Directive).

The aim of CSRD is to broaden the scope of subjects obliged to provide sustainability information to stakeholders, particularly financial stakeholders, by providing:

01

all the information on the effects that the company itself has on the surrounding environment (e.g. the effect of emissions from production processes on the air quality affecting local residents) in terms of impact materiality;

02

all the information on how developments in the field of sustainability influence and affect the company (e.g., the effects of climate change on the business model) from a financial materiality perspective.

These two perspectives generate the concept of "double materiality"' representing the impact on the company and the impact of the company.

The entry into force of the Directive, subsequently implemented in Italy by Legislative Decree 125/2024, took place on 05 January 2023, with the aim of translating, also for companies not currently subject to the Directive on non-financial reporting and that meet two of the following criteria:

- turnover exceeding Euro 50 million;
- shareholders' equity exceeding Euro 25 million;
- over 250 employees

in the obligation to submit their reports on issues related to sustainability performance starting from 2026 (with reference to 2025). Due to these dimensional criteria, the introduction of the CSRD led to an immediate commitment by the Group to prepare, in line with the timing envisaged by the law, the required information.

The classification of taxonomic activities, together with the entry into force of the CSRD, already influences and will increasingly influence the considerations of financial institutions or other stakeholders and will make it more competitive for less "green" sectors or non-aligned companies to obtain financing.

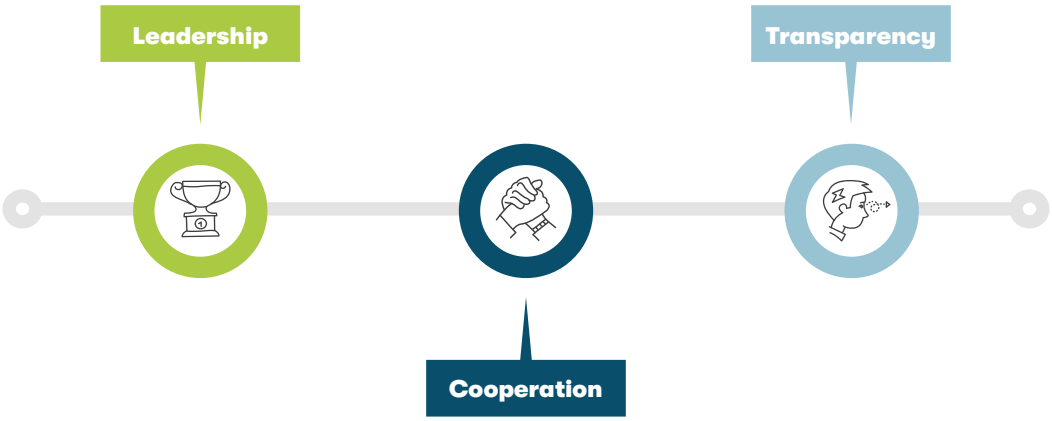
It should be noted that on 26 February 2025, the European Commission, acting at the initiative of the Union's leaders, introduced two so-called Omnibus packages designed to:

- adopt a **"stop-the-clock"** mechanism postponing the implementation deadlines for certain obligations related to corporate sustainability reporting and the due diligence duties of companies concerning sustainability;
- simplify the legislation in force respectively in the areas of sustainability and investments and revise the current set of ESRS standards.

On 14 April 2025, the European Council gave final approval to the proposal to postpone the deadlines, delaying by two years the entry into force of the obligations imposed by the Corporate Sustainability Reporting Directive for large companies that have not yet started reporting and for listed SMEs. Consequently, the first sustainability reporting under the CSRD is now deferred to 2028 (referring to FY2027). Member States will have to transpose the directive into their national law by 31 December 2025.

Despite recent regulatory updates postponing the obligation to publish a sustainability report in line with CSRD requirements, the Group has nonetheless reaffirmed its commitment to innovating business models by integrating sustainability practices. This is pursued through a cooperative, multi-stakeholder approach aimed at pooling resources, sharing risks and achieving innovative solutions, while increasing transparency to build trust and strengthen stakeholder engagement.

The Group recognises that for an effective and competitive implementation of sustainability-oriented business strategies, three factors are crucial:



Trith Saint Léger plant, France

Climate Policies

As far as the European legislative context on climate policies is concerned, the last few years have been characterised by discussions and new proposals inspired by the principles of the Green Deal. From 2020 onwards, several innovations have been promoted regarding the mechanisms that guarantee sustainable growth, while respecting natural resources, biodiversity and people, in accordance with the climate neutrality goal by 2050.

FIT FOR 55

The Fit for 55 package, presented by the European Commission on 14 July 2021, represents a pillar of the European strategy for decarbonisation and achieving climate neutrality by 2050.
This initiative involves a series of regulatory updates that aim to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.
The measures included in this package have been the subject of intense negotiations, leading to significant updates concerning the EU Emissions Trading System (EU ETS), the introduction of the Carbon Border Adjustment Mechanism (CBAM), the extension of regulation to emissions in the building and transport sectors through the ETS2 Directive, the Corporate Sustainability Reporting Directive (CSRD), as well as new provisions on sustainable finance and investment taxonomy.

EU-ETS and ETS2 Directive

One of the cornerstones of Fit for 55 is the revision of the Emissions Trading System (EU ETS), which provides for a mechanism for the gradual reduction of emissions through a cap and trade system. The revision resulted in a strengthened reduction of the overall number of allowances available on the market and a more progressive decrease of the emissions cap. In particular, the free allocation of allowances has been gradually phased out in order to encourage the transition to cleaner technologies. This implies that companies will have to improve their energy performance to reduce costs related to the purchase of allowances.
This reform is accompanied by the ETS2 Directive, which extends the system to new sectors, particularly the building sector and road transport. This extension provides that, starting from 2025, regulated entities will be required to monitor and report their emissions, while from 2027 the obligation to purchase allowances through auctions will come into effect. This new mechanism aims to encourage the adoption of low environmental impact solutions in traditionally high emission-intensity sectors, with particular attention to the use of renewable sources and technologies for reducing the carbon footprint. The Group participated in the data collection requested by the EU (NIMs – National Implementation Measures) in order to enable an initial assessment of the amount of free allocations for each country, from which the specific allocations for each affected organisation can subsequently be determined.

CBAM - Carbon Border Adjustment Mechanism

A key element in preventing carbon leakage is the introduction of the CBAM, the Carbon Border Adjustment Mechanism. Starting from 2026, importers of emissions-intensive products—such as steel, cement and fertilisers—will be required to declare the embedded emissions in the imported goods and purchase CBAM certificates, whose price will be aligned with that of EU ETS allowances. This mechanism ensures a level playing field between European companies subject to stringent regulations and those from third countries with less rigorous environmental standards.
During the transitional period, until 2026, operators are required to submit quarterly reports with data on emissions incorporated in imported goods. Recently, the European Commission has introduced new verification requirements for the declared data, gradually phasing out default values in favour of actual data provided by producers. In addition, it will be necessary to ensure the traceability of emissions throughout the supply chain. The Group monitors all procurement flows from non-EU countries and, if necessary, draws up the quarterly CBAM report, which, to date, has been applicable only to Donalam S.r.l., for purchases of semi-finished steel products.

Green Claims Directive and Ecodesign Regulation (ESPR)

Another important regulatory development concerns the proposal of the Green Claims Directive, which imposes transparency in companies' environmental declarations, preventing misleading practices and ensuring that sustainability claims are based on verifiable criteria. At the same time, the Ecodesign for Sustainable Products Regulation (ESPR), which came into force in 2024 but is awaiting delegated acts to become fully applicable, sets requirements for the design of products with reduced environmental impact throughout their entire lifecycle. This includes the mandatory use of recycled materials, the facilitation of repairability and the extension of the life of the goods. Companies will have to adapt their production processes to comply with these standards. In parallel, the new Regulation on Construction Products has been introduced, which is also awaiting amendments to specific rules. It requires manufacturers to provide similar transparency regarding sustainability-related data, including the proposal for a Digital Product Passport (DPP).

Critical Raw Materials Act (CRMA)

The European Critical Raw Materials Act (CRMA), which came into force on 23 May 2024, aims to ensure a secure and sustainable supply of strategic materials essential for green and digital technologies. The EU plans to extract at least 10% of its annual needs, process 40% and recycle 25% by 2030.
The regulation introduces measures to reduce dependence on external suppliers and simplify authorisation processes for mining and recycling activities. Companies will have to demonstrate the sustainability of the use of critical raw materials to access certain incentives. The Group is not significantly affected by this regulation, except for the fact that there is pressure from the steel sector to include scrap iron in the list of critical materials.

EPBD IV Directive on energy performance of buildings

The EPBD IV Directive introduces new standards for building energy performance, requiring the reduction of energy consumption through renovation measures and the use of sustainable materials.
This impact extends to the construction sector, promoting the use of low-emission steels and innovative technologies for the energy management of buildings. Buildings will have to comply with more stringent energy performance requirements.
By extending the concept of the carbon footprint of buildings to include construction phases, a positive outlook emerges for construction steels produced through electric steel-making, which relies on the use of scrap and has a significantly lower carbon footprint compared to those produced via the integrated steel-making process.

European Action Plan for the Steel and Metallurgy Sectors

In 2025, the European Union presented a strategic plan dedicated to the steel and metallurgy sectors, within the broader framework of the Clean Industrial Deal. The objective is to strengthen European competitiveness amid challenges such as high energy costs, global overcapacity, trade dumping and decarbonisation efforts.

The plan is divided into six priority axes.

1. **Competitive and affordable energy**
   - Incentives for energy-intensive industries (PPAs, reduced tariffs, priority access to the grid).
   - Promotion of renewable and low-carbon hydrogen for the green steel industry.
2. **Trade defence measures and strengthened CBAM (Carbon Border Adjustment Mechanism)**
   - Extension of the CBAM mechanism to processed products.
   - Anti-avoidance measures and a possible new "melt & poured" rule to identify the origin of products.
3. **Industrial sovereignty**
   - Strengthening of anti-dumping safeguard measures.
   - Protection of EU production capacity and strategic sites.
4. **Circular economy**
   - Mandatory targets of recycled content in steel and aluminium.
   - Measures on scrap metal to ensure their internal availability.
5. **Finance for decarbonisation**
   - Dedicated funds (RFCS, Horizon Europe, pilot auctions for decarbonised industrial projects).
   - Creation of the Bank for Industrial Decarbonisation.
6. **Protection of employment and training**
   - EU Observatory for a fair transition.
   - Development of skills for new production processes (EAF, H2, CCUS).

The main opportunities that the steel industry can seize are represented by:
- facilitated access to EU funds for innovation, decarbonisation, electrification and circularity;
- bonuses in public tenders for low-carbon metals produced in Europe;
- strengthening of barriers against unfair competition from non-EU countries;
- new markets for green steel thanks to traceability, recycled content and digital passport.

The Group constantly monitors the regulatory framework at all levels to make the most of every opportunity and to maintain its leadership as an organisation focused on sustainability and innovation.


Plant in Vicenza, Italy

The potential impacts for AFV Beltrame Group related to the Fit for 55 package (revision of the EU ETS system and introduction of CBAM) can be summarised as follows:

higher costs to cover the EUA deficit (resulting both from the increased linear reduction of allocations foreseen in the EU ETS reform and from the inclusion of the iron and steel sector in the CBAM);

risk of loss of competitiveness in non-EU markets, since the CBAM mechanism compensates for the cost of purchasing EUAs only for products imported from countries outside the EU, while outside the EU the higher cost of emission allowances for compliance will impact the marginal cost;

risk of loss of competitiveness vis-à-vis direct competitors (due to the increase of the EUA cost variable) and possible imperfections in the CBAM mechanism.

The gradual reduction of free CO_2 emission allowances forces the industrial sector to accelerate investments in decarbonisation, often pushing the limits of current technical feasibility.

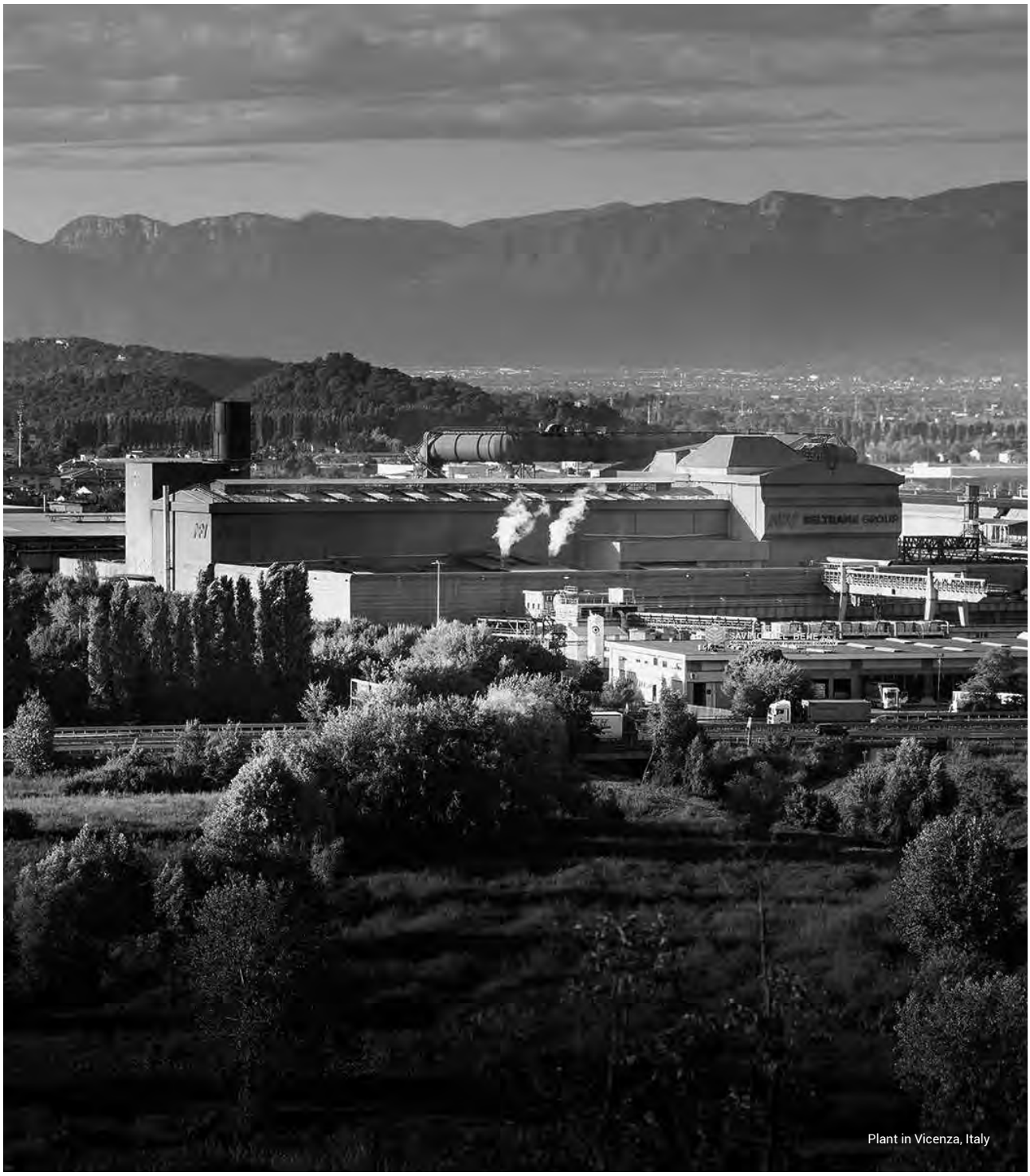
In a global context still marked by regulatory inconsistencies, the risk of competitive disadvantages compared to imports from non-EU countries is real. While CBAM represents a first step towards fairer competition, it will provide protection only within the European market, making a shared and sustainable industrial strategy even more urgent.

Raffaele Ruella
CFO-Executive Director, Head of Sustainability Projects

The evolution of European regulations - from the CSRD to the Taxonomy and the Fit for 55 package - is redefining credit access criteria, prompting the banking system to prioritise companies that can demonstrate a concrete commitment to transitioning towards low- or zero-carbon models.

In this scenario, our decarbonisation strategy, based on short and medium-long term horizons, represents not only a responsible response, but also an enabling factor to ensure operational continuity, financial attractiveness and competitiveness in the long term.

Raffaele Ruella
CFO-Executive Director, Head of Sustainability Projects



Plant in Vicenza, Italy

I.IX ETHICS, BUSINESS INTEGRITY AND COMPLIANCE

The Beltrame Group shares, accepts and complies with the following fundamental ethics principles:

Legality:
strict compliance with the laws and regulations in force in Italy and in the other countries in which the Group operates.

Equality:
respect for human rights, without discrimination based on age, gender, sexual orientation, personal and social conditions, race, language, nationality, political and trade union views and religious beliefs.

Impartiality:
taking decisions with professional rigour and objectivity, according to objective and neutral assessment criteria.

Transparency, fairness and reliability:
production and sharing of transparent, truthful, complete and accurate, as well as recorded, verifiable, legitimate, consistent and adequately documented, information in order to guarantee adequate traceability.

Professionalism:
professionalism, commitment and diligence in carrying out assigned tasks are essential values for the Group's growth and success in the national and international markets.

Confidentiality and privacy protection:
confidentiality of information and use of confidential data in strict compliance with current legislation on privacy both in Italy and internationally.

Corporate responsibility:
conducting business activities with a view to sustainability, aimed at meeting the needs of stakeholders without compromising the well-being of future generations and promoting an efficient and responsible use of resources.

The principles outlined above, which guide the Group's business activities, are described in the Code of Ethics, last revised on 19/03/2025. This document applies to all Group companies and can be downloaded from the download section of the website www.gruppobeltrame.com.

Corporate compliance

The operational activities relating to Corporate compliance, launched in 2023 with the creation of an internal function, also continued during 2024, involving the responsible Committee in periodic meetings aimed at investigating the issues of competence, such as the monitoring of existing internal procedural documents. and the analysis of changes deriving from the external context.

Code of Ethics

The companies of the AFV Beltrame Group have deemed it essential to adopt a Code of Ethics that clearly and transparently defines the set of values by which the Group is inspired in the achievement of its business objectives and whose observance is essential for the proper functioning of all activities as well as for its reliability, reputation and image, which are fundamental aspects for the current and future development of all Group companies. The Code of Ethics outlines the principles and rules of conduct that guide and inspire the activities of AFV Beltrame Group, expressing the commitments and responsibilities that all recipients are expected to uphold in carrying out their respective duties.

Compliance with laws and regulations

With regard to aspects of compliance with laws and regulations, the following cases were recorded in 2024:

- a formal notice to comply regarding the failure to communicate a non-substantial reporting obligation related to the management of atmospheric emissions at the San Giovanni Valdarno (AR) plant. This notice was followed by the imposition of a penalty of an insignificant amount;
- a formal notice to comply relating to the breach of discharge limits for runoff water at the Vicenza plant. With reference to this warning, the Company presented an appeal and request to close the related proceedings before the competent authorities.

The Organisation, Management and Control Model of the Parent Company

To assure the best conditions of correctness, transparency and lawfulness in the execution of its own corporate functions, with a resolution of 15 December 2008 the Board of Directors of AFV Acciaierie Beltrame S.p.A. adopted the Organisation, Management and Control Model (hereinafter also the "Model") pursuant to Italian Legislative Decree 231/2001, which governs the Company's administrative liability for unlawful acts by top managers or employees or contractors in the interest or for the benefit of the Company. The purpose of the Model is the construction of a structured, organic system of control procedures and activities, such as to allow, through monitoring areas of activity at risk, to intervene promptly to prevent or contrast the perpetration of the types of offences contemplated by Italian Legislative Decree 231/2001.

Over the years, the Model has been updated to align with organisational changes and to incorporate additional or revised types of offences considered by the legislator as grounds for applying Legislative Decree No. 231/2001 (the latest update to the Model was approved on 21 February 2025).
The Company has also appointed a Supervisory Body, vested with independent powers of initiative and control, in charge of supervising the functioning and observance of the Model and reporting directly to the Board of Directors. An integral part of the Model is the Code of Ethics, which sets out the principles and rules of conduct (including legality, fairness and transparency) that guide the Group's activities and are also suitable for preventing unlawful behaviours under Italian Legislative Decree 231/2001. As such, the Code is relevant for the purposes of the Model and constitutes a complementary element of it.

ANTI-CORRUPTION POLICY

The Parent Company has adopted a specific Anti-Corruption Policy, which also applies to its subsidiaries. The aim of the policy is to establish principles of conduct to prevent and avoid corrupt practices and to provide guidelines for compliance with applicable anti-corruption regulations.

The policy was drafted with reference to international anti-corruption best practices (i.e. the United Nations Convention against Corruption – Merida Convention, the OECD Convention on Combating Bribery), as well as to national legislation (i.e. the applicable criminal and civil codes in the countries where the Group's companies are based and specific regulations in those countries or in jurisdictions where potentially high-risk activities are carried out). The definitions provided by Italian law were primarily considered, as they are broadly consistent with those adopted in the other relevant jurisdictions.
Compliance with the contents of the document is required of employees, directors, clients, suppliers, financial partners and all parties engaged in business relations with the Group.

The Group prohibits any practice of a corrupt nature and is committed to ensuring corporate conduct inspired by the principles of transparency, honesty and integrity and to complying with the laws and regulations in force in the countries in which it operates. The value of integrity is part of the Group's culture, which does not tolerate corruption towards anyone, whether against public or private parties, both active (from the point of view of the briber) and passive (from the point of view of the bribed).
In addition to the Anti-Corruption Policy, the Code of Ethics and the Model, along with the related protocols, form a regulatory framework designed to prevent the commission of corrupt practices. Furthermore, in order to carry out appropriate monitoring activities, dedicated audits are conducted periodically to verify compliance with the stated principles.

Cases of corruption

During 2024, no incidents related to corruption were recorded.

ANTITRUST POLICY

In accordance with the values of its Code of Ethics, the AFV Beltrame Group is committed to operating on the market in manners which comply with the laws and regulations protecting free competition, not only in relations with competitors but also in relations with customers, suppliers and other third parties.

The Group believes that an open market with free competition constitutes a value for consumers and businesses. Therefore, the Group is committed to safeguarding and respecting the principles of protection of competition and to operating independently of its competitors, making use of its own entrepreneurial merits.

In this context, an antitrust policy has been adopted, providing specific guidelines in order to:
- allow personnel to know the legislation;
- describe the rules of conduct to be followed in the relevant contexts;
- provide tools that can be used to identify the risk of inadequate conduct;
- developing an antitrust compliance culture valid for all Group companies.

Compliance with the requirements of the document is required of employees of all Group companies.

Cases of infringement

During 2024, no incidents related to anti-competitive behaviour, antitrust violations, or monopolistic practices were recorded.

HUMAN RIGHTS POLICY

The Parent Company has adopted a specific human rights policy, also applicable to its subsidiaries, aimed at establishing behavioural principles to ensure the respect, protection and promotion of human rights throughout the conduct of business activities.

The policy was drafted in line with the main international best practices (e.g. United Nations Universal Declaration of Human Rights, European Convention on Human Rights, OECD Guidelines for Multinational Enterprises, Fundamental Conventions of the International Labour Organisation - ILO) and applies to all parties who may be affected by the Group's activities or who may exert some influence over those effects, such as employees, directors, shareholders, customers, suppliers, financial partners, trade associations, labour unions and public institutions.

The policy reaffirms the Group's commitment to respecting human rights, pledging not to violate them or engage in any actions or omissions that could negatively impact them, distinguishing between:
- general human rights (e.g., the right to life, freedom of thought and opinion; rights of local communities; right to privacy; the right to personal security and health; and the right to environmental protection and preservation);
- specific workers' rights (e.g., prohibition of forced or compulsory labour; freedom of association, the right to organise and collective bargaining; equal pay and non-discrimination in employment or occupation; health, safety and environmental protection; prohibition of child labour; the right to rest and leisure).

Cases of infringement

During 2024, no incident relating to human rights violations was recorded.

WHISTLEBLOWING POLICY

In light of the adoption of Legislative Decree No. 24/2023, implementing EU Directive 2019/1937 on the protection of persons reporting breaches of European Union law and containing provisions for the safeguarding of such individuals (commonly known as Whistleblowers), the Group companies have adopted a specific whistleblowing policy with the following objectives:

- identify the parties who can make reports;
- restrict the scope of behaviours, events or actions that may be the subject of reporting;
- identify the channels through which to make reports;
- describe the operating procedures for the submission and management of reports, as well as for any subsequent investigation activities;
- inform the whistleblower and the reported person about the forms of protection that are recognised and guaranteed.

The document has been drafted in compliance with national and EU regulations, as well as with the most relevant best practices. It provides a detailed description of the procedures adopted by the company for managing reports, aiming to ensure adherence to timelines and the application of the protections required by law, such as protection against retaliation, unjust sanctions, or discrimination against whistleblowers.
To achieve these objectives, an internal reporting channel has been established via an IT platform that ensures - also through the use of encryption technologies (which characterise the aforementioned platform) the confidentiality of the identities of the Whistleblower, the Reported Party and any other individuals involved, as well as the content of the report and any attached documentation. The management of reports is entrusted to the so-called Whistleblowing Committee, a collective body consisting of four members, which meets on any occasion deemed appropriate.

Reports received

During 2024, two reports were received, followed by an investigation carried out by the Whistleblowing Committee.

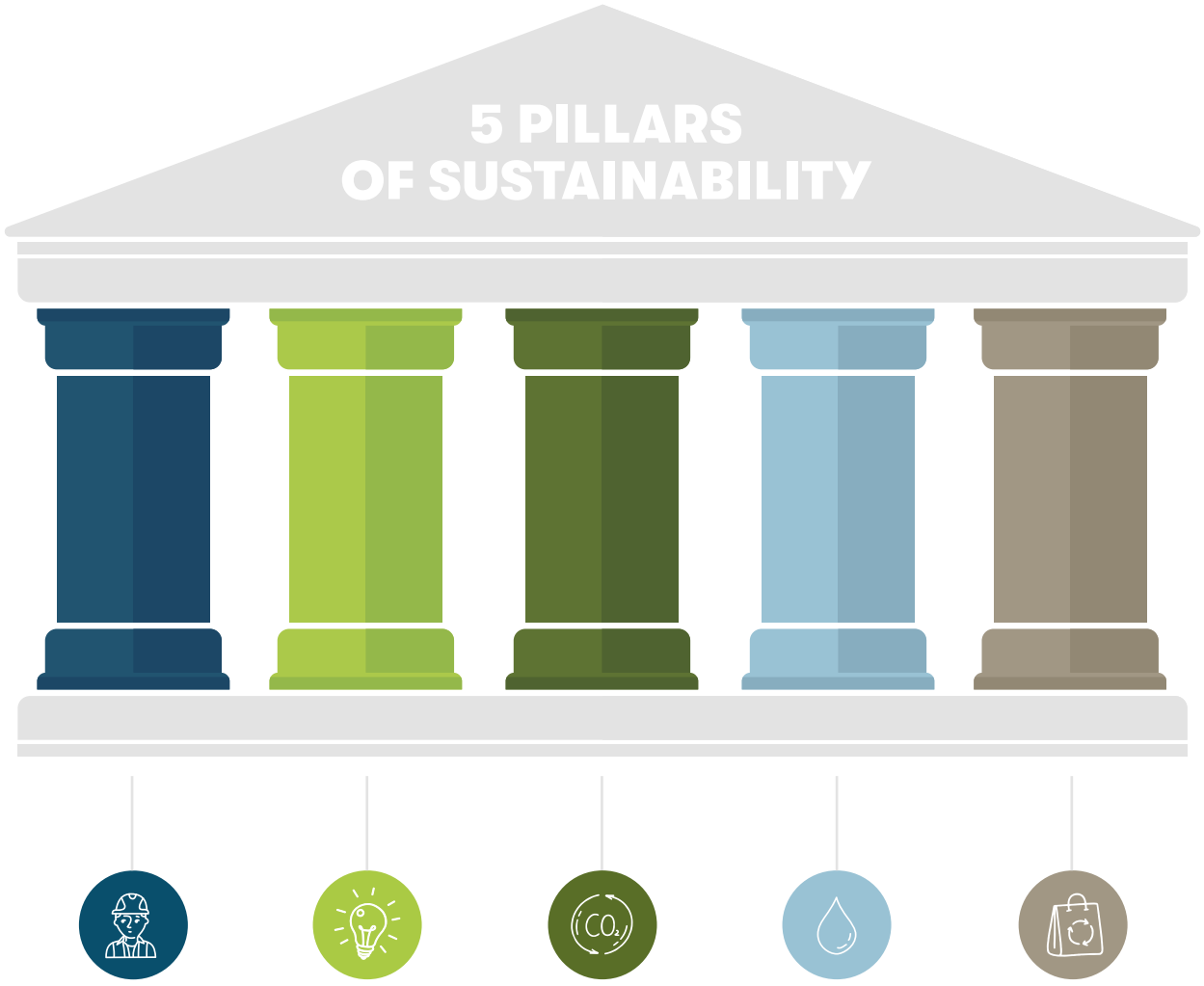
CHAPTER II
Sustainability for AFV Beltrame Group

II.I APPROACH TO SUSTAINABILITY

What is Sustainability for the AFV Beltrame Group?
For AFV Beltrame Group, sustainability is the cornerstone of its business model.
By adopting an integrated approach according to ESG criteria, the Group attaches equal importance to environmental protection, the enhancement of people and the creation of value for all stakeholders.
To ensure that these principles are fully incorporated into strategic choices and operational activities, a structure dedicated to sustainability has been established.

This has defined a development path based on five fundamental pillars, guiding the Group's commitment through targeted projects aimed at improving performance, supported by clear indicators and transparent, ambitious objectives.

The priority areas of intervention, identified as pillars of sustainability, are as follows:



Decrease in the rate of accidents at work and days lost.

Reducing electricity and natural gas consumption by promoting the use of renewable energy.

Reducing the organisation's carbon footprint.

Reducing industrial water consumption.

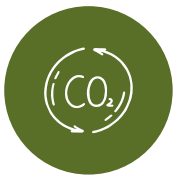
Optimal waste management, with a focus on recycling and recovery.

Decrease in the rate of accidents at work and days lost

Sustainability in the context of the AFV Beltrame Group also extends to the well-being and safety of employees. The aim is to reduce the accident rate at work by promoting a safe and healthy working environment. The reduction in lost days is a direct indicator of commitment to accident prevention and occupational health promotion.

Reducing the organisation's carbon footprint

AFV Beltrame Group has made reducing its carbon footprint a key priority. This includes not only the limitation of direct emissions (Scope 1), but also focusing attention on the indirect emissions deriving from the purchase of energy (Scope 2). The adoption of low-carbon technologies and investment in sustainable energy sources are an integral part of this strategy. We are also committed to reducing Scope 3 emissions through optimisation of supply chains and logistics, stakeholder engagement and the innovative use of secondary materials.



Reducing industrial water consumption

The commitment to sustainability also extends to the responsible management of water resources. AFV Beltrame Group consistently works to reduce water consumption in industrial processes by implementing efficient technologies and practices that limit water use without compromising product quality, while promoting recycling and reuse.

Reducing electricity and natural gas consumption by promoting the use of renewable energy

AFV Beltrame Group is actively committed to reducing its environmental impact by lowering energy consumption. This objective is pursued through the implementation of practices and technologies aimed at optimising energy performance in production processes. At the same time, the adoption of renewable or non-fossil energy sources is promoted, thus helping to mitigate the use of non-renewable resources.

Optimal waste management, with a focus on recycling and recovery

Another key element of the sustainable strategy is responsible waste management. The Group promotes the recycling and recovery of materials, thus reducing the environmental impact of disposal. Using waste as a resource is an integral part of the sustainability approach.

AFV Beltrame Group integrates and coordinates these various sustainable initiatives to pursue a holistic vision of environmental, social and economic responsibility, contributing to long-term sustainable development.

II.II STAKEHOLDER ENGAGEMENT & STRATEGY

The Group has always been oriented towards stakeholder engagement and believes that exchanging information, listening to their needs and expectations and satisfying their mutual interests in a collaborative perspective are conditioning factors for implementing its business strategy, which can draw competitive advantage from this path.

Long-term projects, typical of the "hard-to-abate" sector, developed to achieve European climate neutrality targets and contribute to the ongoing energy transition, require the involvement of various categories of stakeholders, such as, by way of example but not limited to: financial institutions for granting loans related to the implementation of these projects; customers to build partnerships for the purchase of carbon-neutral products (Chalibria); employees to strengthen collaboration in achieving health and safety objectives at work; and the local community to ensure the social acceptability of the initiatives.

Transparency is the foundation of the relationship the Group maintains with each stakeholder and is directly linked to sustainable development. For these reasons, the update of the mapping of key stakeholders relevant to the Group has been initiated, categorising them into:

1. "involved" stakeholders, i.e. all parties that are or could be influenced, directly or indirectly, by the Group's activities and its commercial relations along the value chain, with both positive and negative impacts;

2. "users of sustainability reporting", i.e. stakeholders who utilise financial and sustainability disclosures to assess corporate performance, including lenders, business partners, trade unions, civil society organisations, public authorities, analysts and members of the academic community.

With reference to the materiality analysis concerning the assessment of current or potential, positive or negative impacts, as described in the Materiality Analysis section, the Group involved internal stakeholders who provided their evaluation of the significance of each impact relative to their respective areas of expertise.

To further refine the results of the analysis and gain an even clearer understanding of its current and future material topics, the sustainability working group plans to broaden the range of stakeholders involved by including additional categories of subjects, defined as "Users of the sustainability reporting".

The Group believes that fostering trust through ongoing relationships with its stakeholders can bring additional benefits and help anticipate potential conflicts in the future, enabling better management of such situations.

Plant in Vicenza, Italy

II.III MATERIALITY ANALYSIS

During 2024, the Group carried out a new impact materiality analysis, guided by the requirements of the European Sustainability Reporting Standards (ESRS) set forth by the CSRD (Corporate Sustainability Reporting Directive). This directive introduces a more structured and detailed regulatory framework for sustainability reporting, redefining the ways in which companies must assess and communicate their ESG impacts, risks and opportunities.
The analysis was developed with reference to the EFRAG guidelines for implementing Materiality Assessment (EFRAG IG 1), which provide methodological instructions for conducting the context analysis, identifying impacts and engaging key stakeholders. Through this structured approach, the Group has identified and thoroughly assessed the environmental, social and governance (ESG) issues most relevant to its business and its stakeholders. The materiality process started from the analysis of the impacts, understood as the positive or negative effects that the Group generates, or could generate, on the environment and on people - including human rights - through its activities or commercial relationships. The objective was therefore twofold: on the one hand, to strengthen the Group's ability to monitor, manage and mitigate its sustainability impacts with a view to continuous improvement and on the other to ensure timely and transparent alignment with new regulations. In conducting the impact materiality analysis, the Group followed a structured approach divided into several operational phases:

1

Analysis of the context in which the Group operates

The Group conducted an in-depth analysis of its operating context, with the aim of identifying the main sustainability trends in the steel sector, considering both the evolution of the regulatory context and the strategies adopted by the main market players. More specifically, over 15 **peers** and **competitors** were examined to identify the most recurring and relevant sustainability issues for companies in the sector. This comparison made it possible to highlight the areas of greatest attention in the sector and to contextualise the Group's strategic priorities. The Group has also initiated a **mapping of its value chain,** analysing its main upstream and downstream business relationships, including suppliers, customers and other strategic partners. This activity has proven instrumental in gaining a deeper understanding of the value chain in which the Group operates and in supporting the identification of actual and potential impacts along the value chain. The analysis was complemented by a review of key publications from **relevant industry associations,** including Federacciai, EUROFER, the Global Steel Climate Council (GSCC) and the World Steel Organization, as well as recognised sector-specific standards such as the Sustainability Yearbook by Standard & Poor's and the SASB Standards. The "Iron and Steel Producers" sector was taken into account for the Group's own operations, along with the most critical segments of the value chain, those marked by strong dependencies or significant impacts such as the upstream Metals and Mining sector and the downstream Construction Materials sector. This approach has made it possible not only to identify the most important issues for the steel sector, but also to recognise the **emerging challenges** in related sectors. In light of the most recent regulatory developments affecting the steel sector, the analysis was extended to the mapping of the main **ESG regulations** that can influence the strategy and operations of the Group. The main regulations examined include:

- Corporate Sustainability Reporting Directive (CSRD);
- Taxonomy;
- CBAM - Carbon Border Adjustment Mechanism;
- EU Emissions Trading System (ETS);
- ETS2 Directive;
- Green Claims Directive and Ecodesign Regulation (ESPR);
- EPBD IV Directive on the energy performance of buildings;
- Critical Raw Materials Act (CRMA);
- European Action Plan for the Steel and Metallurgy Sectors;
- Corporate Sustainability Due Diligence Directive (CSDDD).

At the same time, the Group has begun updating the **mapping of its key stakeholders.** In particular, the stakeholders were divided into:

- "involved" stakeholders, i.e. all parties that are or could be influenced, directly or indirectly, by the Group's activities and its commercial relations along the value chain, with both positive and negative impacts;
- "users of sustainability statements", i.e. stakeholders who utilise financial and sustainability disclosures to assess corporate performance, including lenders, business partners, trade unions, civil society organisations, public authorities, analysts and members of the academic community.

For further details on stakeholder engagement and management strategy, please refer to the "Stakeholder Engagement & Strategy" section of this document.

2

Identification of current and potential impacts

Based on the results of the context analysis, the Group identified the main impacts generated by its activities and business relationships along the value chain, with reference to the environmental, social (including human rights) and governance dimensions. The identification of impacts was carried out using the list of topics, sub-topics and sub-sub-topics provided in Application Requirement 16 of ESRS 1, as outlined in **Annex I of the CSRD Directive.** The Group reviewed and updated the impacts identified in the previous materiality assessment, aligning them with the relevant thematic ESRS and supplementing them with new elements that emerged from the context analysis, relevant literature and academic studies concerning key sectors along the value chain. In compliance with the new materiality guidelines, for each impact identified, the following were assessed:

- **nature of the impact,** distinguishing between positive and negative, current and potential impacts;
- **time horizon,** classifying the probability of materialisation of the impact in the short term (within one year), medium term (within five years) or long term (beyond five years).

The analysis considered both the impacts directly attributable to the Group's activities and plants and those deriving from commercial relationships upstream and downstream of the value chain. Particular attention was paid to sectors in the value chain identified as critical due to their nature and potential impact on the Group's sustainability, specifically the upstream mining sector for ferroalloys and coal and the downstream construction sector.

San Giovanni Valdarno plant, Italy

3

Assessment of the importance of the impacts

The identified impacts were subjected to both qualitative and quantitative evaluation through the active involvement of internal stakeholders. This process made it possible to define the level of relevance of each impact and to establish a quantitative materiality threshold.
The impacts were assessed using a scale from 1 to 4, based on metrics defined by the Group:

- **Severity:** determined by the maximum value of the following factors:
  - **Extent:** the level of intensity or severity of the impact;
  - **Scope:** the extent of the impact to own transactions and/or along the value chain;
  - **Irremediability** (only for negative impacts): the difficulty of reversing or compensating the damage generated.
- **Likelihood:** the possibility that the impact will materialise.

The overall materiality score for each impact was calculated by multiplying severity and likelihood, thus providing a quantitative basis for ranking the impacts in order of significance. The assessment of the impacts involved in a structured manner the **internal stakeholders,** who expressed their opinion on the relevance of each impact in relation to their area of competence. In particular, under the guidance of the **working group dedicated to sustainability,** the managers of the various company functions individually examined a selection of impacts through a questionnaire, assigning each impact a score based on their experience and specific knowledge. The results of the assessments were then aggregated and analysed at consolidated level, offering an overall and balanced view of the priorities that emerged. To determine the material impacts to be disclosed in the Sustainability Report, a **relevance threshold** of 9 on a scale from 1 to 16 was adopted. This value was chosen to ensure a balance between comprehensiveness and selectivity, thereby prioritising only those impacts that have a meaningful influence on business decisions and sustainability strategies. The threshold was determined on the basis of the distribution of scores emerging from the assessment of internal stakeholders.

4

Definition of material impacts and topics

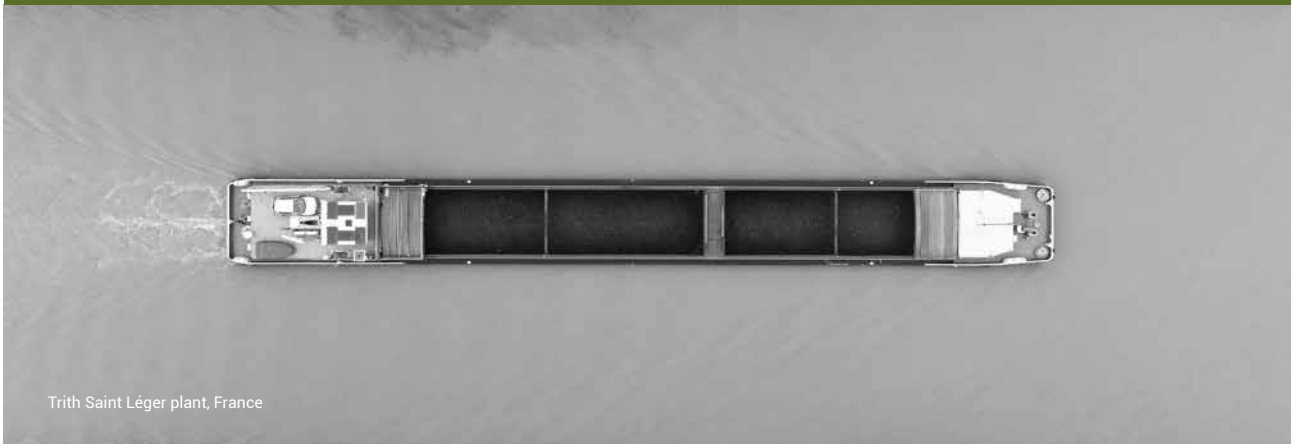
Following this process, the Group identified **41 material impacts,** each of which was then mapped to the ESRS topics defined in Application Requirement 16 of Annex I of the CSRD Directive. Each ESRS topic was then assigned a score based on the assessments of its related impacts. In particular, the score assigned to each topic corresponds to the highest score among the impacts included within that specific topic, thereby ensuring that the importance of the topic reflects the most significant impact identified.

Below is the **list of ESRS topics** that were **material** from the point of view of impacts:

- climate change adaptation;
- energy;
- climate change mitigation;
- air pollution;
- pollution of living organisms and food resources;
- pollution from radioactive sources (substances of very high concern);
- waters;
- impacts on the extension and condition of ecosystems;
- use of resources (inflows of resources, including use and outflows of resources related to products and services);
- waste;
- working conditions (own workforce);
- equal treatment and opportunities for all (own workforce);
- confidentiality (other work-related rights);
- working conditions (workers in the value chain);
- equal treatment and opportunities for all (workers in the value chain);
- economic, social and cultural rights of communities;
- business culture;
- active and passive corruption;
- supplier relationship management, including payment practices.

The Sustainability Steering Committee also played a pivotal role in fostering engagement with the Board of Directors, ensuring clear communication of the analysis methodology applied, the outcomes achieved at each stage of the process and the alignment with the Group's strategic pillars (further details are provided in the section "Summary of 2024 Results and 2025 Targets"). **The Board of Directors approved the material topics on 19 March 2025.**
In line with its commitment, the Group expects to update the materiality analysis in the short term by adopting the double materiality approach. This process will incorporate, in addition to impact materiality (inside-out), the financial materiality dimension (outside-in), allowing for an assessment of how ESG risks and opportunities may affect the Group's development, financial performance and overall financial position.

At the same time, the Group will strengthen stakeholder engagement, extending the consultation beyond internal stakeholders to include external representatives, so as to broadly consider the perspectives of all those who may be influenced by the impacts of company activities.
This approach will make it possible to more effectively integrate the stakeholders' point of view into the strategic definition of material topics, improving the relevance and completeness of the analysis.



Trith Saint Léger plant, France

The Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda represent an action plan for people, planet and prosperity and the 169 targets that make up the 17 goals are global in scope, concern and involve both countries and components of societies, public and private enterprises.
AFV Beltrame Group makes a clear contribution to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, integrating environmental, social and economic dimensions into its corporate strategy. This commitment is reflected in actions and projects that address key areas such as health and well-being (SDG 3), quality education (SDG 4), gender equality (SDG 5), clean water and sanitation (SDG 6), affordable and clean energy (SDG 7), decent work and economic growth (SDG 8), industry, innovation and infrastructure (SDG 9), reduced inequalities (SDG 10), responsible consumption and production (SDG 12), climate action (SDG 13), life below water (SDG 14), life on land (SDG 15), peace, justice and strong institutions (SDG 16) and partnerships for the goals (SDG 17).

Trith Saint Léger plant, France

The following list details the impacts identified as material following the materiality analysis process, along with their corresponding links to the SDGs and the key themes on which the Group focuses its actions.

Below is a **"reading guide"** to the contents of the tables shown.

Topic
The first field of the table indicates the theme to which the impact relates. The theme can be related to sustainability issues, traceable to environmental, social, human rights issues or related to combating active and passive corruption. The themes and sub-themes (table title), have been defined inspired by the CSRD Directive.

Sub-topic
This field indicates, where available, the subtopic to which the impact refers. The subtopics have also been defined inspired by the CSRD.

Impact Name - Impact Description
These fields contain the title and description of the impact that, as a result of the assessment activity, was material for sustainability reporting purposes. The impact describes the contribution, positive or negative, of the company to sustainable development.

Positive/Negative - Current/Potential
These fields contain information on the nature of the impact, distinguishing between:
- positive (+) or negative (-) impact;
- actual or potential impact.

Scope
This field describes the results of the analysis relating to the scope of the impact, which can be:


Impact attributable only to the Group's own transactions.


Impact attributable to the Group's own transactions and to the activities, resources and relationships upstream in the value chain.


Impact attributable to activities, resources and relationships upstream and downstream in the value chain.


Impact attributable to the Group's own transactions and activities, resources and relationships downstream in the value chain.


Impact attributable to the Group's own transactions and to the activities, resources and relationships upstream and downstream in the value chain.


Impact attributable to activities, resources and relationships upstream in the value chain.

With regard to reporting activities, the following is specified:
- the impacts that involve both own transactions and the value chain are reported in this document exclusively for the part relating to own transactions;
- impacts that exclusively concern the value chain and not own transactions, are not included in the reporting scope.

Pillars of Sustainability
This field indicates the possible connection of the impact indicated with one of the so-called "sustainability pillars" described in paragraph "II.I Approach to sustainability" and reported below:


Decrease in the rate of accidents at work and days lost.


Reducing industrial water consumption.


Reducing electricity and natural gas consumption by promoting the use of renewable energy.


Optimal waste management, with a focus on recycling and recovery.

Reducing the organisation's carbon footprint.

Climate change

AFV Beltrame Group is actively committed to developing projects and solutions to reduce its greenhouse gas emissions, including across the value chain, consistently investing in initiatives aimed at improving the efficiency of production processes and related energy consumption. With particular regard to energy use and in order to uphold its medium- and long-term decarbonisation targets aligned with international goals, the Group will continue on its current path by promoting new capacity for electricity generation from renewable sources and/or entering into specific supply agreements.

Topic	Sub-topic	Impact name	Impact description	–/+	Current/ Potential	Scope	Pillars of Sustainability
Climate change adaptation	-	Increased emissions to adapt to new temperatures	Significant increase in energy consumption , with a consequent increase in greenhouse gas emissions, due to the adoption and use of technologies or infrastructures designed to deal with climate change, such as the enhancement of cooling towers to deal with the cooling challenges caused by rising external temperatures.	–	Potential		
Energy	-	High consumption of electricity from non-renewable sources	Electricity generated from power plants using coal or natural gas is associated with high CO_2 emissions resulting from the production of that energy. This dependence worsens the overall carbon footprint, especially in contexts where energy infrastructures do not use renewable sources or high efficiency systems.	–	Current		
Climate change mitigation	-	Locked-in emissions	Ongoing generation of "locked-in emissions" from steel production plants with long operational lifespans and high replacement costs. This implies that the adoption of innovative technologies with a lower emission impact, even if available, may occur at a slow pace.	–	Current		
	-	Direct emissions of production processes	Contribution to climate change due to emissions generated during the various stages of the steel production process.	–	Current		
	-	Generation of emissions along the value chain	Generation of indirect CO_2emissions along the value chain (Scope 3), linked to the activities of suppliers and customers, such as the extraction, transport and processing of raw materials, energy production, inbound and outbound logistics and waste management.	–	Current		

Pollution

AFV Beltrame Group manages polluting emissions from its industrial activities with the aim of reducing the impact on the environment and health. The company adopts measures to limit emissions of particulate matter, SOx, NOx and VOC, counteracting the alteration of air quality and the phenomenon of acid rain. Specific interventions are planned to reduce atmospheric pollution from mining dust and to safely manage radioactive materials, preventing the release of toxic substances into the environment. AFV Beltrame Group also adopts operational practices to prevent soil and water contamination by heavy metals and other pollutants.

Topic	Sub-topic	Impact name	Impact description	-/+	Current/ Potential	Scope	Pillars of Sustainability
Air pollution	-	Emissions of particulate matter and harmful substances	Deterioration of air quality and contribution to the phenomenon of acid rain due to emissions of SOx, NOx, particulate matter and volatile organic compounds (VOC), generated by industrial plants dedicated to steel production.	-	Current		
	-	Pollution from the dispersion of dust from mines and quarries	Contribution to atmospheric pollution due to the dispersion of dust from mines and quarries, with the release of fine particulate matter during activities such as extraction, crushing and transport of materials. These powders often contain toxic chemicals, including silica and heavy metals such as lead, arsenic, cadmium and mercury.	-	Current		
Pollution of living organisms and food resources	-	Contamination of the food chain	Pollution caused by improper management of waste from mining, steel and construction activities, released into soil and water, can contaminate agricultural crops, wildlife and fish resources with toxic substances, such as arsenic, lead, zinc, cyanide and heavy metals, thus entering the food chain.	-	Potential		
Pollution from radioactive sources (substances of very high concern)	-	Incoming radioactive material	The handling or merger of radioactive materials present in the scrap can lead to the release of dangerous particles into the environment, increasing the risks of exposure, for workers and neighbouring communities.	-	Potential		

Water and marine resources

AFV Beltrame Group addresses the challenges related to the consumption and management of water resources, aware of the significant impact that its activities can have on the aquatic environment and natural resources. The company carefully monitors the consumption of water in its plants, mainly used for cooling the plants and is committed to reducing its use in areas already subject to water stress. Through advanced technological solutions and reuse practices, AFV Beltrame Group aims to minimise the impact of its water consumption and ensure responsible management of water resources, contributing to the environmental sustainability of the areas in which it operates.

Topic	Sub-topic	Impact name	Impact description	-/+	Current/ Potential	Scope	Pillars of Sustainability
Waters	**Water consumption**	High water consumption in company facilities	The production of steel requires high quantities of water, mainly used for cooling the plants. This huge water consumption exerts significant pressure on water resources, particularly in regions already subject to water stress.	-	Current		
		High water consumption in the supply chain	The steel supply chain requires a high water consumption, particularly during the extraction of raw materials such as ferroalloys and coal, where water is used both for cooling machinery and for dust control. This huge water consumption exerts significant pressure on water resources, particularly in regions already subject to water stress.	-	Current		

Biodiversity and ecosystems

AFV Beltrame Group protects biodiversity and local ecosystems, limiting the impact of its activities on soil and natural habitats. Aware of the risks related to the waterproofing of the soil caused by industrial infrastructures, the company adopts sustainable management solutions and practices to mitigate the negative effects and preserve the surrounding environment.

Topic	Sub-topic	Impact name	Impact description	–/+	Current/ Potential	Scope	Pillars of Sustainability
Impacts on the extension and condition of ecosystems	-	Waterproofing of areas	The infrastructures of the steel mills, such as large paved areas, industrial buildings and material deposits, contribute to the waterproofing of the soil, limiting the capacity of the soil to absorb rainwater.	–	Potential		

Circular economy

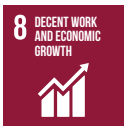
Our steel products are manufactured from scrap metal and can be recycled indefinitely without losing their original properties. AFV Beltrame Group promotes the circular economy by using recovered metals and plastic polymers in its electric arc furnaces, optimising resource use and thereby reducing the demand for virgin minerals and the generation of waste. Moreover, by-products of the steel industry, such as slag, are recovered and repurposed for use in other industrial processes.

Topic	Sub-topic	Impact name	Impact description	–/+	Current/ Potential	Scope	Pillars of Sustainability
Use of resources (inflows of resources, including use and outflows of resources related to products and services)	-	Purchase and use of secondary material	By using large quantities of scrap metal and plastic polymers as raw and auxiliary materials for its electric arc furnaces, the Group makes a significant contribution to the circular economy, transforming waste into a valuable resource. This approach not only reduces the demand for virgin mineral extraction, but also limits the amount of metal waste destined for landfills, closing the material loop.	+	Current		
	-	Use of hard coal	The use and reliance on non-renewable and highly polluting resources, such as hard coal, contrasts with the principles of the circular economy, as it is based on materials that cannot be regenerated.	–	Current		
	-	Recyclability of steel	Steel mill products are designed to be recycled endlessly without any loss of their intrinsic properties, representing a significant contribution to the circular economy. This feature makes it possible to optimise the use of resources, reduce dependence on virgin raw materials and limit the environmental impacts associated with the extraction and processing of materials, ensuring an extended lifecycle for steel products.	+	Current		
Waste	-	Waste management	Inefficient management and improper treatment of special and municipal waste can lead to overloading of disposal facilities and temporary waste storage that may be unsuitable.	–	Potential		
	-	Valorisation of by-products	The by-products of the steel industry, such as slag, can be valued as resources to be reused in other industrial processes, contributing to the circular economy. By recovering these materials, reliance on virgin raw materials is reduced, the amount of waste sent to landfill decreases and the overall environmental impact is lowered.	+	Current		

Own workforce

AFV Beltrame Group is committed to ensuring the safety and well-being of its personnel, promoting a culture of health and safety through continuous training and the adoption of safe practices in the workplace. The company is committed to reducing the risks of workplace accidents and occupational illnesses, also thanks to management systems certified by third-party bodies. In addition, AFV Beltrame Group promotes an inclusive decision-making process and social dialogue with workers' representatives, promoting stable working conditions, including through collective agreements.

The company is also dedicated to employee well-being, offering corporate welfare programmes and continuous training opportunities to enhance skills, thereby boosting staff motivation and satisfaction.
AFV Beltrame Group is committed to ensuring gender equality in the various company roles and actively promotes the search for young talent to improve diversity and innovation. Furthermore, the Group recognises the importance of work-life balance and adopts a specific organisational management process that promotes employee well-being.



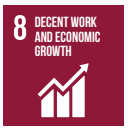
Topic	Sub-topic	Impact name	Impact description	–/+	Current/ Potential	Scope	Pillars of Sustainability
Working conditions	**Collective bargaining, including the percentage of workers covered by collective agreements**	Coverage of employees with collective agreements	Ensuring wage protection, job stability and employment benefits through the application of collective agreements and favourable contractual conditions, providing employees with greater financial security.	+	Current		
	Social dialogue	Inclusive decision-making process	Effective social dialogue promotes negotiation, consultation and exchange of information between employee representatives, employers and, when necessary, government authorities. This approach ensures an inclusive decision-making process, which allows workers or their representatives to express their needs and actively contribute to the definition of policies regarding safety, working conditions and remuneration.	+	Current		
	Work-life balance	Reduced work-life balance and turnover	Long working hours and shift work (including night shifts) can limit employees' free time, making it difficult to balance work demands with private life. As a result, such conditions can negatively affect quality of life, compromising family and social relationships, causing stress and contributing to a less positive working environment.	–	Potential		
		Corporate welfare	Support for work-life balance through a corporate welfare system, including healthcare prevention services, flexible working arrangements and practical support to help save time in managing daily activities. This helps to improve employee motivation and engagement, strengthening the sense of belonging and enhancing the quality of working life.	+	Current		
	Safe employment	Retention of skilled workers	Retention of highly qualified workers through a competitive welfare, training and compensation system.	+	Current		
	Health and Safety	Promoting a culture of health and safety	Promotion of a health and safety culture aimed at all Group personnel, through the implementation of a certified management system and training programmes designed to raise awareness among staff and encourage the adoption of safe behaviours in the workplace.	+	Current		
		Accidents in the workplace	Unsafe working conditions in the Group's facilities increase the risk of accidents, including serious injuries such as burns from extreme heat, crush injuries and amputations caused by accidents involving heavy machinery, as well as musculoskeletal damage resulting from the manual handling of heavy loads.	–	Current		
		Development of occupational diseases	Development of occupational diseases, including cancer-related illnesses, hearing damage caused by noise, hand-arm vibration syndrome and other long-term injuries to the musculoskeletal system. In addition, the inhalation of metal dust and fumes containing harmful chemicals can cause serious damage to the lungs, increasing the risk of chronic respiratory diseases and cancers.	–	Current		

Topic	Sub-topic	Impact name	Impact description	–/+	Current/ Potential	Scope	Pillars of Sustainability
Equal treatment and opportunities for all	**Diversity**	Limitation of distribution by age group	The difficulty in attracting young talent, including recent graduates and school leavers, limits the diversity of the company's workforce and hinders the introduction of new skills essential for driving innovation and maintaining market competitiveness.	–	Potential		
	Training and skills development	Training and development of personnel skills	Updating professional skills through continuous training programmes, including technical, general and personalised pathways for each employee. These initiatives enable all employees, including senior staff, to acquire new skills, particularly digital ones, supporting their adaptation to market developments and fostering greater employee motivation and satisfaction.	+	Current		
	Gender equality and equal pay for work of equal value	Limited access for women, especially in managerial roles	Under-representation of women workers in the steel industry, particularly in technical or managerial roles, often due to industry stereotypes, shortcomings in talent attraction, mentoring and development programmes, or a lack of work-life balance support. This reduces diversity in the company, especially in decision-making processes and limits innovative potential.	–	Current		
Confidentiality (other work-related rights)	**Confidentiality**	Promoting a cybersecurity culture	The promotion of a strong cybersecurity culture within the Group, through continuous and targeted training on topics such as phishing, identity theft and IT security in the workplace, strengthens not only the security of company data but also employees' ability to recognise and proactively address cyber threats, thereby protecting their own privacy.	+	Current		

Workers at the plant in Vicenza, Italy

Workers in the value chain

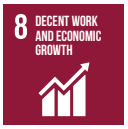
AFV Beltrame Group is aware of the risks that may arise among players in the value chain, particularly those related to inadequate working conditions and lack of equal opportunities. For this reason, it promotes responsible practices among its partners to ensure fair and safe working environments. In this context, the Group encourages, through the continuous sharing of best practices and fundamental ethical principles, the development of ongoing collaborations and strong, lasting relationships of trust with the aim of building a responsible and sustainable supply chain that recognises and respects human rights and safeguards the individual freedoms of its employees.



Topic	Sub-topic	Impact name	Impact description	-/+	Current/ Potential	Scope	Pillars of Sustainability
Working conditions	**Work-life balance**	Limitation of employees' private life	Some of the Group's suppliers and business partners may impose excessive workloads and prohibitive working hours on their employees, significantly reducing their free time and compromising the balance between work and personal life.	–	Potential		
	Working hours	Exceeding permitted working hours in the mines	Workers in mines often face extended hours and irregular shifts, especially in underground operations, with increased stress, fatigue and accidents at work.	–	Potential		
	Adequate wages	Wages below the minimum threshold	Collaboration with suppliers and business partners who do not offer their workers sufficient wages to cover the local cost of living can lead employees and their families to live in precarious economic conditions, increasing the risk of indebtedness and job dissatisfaction.	–	Potential		
	Health and Safety	Development of occupational diseases	Collaboration with suppliers, including those involved in mining activities, who do not implement adequate mechanisms to prevent, manage, or treat occupational illnesses and risks, exposes workers to serious conditions such as respiratory diseases, musculoskeletal disorders and cancers.	–	Current		
		Accidents in the workplace	Collaboration with suppliers and business partners who do not ensure adequate safety conditions in the workplace exposes workers to greater hazards, increasing the number of accidents and compromising their health and safety.	–	Current		
Equal treatment and opportunities for all	**Measures against violence and harassment in the workplace**	Failure to prevent harassment in the workplace	Suppliers who do not adopt adequate policies to prevent harassment and violence in the workplace undermine workers' physical and mental well-being, creating a work environment characterised by stress and anxiety.	–	Potential		
	Gender equality and equal pay for work of equal value	Gender discrimination against female workers	Selecting suppliers who are not particularly ethical can lead to situations where female workers do not receive the same pay as men for equivalent roles. This wage disparity limits their access to more qualified roles, contributing to increasing gender inequalities and accentuating social inequalities within the value chain.	–	Potential		

Affected communities

AFV Beltrame Group supports the development of local communities near the areas in which it operates, through contributions and donations to local organisations and associations. The charitable initiatives are concentrated above all in the socio-cultural sphere, with the aim of creating a positive and lasting impact in the communities, as well as promoting social inclusion.



Topic	Sub-topic	Impact name	Impact description	-/+	Current/ Potential	Scope	Pillars of Sustainability
Economic, social and cultural rights of communities	**Impacts related to the local area**	Support for local development	Support for the development of communities surrounding the Group's facilities through donations and contributions to local organisations and associations, including charitable projects in the cultural and healthcare sectors, initiatives for children and support for local sports clubs, all aimed at fostering social inclusion.	+	Current		

Business conduct

AFV Beltrame Group promotes ethical and transparent business conduct, which guarantees integrity and responsibility in achieving business objectives.
Relations with stakeholders, both internal (e.g., employees) and external (e.g., suppliers, customers and local communities), are based on respect for the principles and ethical standards of conduct outlined in the Code of Ethics and specific policies adopted by the Group, covering key areas such as anti-corruption, antitrust, human rights and whistleblowing.

Topic	Sub-topic	Impact name	Impact description	-/+	Current/ Potential	Scope	Pillars of Sustainability
Corporate culture	-	Ethical and positive work environment	Positive work environment through the promotion of a corporate culture based on principles of ethics and integrity, actively supported and implemented by the company's governance.	+	Current		
	-	Dissemination of the code of ethics	The presence of a Code of Ethics serves as a signal of transparency and integrity in governance for all stakeholders, strengthening trust in the quality and sustainability of products on one hand, while promoting a fair and safe working environment on the other.	+	Current		
Active and passive corruption	**Prevention and detection including training**	Promoting a culture of transparency	Strengthening corporate governance on anti-corruption through the drafting and approval of a clear and well-structured anti-corruption policy, alongside the delivery of anti-corruption training to all employees. These practices provide precise guidelines to prevent acts of corruption, identify unlawful conduct and ensure transparency in business decisions.	+	Current		
Supplier relationship management, including payment practices	-	Support to local suppliers	Supporting local suppliers promotes the development of the regional economy, contributing to the growth of local businesses and the creation of jobs within the area. This strengthens relations with the community and fosters a climate of trust and cooperation.	+	Current		

Comparison with the list of material topics from the previous Sustainability Report

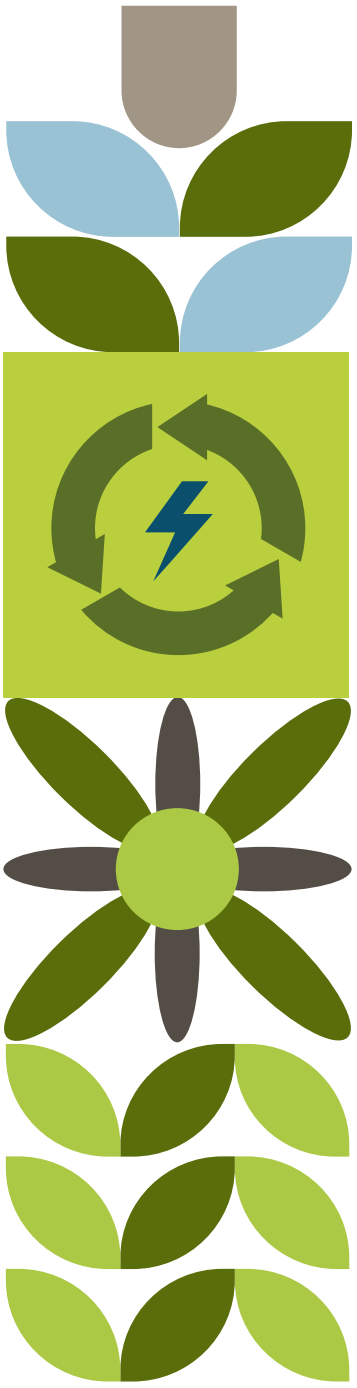
Below is the correlation matrix between the material topics identified in the latest materiality analysis and those featured in the previous Sustainability Report.

All material topics have been substantially confirmed, with the exception of the topic "Impacts on the extent and condition of ecosystems", which has been newly introduced in this edition. Topics attributable to workers in the value chain are not reported in this sustainability report.

Material topic	Topic	Relevant topic FY 2023 (GRI)
Climate change adaptation	Climate change	Decarbonisation and Climate Change
Energy	Climate change	Energy management
Climate change mitigation	Climate change	Decarbonisation and Climate Change
Air pollution	Pollution	Environmental management: water, air, waste
Pollution of living organisms and food resources	Pollution	Environmental management: water, air, waste
Pollution from radioactive sources (substances of very high concern)	Pollution	Environmental management: water, air, waste
Waters	Water and marine resources	Environmental management: water, air, waste
Impacts on the extension and condition of ecosystems	Biodiversity and ecosystems	-
Use of resources (inflows of resources, including use and outflows of resources related to products and services)	Circular economy	Environmental management: water, air, waste
Waste	Circular economy	Environmental management: water, air, waste
Working conditions	Own workforce	Health, safety and well-being, including human rights
Equal treatment and opportunities for all	Own workforce	Development and Management of Human Capital
Confidentiality (other work-related rights)	Own workforce	Health, safety and well-being, including human rights
Working conditions	Workers in the value chain	Health, safety and well-being, including human rights
Equal treatment and opportunities for all	Workers in the value chain	Development and Management of Human Capital
Economic, social and cultural rights of communities	Affected communities	Community impact and development
Corporate culture	Business conduct	Business ethics; Policy and Regulatory Risk
Active and passive corruption	Business conduct	Business ethics
Supplier relationship management, including payment practices	Business conduct	Business ethics

Plant in Vicenza, Italy

CHAPTER III
Circular economy, Quality and Innovation



III.I CIRCULAR ECONOMY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In 2020, the European Commission adopted a Circular Economy Action Plan, which is one of the key building blocks of the European Green Deal. Its aim is to promote sustainable growth, reduce pressure on natural resources, contribute to the goal of achieving climate neutrality by 2050, halt biodiversity loss and create new job opportunities.

The electric-furnace steel supply chain is a driver of circularity in the management of steel products, which are recycled in percentages close to 100%, regardless of whether they belong to the pre-consumer waste category (waste recovered downstream from industrial processing), or derive from separate collection or recovery from post-consumer cycles, thus including products with a short (e.g. packaging), medium (e.g. motor vehicles) and long (e.g. construction products) life cycle.

III.II SUSTAINABLE SUPPLY CHAIN MANAGEMENT AND PROCUREMENT POLICY

AFV Beltrame Group's production process in the steel sector involves the constant procurement and management of essential materials and services. The main procurement categories include:

- **scrap iron:** fundamental material for the production process;
- **other strategic materials:** including electrodes, ferroalloys and refractories, which hold significant economic and technical value;
- **ancillary and maintenance materials:** necessary for the correct operation of the plants;
- **energy:** fundamental for the entire steel production cycle.

The procurement of these materials and services is organised according to a strategic approach that includes analysis, research, technical specification definition, supply management and ongoing supplier monitoring.
The objective is to optimise the quality-to-price ratio while ensuring supplier sustainability and reliability through certifications and, where necessary, audits extending to subcontractors.

Focus on strategic suppliers

For strategic suppliers, the Group places particular emphasis on their ability to ensure high standards of reliability and sustainability. In particular, compliance with occupational health and safety regulations, the quality of services provided and compatibility with economic requirements and working capital management are closely monitored. The supplier selection process, including any rotations, is continuously reviewed to ensure the maintenance of high-quality standards in both materials and services.

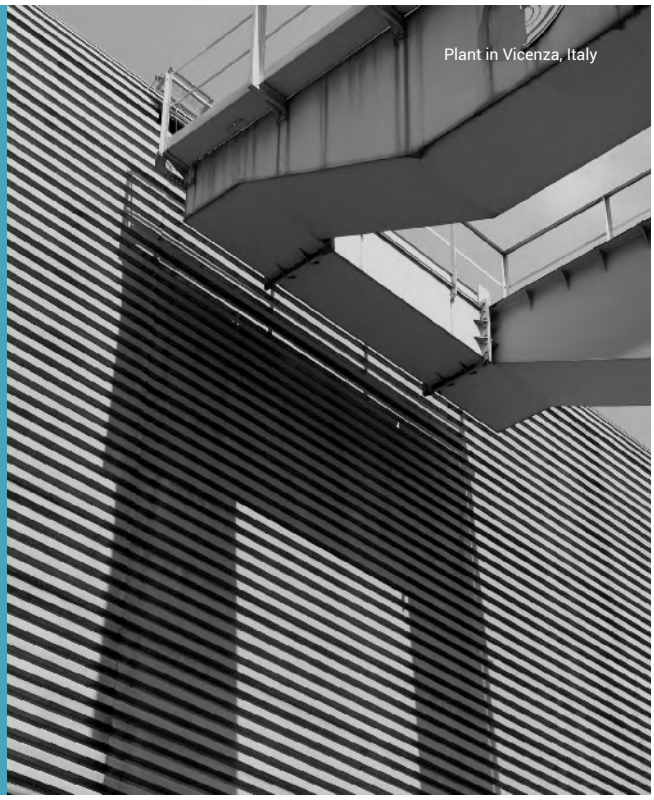
Furthermore, cooperation with the company's internal users is fundamental to achieve common objectives and to ensure that the final results fully meet customer expectations. The Group pays particular importance to strategic suppliers, as they are increasingly linked to a global market that goes beyond national and local borders.
To improve supply management by these strategic suppliers, the Group aims to share experiences and best practices acquired from other companies within the Group, in order to broaden the evaluation criteria across a wider range of procurements.

Plant in Vicenza, Italy

Continuous monitoring and evaluation of suppliers

In the case of raw material suppliers, it is particularly important to maintain constant monitoring of service levels, product quality and market fluctuations, which could significantly impact the economic conditions of the supplies. Recently, the Group has intensified its efforts to obtain certified data on the carbon footprint of the products purchased, trying to apply certification criteria aligned with those used internally by the Group. This approach contributes not only to improving the environmental quality of supplies, but also to strengthening links with suppliers in terms of sustainability.

In particular, selective and contractual policies are adopted for transport suppliers to maintain an excellent and safe level of service, with a view to optimising customer service. For energy suppliers, the main international operators are selected to ensure continuity and reliability of supply, guaranteeing optimal energy management.



Plant in Vicenza, Italy

Service providers

Regarding service providers, the Group places particular emphasis on verifying their compliance with certified management systems, such as ISO 14001 (environmental management) and ISO 45001 (occupational health and safety). This guarantees the compatibility of suppliers with company policies, in particular with regard to safety, environmental management and the protection of workers' health.

Audits, checks and updates

The Group implemented a process of audit and periodic checks on suppliers, with regular meetings for updates and exchanges of ideas and suggestions.

This makes it possible to continuously improve aspects relating to safety, economic efficiency and technological innovation, strengthening the relationship of collaboration with suppliers.

Compliance with sustainability requirements for new suppliers

For all new suppliers, the Group requires, as a preferred but not mandatory condition, compliance with key international standards for quality, environmental and safety management, such as ISO 9001 (quality management), ISO 14001 (environmental management), ISO 45001 (health and safety management) and ISO 50001 (energy management). This helps to ensure that new partners are aligned with the high standards of sustainability and quality adopted by the Group.

In summary, AFV Beltrame Group adopts a rigorous and ongoing approach to the selection, management and monitoring of suppliers to ensure sustainability and reliability throughout the entire supply chain, while pursuing cost optimisation and continuous performance improvement.

III.III TECHNOLOGICAL INNOVATION AND INCENTIVE-BASED FINANCE

Technological innovation has always been an integral part of AFV Beltrame Group's DNA, serving as one of the fundamental pillars of its development. In a constantly changing market, this attitude towards innovation has become an essential requirement for maintaining competitiveness. In the steel sector, in particular, innovation is a key factor in enhancing the efficiency and quality of production processes. The adoption of advanced technologies, such as the Internet of Things (IoT) for real-time monitoring, sensors for data collection and analysis and robotics for targeted tasks, enables the steel plant to become increasingly automated, efficient and safe.

The investment projects carried out during the year by AFV Beltrame Group are countless. Some stand out in terms of technological upgrades and the resulting improvement in production performance, such as the new finishing and packaging line installed at the San Didero plant. Significant investments to increase production capacity have been made at L.M.E., through the introduction of new ladles with enhanced capacity and the associated handling systems. At Group level, considerable financial effort has been dedicated to introducing interconnected automated systems, aimed both at improving the quality of finished products and supporting production activities, with particular benefits in terms of improving workplace safety conditions for employees. In terms of enhancing environmental performance, particular mention should be made of the upgrade to the furnace process filter at the Vicenza steel plant. Also part of this effort is the white slag treatment plant installed at the same production site, which enables the recovery of material to be reused as feedstock in the EAF furnace, material that would otherwise be sent to landfill. Numerous projects have also been completed at the Târgovişte plant in Romania, aimed at improving environmental protection measures and achieving energy savings.
In recent years, the Group's Italian sites have benefited from the incentives provided under the Industry 4.0 plan to develop innovative and automated solutions within their production processes. Industry 4.0 represents a technological evolution that integrates advanced and interconnected systems into business processes, aiming to optimise operational efficiency, productivity and resource management within the industrial context.

Some examples of the 4.0 projects carried out in 2024 are:

- tundish dryer station
- ladle heating station
- portable tundish dryer station
- spectrometer
- rotating ladle turret
- polymer storage and blowing plant
- locotractor
- gantry cranes

In the wake of its vocation for technological innovation and the growing focus on sustainability, AFV Beltrame Group integrates tools and opportunities provided at the European level to accelerate the ecological and digital transition of the steel sector. Consistent with its investments in advanced technologies, automation and digitalisation, the Group strengthens its commitment through active participation in European platforms and initiatives dedicated to the sustainable development of the steel industry.

As a member of ESTEP (European Steel Technology Platform), AFV Beltrame Group actively contributes to the Clean Steel Partnership (CSP), a European public-private partnership co-programmed by ESTEP and the European Commission under Cluster 4 (Digital, Industry and Space) of the Horizon Europe funding programme and the RFCS – Research Fund for Coal and Steel.
The CSP is a key tool to support the EU's strategic objectives on decarbonisation and technological innovation in the steel sector.

Participation in projects financed by European tenders, such as the Research Fund for Coal and Steel (RFCS), represents a strategic opportunity for our Group to develop technological innovations, optimise production processes and improve environmental sustainability. These tools are particularly relevant for the sector, considering the regulatory and market pressure towards decarbonisation and the circular economy. Through specially created consortia, it is possible to develop industrial projects with a range of benefits including access to dedicated funding, specific support for technological innovation, opportunities for international cooperation and the creation of synergies among steel companies, research centres, universities and technology providers.

AFV Beltrame Group has identified several strategic opportunities within recently published calls and has joined various consortia for the development of the following projects:

DevH2forEAF project
The project's primary objective is the development and integration of innovative combustion systems for the use of hydrogen as an alternative energy carrier to natural gas in steel production within electric arc furnaces (EAF).

SLAG2BUILD project
The SLAG2BUILD project aims to demonstrate the feasibility of an innovative dry granulation technology for the valorisation of ladle refining slags produced in the steelmaking process, for subsequent industrial applications.

CROSSCUT project
The CROSSCUT project aims to significantly reduce CO_2 emissions in steel production processes through the use of Secondary Carbon Carriers (SCCs) or secondary sources of carbon deriving from used materials or alternative processes, which can partially or fully replace the traditional fossil carbon sources used in production cycles.
The use of SCCs makes it possible to reduce the environmental impact of the steel process, contributing to decarbonisation and the circular economy, without compromising the quality of the final product.

III.IV PRODUCT QUALITY AND SAFETY

In 2024, AFV Beltrame Group significantly strengthened its commitment to product quality, process safety and customer satisfaction by focusing investments on three key areas: organisation, training and advanced technologies. These strategic actions are part of a broader vision of continuous improvement, oriented not only to compliance with regulatory standards, but also to increasing customer confidence in the solutions offered by the Group.

New professional roles for quality assurance management

The introduction of dedicated positions such as Quality Assurance Coordinator and Quality Laboratory Supervisor at the Vicenza plant represents a crucial step in ensuring that the finished product complies with regulatory and contractual requirements. These roles are responsible for overseeing quality control processes throughout the entire production chain, in accordance with internal standards and customer expectations. They are also directly involved in the certification process under the EN ISO 17025 standard, an ambitious goal for which the certification journey was initiated at the end of 2024.

Technical training for operational awareness

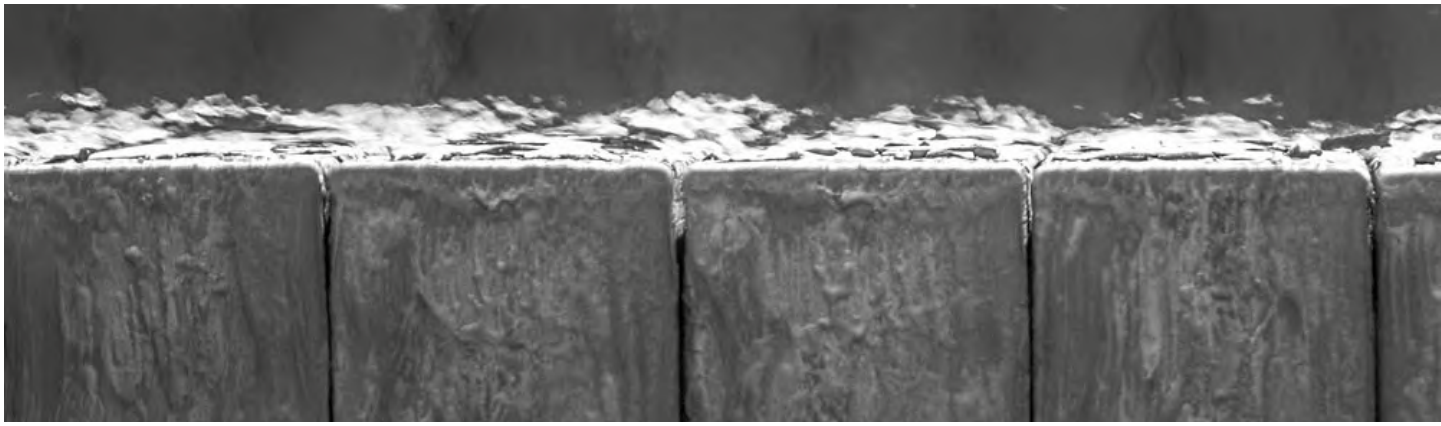
At the same time, the company has launched a specialised technical training programme aimed at the operational staff across its three Italian sites. These courses have helped to raise staff awareness of the product's technical specifics and the importance of compliance with regulations, benefiting both product quality and operational safety.
The training covered key areas such as understanding European standards (EN 10025, EN 10058, EN 10204, etc.), steel mechanical properties, batch traceability and assessment of galvanising suitability, providing operators with concrete tools to work accurately, safely and in compliance with regulations. This translates into greater reliability of the final product, reduction of operational risks and improvement of the service offered to the customer, who can count on certified, traceable materials that meet the required technical specifications.

New equipment for raw material inspection

To support quality and safety processes, two advanced instruments have been acquired for the laboratory at the Vicenza plant:

- the **TGA (Thermogravimetric Analysis),** useful for accurately monitoring the loss of mass of materials as a function of temperature, contributing to the correct assessment of carbon, polymers and lime;
- the **CS (Carbon/Sulfur Chemical Analyser),** fundamental for accurately determining the content of critical chemical elements in raw materials, which directly influence the mechanical characteristics and quality of the final product.

The introduction of these technologies allows for improved control of the production process from the earliest stages, directly impacting the reduction of non-conformities, the optimisation of safety parameters and the satisfaction of the end customer, who receives a consistent, monitored and compliant product.
The Stahl Gerlafingen plant confirmed the validity of its product certifications recognised in Germany, France, the Netherlands and Belgium by successfully passing numerous audits, which included fatigue resistance tests, tensile tests, rib measurements and shear strength tests.
Significant attention was devoted to supporting customers, for example by assisting them in maintaining their existing certifications and by collaborating with architects and designers in selecting structural steels for their projects.



III.V CONTINUOUS IMPROVEMENT

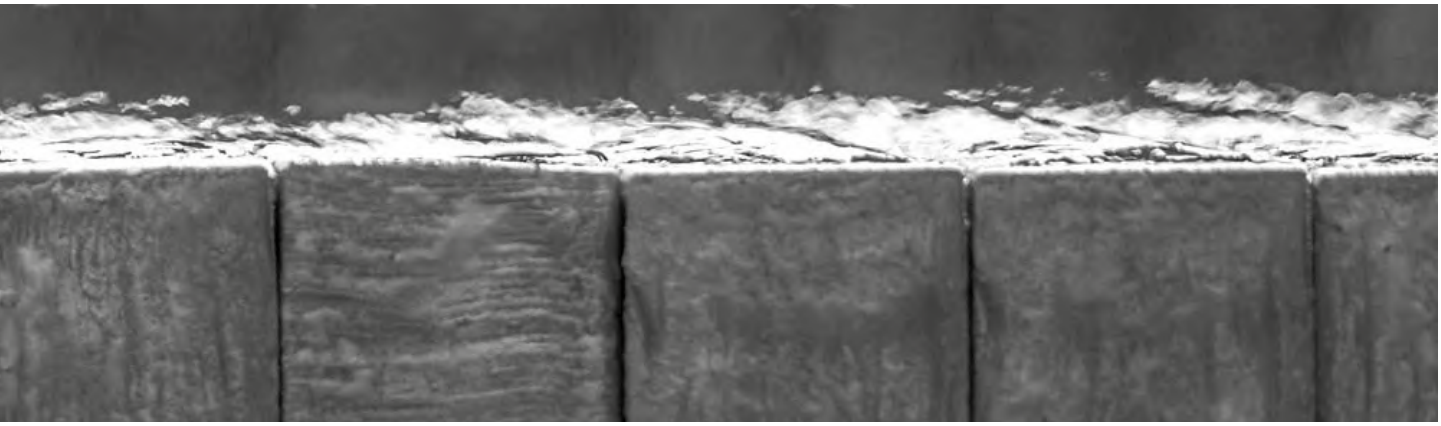
Continuous improvement represents the strategic vision underlying the growth of AFV Beltrame Group in every business area. Launched in 2016, the programme aims to foster a culture of proactive change by encouraging the generation and sharing of ideas, supporting project management, promoting teamwork and monitoring performance to recognise and enhance achieved results. To realise this vision, the Group has established a dedicated organisation for continuous improvement, with specialised roles assigned to each production site. These professionals act as facilitators between departments, promoting the sharing of results achieved. Furthermore, a central team of Group experts provides ongoing support to the various plants, promoting best practices and ensuring alignment with the strategic directives of management.
The continuous improvement programme is structured around two main project management methodologies: APC (Action Plan and Control) and OpEx (Operational Excellence). The APC is used for projects that require the implementation of known solutions, establishing activities, responsibilities and deadlines to ensure compliance with the plans. OpEx, on the other hand, applies to projects with solutions not yet identified, adopting the DMAIC model, which is developed in the following phases:

- **DEFINE:** definition of the problem, of the objectives, of the work team and of the economic impacts;
- **MEASURE:** measurement of the problem and its potential causes;
- **ANALYSE:** analysis of the data collected to identify the main causes;
- **IMPROVE:** implementation of the solution;
- **CONTROL:** verification of the solution's soundness, formalisation and ongoing monitoring.

APC

Action Plan and Control

The pillars of Continuous Improvement are based on supporting strategic management activities through project management techniques:



DMAIC

Method developed in five steps regulated by ISO 13053-2 and simplified with the acronym DMAIC:

D – Define the problem, the objective, the working group and the economic impact.

M – Measure the problem and its potential causes.

A – Analyse the data collected, identifying the root cause.

I – Implement the solution.

C – Check the soundness of the solution, formalising it and verifying it over time.

These approaches are applied not only to the top-down support of strategic initiatives but also to the structured management of bottom-up ideas, through the adoption of Lean Six Sigma methodologies aimed at reducing variability (Six Sigma) and optimising flow (Lean Manufacturing) within business processes.
The program involved numerous company functions, with over 600 projects completed in eight years, which covered every area of the organisation, generating tangible economic benefits and improvements in work processes, with savings of more than Euro 50 million since 2016.

The continuous improvement function places particular emphasis on sustainability, aiming to optimise energy consumption, especially regarding the use of methane and electricity. The reduction of energy waste has become a strategic priority, integrated into continuous improvement projects. The Group implements zero-investment projects and targeted operational practices to reduce methane consumption and optimise electricity use, thereby pursuing greater energy efficiency and lowering CO_2 emissions, thus contributing to a reduction in environmental impact. In addition to improving economic results, the continuous improvement function supports the sustainability of the production process.

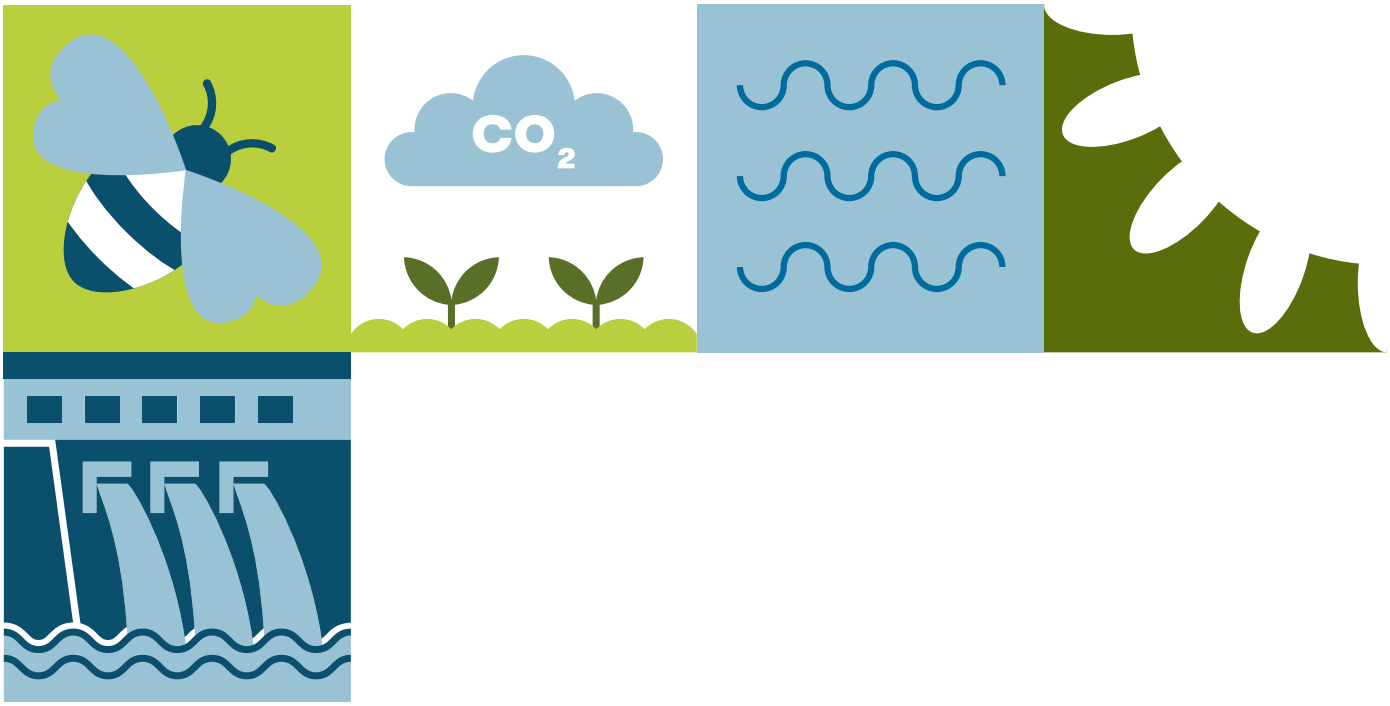
Continuous improvement is deeply rooted not only in supporting strategic projects but also in training, coaching and shopfloor management activities, which are essential to achieving process excellence. Since 2016, over 800 employees have been trained in courses covering Lean Basics, 5S+, Yellow Belt, Green Belt and Black Belt. The Belt certifications, recognised by the British Quality Foundation, provide a training pathway that has steadily increased the number of individuals proficient in applying project management and Lean Six Sigma techniques. The inclusion of employees at all levels, without distinction between white and blue collar, has made it possible to widely spread the culture of continuous improvement, creating a real self-sustainable culture. The improvement activities are also carried out directly in the production departments, through 5S + construction sites, visual boards and stand-up meetings. Visual boards are crucial tools to facilitate communication and collaboration between teams and departments, guaranteeing the visibility of KPIs, safety, quality and OpEx performance. These tools encourage the collection of suggestions and the prompt resolution of issues.

Stand-up meetings, brief yet focused, are essential for coordinating daily activities and promptly addressing emerging issues, thereby optimising the use of time and resources in an ever-evolving market environment.
The 5S+ methodology is a management and organisational approach that, through its five phases (Sort, Set in order, Shine, Standardise and Sustain), enables efficient and tidy organisation of work areas. The "+" represents the sixth S, or Safety, which is integrated as a central element.
The adoption of this methodology brings significant benefits, such as space optimisation, waste reduction and the promotion of a continuous improvement culture, which enhances operational efficiency and employee well-being.
Starting from 2023, the Group introduced the role of OpEx Champion, an expert in process and organisational matters within the respective area, tasked with leading and supporting change through teamwork to achieve operational excellence. Currently, 30 OpEx Champions are active.

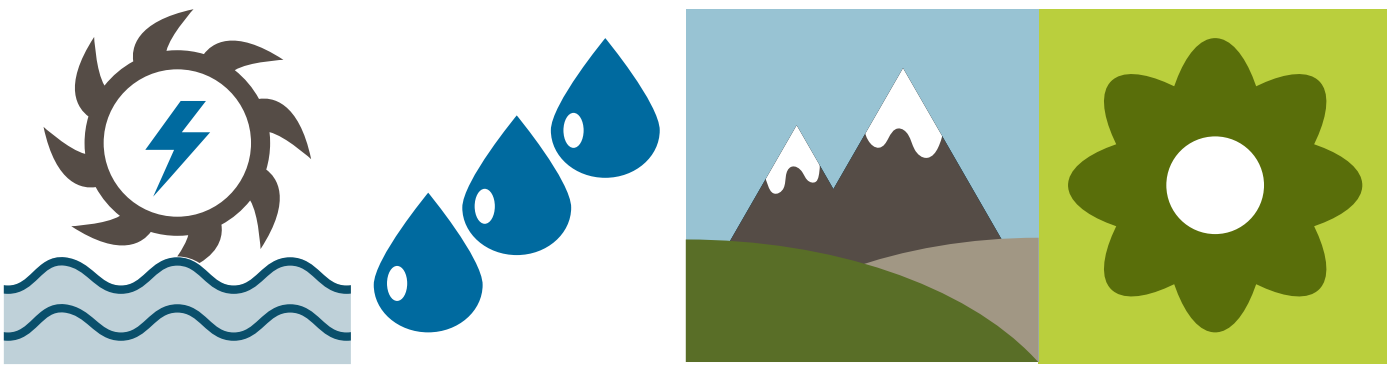
The main tasks of the OpEx Champions are:
- support the implementation of 5S+;
- updating of information boards in the respective areas;
- identification of opportunities for improvement and facilitation of their enforcement;
- be the main reference for improvements in the respective area of expertise.

There are diversified approaches to change within the Group: some plants are more oriented towards continuing with Gemba activities, focusing on 5S+ construction sites and on small daily improvement projects; other plants, on the other hand, focus their efforts on more strategic projects, aimed at optimising the effectiveness and efficiency of all departments, including administrative ones.
The ultimate goal of the programme is to achieve excellence in every process, not through radical transformations, but through continuous and incremental improvements. The aim is to create a corporate culture in which Kaizen, or "change for the better", becomes a daily activity, integrated at all levels. People are at the heart of this programme, which can be considered a true philosophy that begins with training and continues through the application of improvement techniques, culminating in the management of group projects. To date, more than 40% of the Group's personnel are involved in continuous improvement activities.
To monitor progress and ensure the achievement of set objectives, the continuous improvement function makes use of Roadmaps, tools that clearly and simply present the short-term activity planning and the expected results, which are not solely economic.

In this way, continuous improvement activities are closely aligned with the Group's strategies and support all high-potential strategic projects, having a cross-functional impact on every process.



CHAPTER IV
Care for the Environment



IV.I AFV BELTRAME GROUP'S COMMITMENT TO RESPONSIBLE ENVIRONMENTAL MANAGEMENT

The steel industry represents a fundamental pillar for economic development, but it is also one of the industrial activities with the greatest environmental impact. The intensive consumption of natural resources, high levels of atmospheric emissions and the generation of large quantities of waste require targeted strategies to mitigate their impact. To address these challenges, the Group has embarked on a transition towards sustainable production models, implementing advanced technological solutions and adopting the principles of the circular economy. The Group considers sustainable development and continuous improvement to be essential elements for the protection of the environment and human health, contributing to the protection of the rights of future generations. This approach is reflected in the integration of Environment, Health and Safety (EHS) principles into corporate management, in accordance with the values expressed in the Code of Ethics.

The Group undertakes to:
- integrate environmental, health and safety issues into the company management system, promoting a systemic and structured approach;
- carry out a preventive analysis of the risks for each work activity, implementing proactive measures to prevent accidents and occupational diseases and reducing the severity and likelihood of such events to a minimum;
- ensure compliance with current regulations and voluntary commitments, through constant updates and a system for verifying compliance with regulatory obligations;
- strengthen dialogue with all stakeholders (employees, customers, suppliers, public bodies and local communities) and promote training and sensitisation on environmental and safety issues, raising the level of awareness and responsibility;
- monitor and continuously improve environmental performance and residual health and safety risks, through advanced control tools and monitoring systems;
- periodically assess its performance through predefined indicators, presented in the "sustainability dashboard", which are aligned with the key topics relevant to the sustainable development of the business (the pillars of sustainability).

As part of the systemic approach to corporate management, the Group periodically carries out an in-depth analysis of the operating context, assessing both internal and external factors that may influence the achievement of the pre-established objectives. The following were considered, among others:
- the impacts, current or potential, positive or negative, that the activities carried out by the Group, along its value chain, may generate externally from an "inside-out" perspective;
- market performance and the local and global economic context;
- the influence of geopolitical, financial and macroeconomic factors;
- the role of corporate reputation and the perception of stakeholders.

The risk analysis conducted in this way leads to the implementation and updating of targeted strategies to mitigate threats and enhance opportunities, through specific projects that optimise the resilience of the company management system.

During 2024, the Group achieved significant results in the areas of environment, health and safety, including:
- strengthening of prevention and protection policies in the workplace, with a view to cultural and behavioural development;
- a waste management process increasingly focused on recovery and enhancement, following a circular economy approach and resulting in a reduction in the consumption of natural resources;
- a gradual optimisation of the management of water resources, through the development of projects aimed at reducing consumption and recovering secondary water flows;
- effective implementation of energy efficiency strategies, aimed at the constant monitoring of electricity consumption and other energy carriers;
- the development of activities relating to technological and plant engineering innovation.

These results confirm the Group's commitment to sustainability and environmental responsibility, consolidating a management model that integrates operational excellence and environmental protection, ensuring continuity and growth in compliance with the principles of sustainable development.

This chapter focuses on the main environmental issues that are of concern to the Group:
- QHSE Integrated Management System;
- Environmental Product Declaration;
- energy for the Group;
- atmospheric emission management;
- decarbonisation and climate change;
- Chalibria - Carbon Neutral Steel;
- water resource management;
- waste management;
- management of radiometry;
- supply chain management;
- biodiversity management.

IV.II THE QHSE INTEGRATED MANAGEMENT SYSTEM

To guarantee the principles of the Code of Ethics and of the quality, health and safety and environmental policies (QHSE), the Group has adopted an Integrated Management System. The purpose of this system is to facilitate the process for the identification, registration and measurement of QHSE results, in order to drive the continuous improvement process.

The attainment of third-party certification is the logical step to implement a management system. The target is to obtain a credited and independent acknowledgement of the Group's commitment. Regulations adopted at Group level:

- ISO 9001: 2015 - Quality Management Systems;
- ISO 14001: 2015 - Environmental Management Systems;
- ISO 45001: 2018 - Occupational Health and Safety Management Systems;
- ISO 50001: 2018 - Energy Management Systems.

The acquisition of certifications has driven performance enhancements, made it easier to measure outcomes and ensured effective oversight of business processes. The table below shows the situation of the certifications obtained by the Group's plants as at the ending date of the 2024 financial year.

		Energy Quality Management	Environmental Management System	Health and Safety Management System	Energy Management System
Company	**Site**	**EN ISO 9001**	**EN ISO 14001**	**EN ISO 45001**	**EN ISO 50001**
AFV Acciaierie Beltrame S.p.A.	Vicenza (VI)	✓	✓	✓	✓
	San Didero (TO)	✓	✓	✓	✓
	San G. Valdarno (AR)	✓	-	✓	✓
Stahl Gerlafingen AG	Gerlafingen (CH)	✓	✓	✓	-
Laminées Marchands Européens SAS	Trith Saint Léger (FR)	✓	✓	✓	✓
S.C. Donalam S.r.l.	Călărași (RO)	✓	✓	✓	-
	Târgoviște (RO)	✓	✓	✓	-

In particular, in 2024 the Group has:

- renewed the certifications related to the Environmental Management System (ISO 14001), the Safety Management System (ISO 45001) and the Quality Management System (ISO 9001) at the Târgoviște site;
- confirmed the certification of the Environmental Management System (ISO 14001) for all sites, with the exception of the San Giovanni Valdarno plant;
- confirmed the certification of the Safety Management System (ISO 45001) for all sites;
- extended the certification of the Quality Management System (ISO 9001) for all sites;
- confirmed certification for the Energy Management System in accordance with the ISO 50001 standard for the three Italian sites and the certification of compliance with the same standard at the Trith Saint Léger site.
- in 2024, the preliminary analysis was carried out for the extension of the certifications relating to the Environmental Management System (ISO 14001), the Safety Management System (ISO 45001) and the Quality Management System (ISO 9001) in the hydroelectric plants of the Piedmont and Veneto. A visit by the certification body is expected in 2025.

The standards taken as a reference belong to a high-level system (HLS-High Level Structure), which are integrated into a single management system. This approach involves the analysis of the context in which the company operates, as well as that of the needs and expectations of the parties involved, in this case presenting similarities with the requirements of the approach to sustainability identified by the ESG (Environment, Social, Governance) issues.

The purpose of this approach is essentially to understand the most important aspects that can influence the way in which the company deals with its responsibilities in terms of health and safety. The assessment of risks and consequent opportunities is the tool that the Group has adopted to guide, both at strategic and operational level, its efforts in the implementation and continuous improvement of the safety management system.

The standard also makes clear reference to the importance of management awareness and leadership skills and a strong drive towards consultation and participation of workers in issues concerning the safety management system, which the Group has put in place through constant contact with trade unions and workers' safety representatives.

IV.III ENVIRONMENTAL PRODUCT DECLARATION (EPD®)

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

These declarations relate to the environmental impacts that may be associated with the product life cycle and which are assessed through the Life Cycle Assessment (LCA), so as to ensure transparency, objectivity and comparability of the results expressed, relating to the environmental performance of products. The information contained in the EPD is of an informative/communicative nature on environmental performance and there are no prescriptive performance thresholds.
The Group has numerous Environmental Product Declarations (EPD®) validated by independent third party bodies for its rolled merchant profiles, for reinforced concrete round bars in coils, for SBQ profiles and for the Beltreco industrial aggregate. Below is a summary of the environmental product declarations held by the Group:

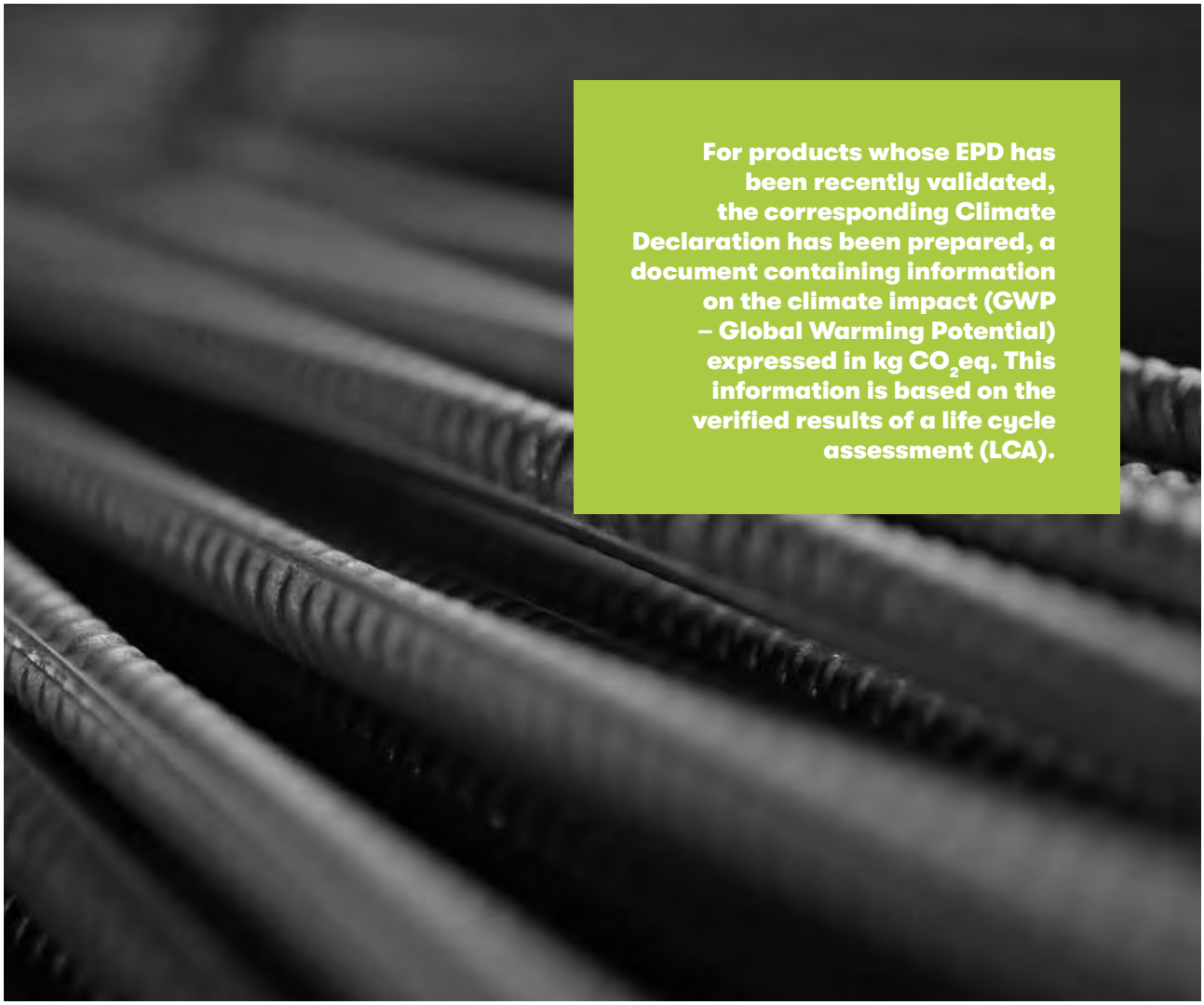
EPD - Product	AFV Beltrame Group plant
Merchant bars	Vicenza
Inert aggregate - Beltreco	Vicenza
Merchant bars	San Didero
Merchant bars	San Giovanni Valdarno
Merchant bars	Stahl Gerlafingen
Rebars	Stahl Gerlafingen
Merchant bars	L.M.E.
Rebars	L.M.E.
Special steels - SBQ Bars	Donalam

The EPD declarations of the Group's products have been validated and registered within the International EPD® System.

Minimum content of recycled material.

With reference to the assessments on the impacts that emerge from the analysis of the life cycle and which are traced back to standard indicators, the EPD is used in the Group as an operational support in the continuous improvement process, as it allows to identify areas of intervention in the various phases of the production process, supply chain and customer supply. This declaration is also the starting point for identifying the carbon footprint of products (GWP - Global Warming Potential). In Italy the validation of the environmental product declaration meets the requests of some national customers, related to "green" public purchasing and supply, for which the minimum environmental criteria for construction products are considered fulfilled when they have a Type III Environmental Product Declaration (EPD), which complies with UNI EN 15804 and ISO 14025.

Another fundamental element supporting the peculiar circularity of the electric furnace steel supply chain is the declaration of the content of recycled material present in the finished products. The certification issued by a third party and available within the EPD declarations, consistent with the UNI EN ISO 14021 standard, identifies the percentage of materials from recovery cycles used in the rolled product production process, which, also for the year 2024, was higher than 95%.



For products whose EPD has been recently validated, the corresponding Climate Declaration has been prepared, a document containing information on the climate impact (GWP – Global Warming Potential) expressed in kg CO_2eq. This information is based on the verified results of a life cycle assessment (LCA).

In November 2024, the Gerlafingen plant completed the eco-balance study for reinforcing steel, in accordance with the rules established by the KBOB. After the study was validated by an external certification body, Gerlafingen recorded the resulting values in the KBOB database[1)].
This registration, which includes CO_2 emission values, represents a process of documenting and calculating the environmental impact of materials, processes and constructions, in accordance with KBOB standards and guidelines. This approach is aimed at promoting sustainable building practices and reducing the environmental impact of public buildings in Switzerland.

Note:

[1)] **KBOB:** Coordination Conference of Construction and Property Bodies of Swiss Public-sector Clients in Switzerland, as described below.

IV.IV ENERGY FOR THE GROUP

Energy plays a fundamental role for the Group, which considers it one of the five pillars on which to focus its strategic objectives. This is due to the fact that energy, in addition to being a significant ESG factor, represents one of the company's main costs, second only to the cost of scrap metal. In fact, about 30% of the Group's overall costs are attributable to energy. Of this percentage, about 60% is linked to electricity consumption, just over 40% to methane gas, while the remainder is represented by fuels, oxygen and other technical gases used in the production process. The Group's annual consumption exceeds 1.2 TWh/year of electricity and 96 million Sm³/year of natural gas, also including the Târgovişte site.

7 AFFORDABLE AND CLEAN ENERGY

The Group has constantly invested in reducing energy consumption in its production processes. Energy efficiency and a reduction in production costs have always been at the heart of AFV Beltrame Group's competitiveness strategy. The intention to continue on this path is strong and for this reason the production efficiency strategy has been further strengthened, with the aim of further reducing energy consumption.
As evidence of the commitment to reduce energy consumption, the Group has set itself two targets, one for the steel mills and one for the rolling mills (which both exclude the site of Târgovişte), with a time frame of five years already starting in 2022:

1.

Yearly reduction of the specific consumption of natural gas (methane) per tonne of processed rolled products by 1% for five years, taking the weighted average (tonnes of processed rolled product/methane consumption per tonne of rolled product) of the three-year period 2019-2021 as the baseline.

2.

Yearly reduction of specific energy consumption per tonne of steel produced related to the EAF furnaces (steel mill) by 1% for five years, taking the weighted average (tonnes of steel produced/energy consumption per tonne) of the three-year period 2019-2021 as a baseline.

Plant in Vicenza, Italy

Plant in Vicenza, Italy

To effectively monitor the performance of these two KPIs, as well as those relating to the other four "sustainability pillars" identified, the Group has implemented a "Group Sustainability Dashboard". This tool allows to collect monthly data from each plant and aggregate them at Group level. Both targets were successfully met in 2024.

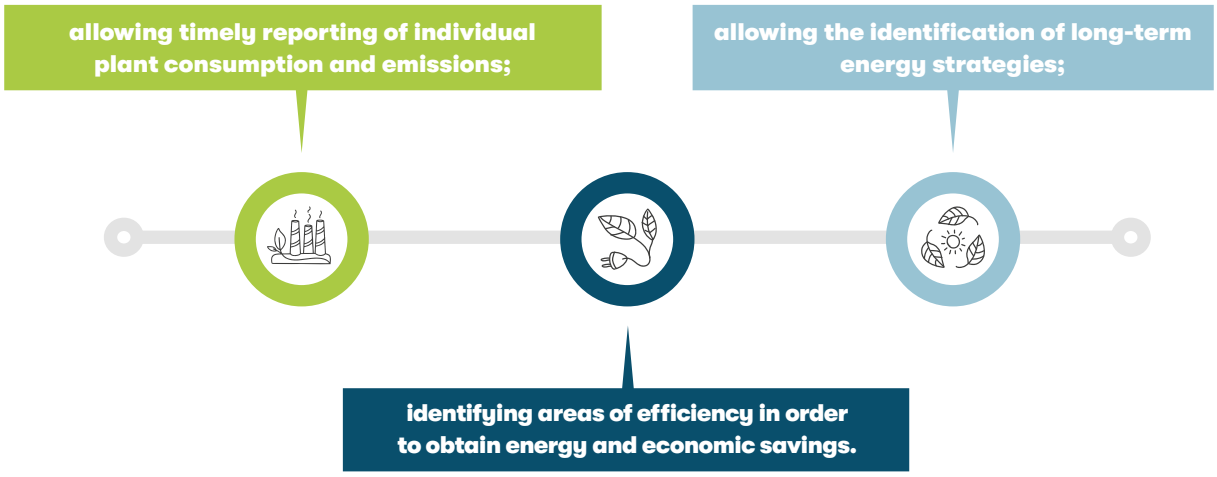
The Group is also planning strategic investments to achieve two ambitious targets by 2030: reaching 40% renewable energy in the total energy supply for AFV Acciaierie Beltrame (Italy) and Donalam-Călărași (Romania) and significantly increasing the use of fossil-free energy sources for L.M.E. (France) and Stahl Gerlafingen (Switzerland).

A cornerstone of the Group's strategy is to achieve the best supply conditions. In order to achieve this, the Group is a member of the Metal Interconnector Consortium and also provides the Instant Load Breakdown service to the grid operator. The energy department also plays an active role in purchasing energy carriers by monitoring market trends on a daily basis.
In 2024, following the merger by incorporation of Idroelettriche Riunione S.p.A., the company signed an innovative electricity contract enabling the self-consumption of electricity generated by hydroelectric plants in Veneto and Piedmont. This contract also allows for the integration of additional renewable energy plants in the future and facilitates the management of *Power Purchase Agreements (PPAs)*.

All the plants are equipped with an extensive monitoring system that enables real-time evaluation of production facility performance, thanks to a project carried out in collaboration with Edison Next, a company within the Edison Group, for the integration of the innovative Edison Analytics platform across all Group sites.

More specifically, the project—scheduled to last five years and launched in 2023—involves the implementation of this innovative energy intelligence platform, which uses digitalisation and artificial intelligence to monitor the energy consumption of the sites.

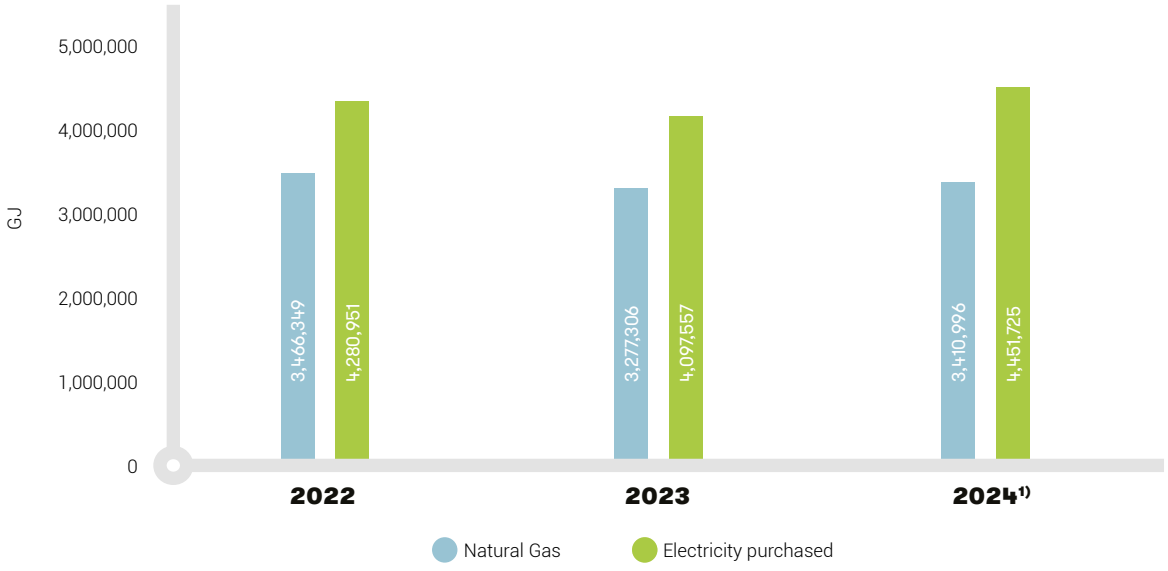
In particular, through the use of artificial intelligence based on machine learning, the platform is capable of:



2024 was a satisfactory year in terms of energy performance indicators, with several plants recording significant improvements in their performance.

It is, however, important to emphasise that within the Group, operator awareness on these matters continues steadily and productively, in line with the ISO 50001 standard recently introduced at the Italian plants.

ENERGY CONSUMPTION



Note:
[1)] The 2024 figure includes data from the Târgoviște site and the hydroelectric power plants.

In 2024, alongside the full commissioning of the reheating furnaces at L.M.E., Stahl Gerlafingen and Calarasi, significant measures were implemented to improve energy consumption, including the installation of new heating and ladle drying burners at the steel plant in Stahl Gerlafingen.

The equipment was replaced with new or upgraded models incorporating the latest technologies.
The new machines are equipped with heat recovery units or burners powered by a mixture of natural gas and oxygen. This improvement has made it possible to reduce by about 30%, in this production process, the consumption of natural gas, the main cause of direct CO_2 emissions (see subsequent paragraphs).

The following pages outline the details of the main projects carried out at Group level during 2024 - projects that are mostly, but not exclusively, focused on integrating renewable energy sources into production processes and contributing to the Group's decarbonisation journey.

Energy efficiency brings not only economic advantages linked to savings, but also a series of indirect benefits. Implementing energy-related process optimisation measures not only enhances worker safety but also improves the reliability and operational continuity of machinery and equipment. It helps reduce faults, accidents and unplanned downtime, while also lowering maintenance costs. Therefore, efficiency does not only mean economic savings, but also positive effects in terms of sustainability, safety, competitiveness and innovation.

Gianmaria Zanni
Energy COO

RENEWABLE ENERGY

The AFV Beltrame Group is committed to developing initiatives for the supply of green energy, both through direct investments in renewable energy production plants for self-consumption and through the signing of green Power Purchase Agreements (PPAs).
AFV Beltrame Group's ongoing investments in renewable energy plants are part of a broader strategy aimed at achieving two ambitious targets by 2030: reaching 40% renewable energy in the total energy supply for AFV Acciaierie Beltrame (Italy) and Donalam-Călărași (Romania) and significantly increasing the use of fossil-free energy sources for L.M.E. (France) and Stahl Gerlafingen (Switzerland).

In 2024, thanks to the entry into operation of photovoltaic plants and the contribution of hydroelectric plants, the share of renewable energy covered approximately 35% of the energy needs of the Italian plants. Starting in 2024, AFV Beltrame Group also signed an innovative contract with its energy supplier, allowing for the remote self-consumption of electricity produced by its own hydroelectric plants located in Piedmont and Veneto. To continue reducing Scope 2 indirect emissions in the coming years and to remain aligned with its decarbonisation targets, AFV Beltrame Group will pursue the path it has taken by developing and investing in new renewable electricity generation capacity and/or by entering into Power Purchase Agreements (PPAs). Finally, it will be increasingly essential to support the development of a regulatory context that simplifies bureaucratic procedures on new plants, promotes revamping and repowering of existing plants, with the aim of increasing competitiveness and facilitating the identification of suitable areas.
Below is a description of AFV Beltrame Group's renewable energy projects, some of which have been commissioned since the end of 2023 and are contributing to the reduction of Scope 2 indirect emissions.


ADEV photovoltaic plant, Stahl Gerlafingen, Switzerland

Stahl Gerlafingen photovoltaic plant

A future with more green energy

At the Swiss plant in Stahl Gerlafingen, the construction of a photovoltaic plant on the roof of the profile rolling mill and on the roof of the furnace of the Kombi rolling mill began at the beginning of February 2024.

As planned, it entered into operation in May 2024. The supplier ADEV installed approximately 5,000 modules over 10,000 m^2, with a maximum capacity of 2.2 MWp, generating two million kilowatt-hours of electricity per year—equivalent to the electricity consumption of around 500 detached houses.

The system thus contributes to climate-friendly domestic steel production. In just four months, ADEV built the plant.

Solar energy for sustainable production

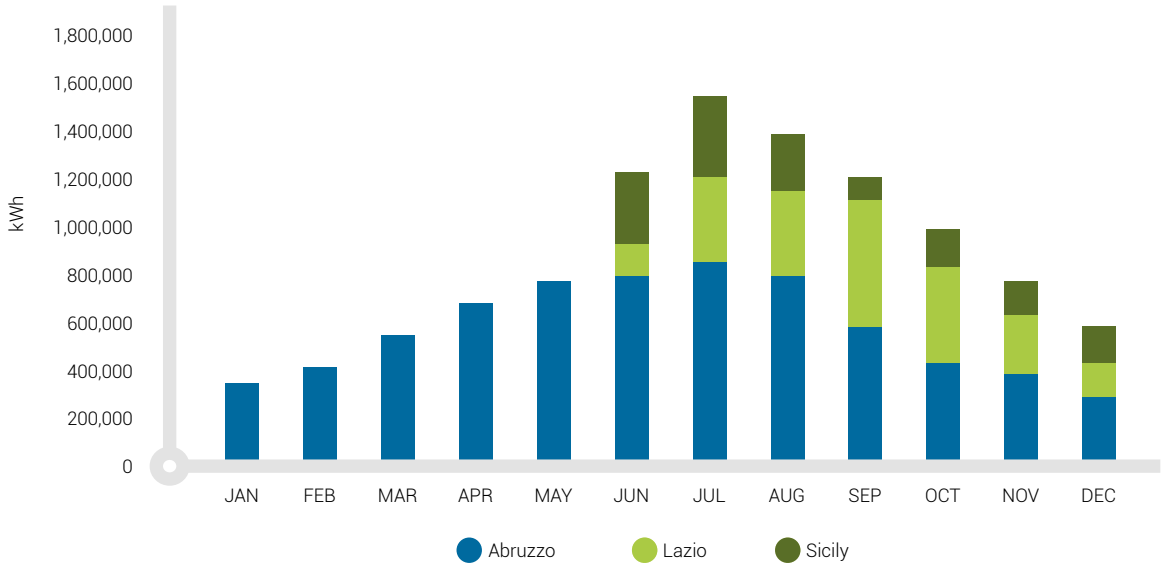
Due to its extraordinary size, the regional energy supplier integrated the solar plant directly into its control system. Although the plant is connected to the distribution network, Stahl Gerlafingen uses all the solar energy produced for its own consumption.
ADEV has been a qualified partner for the production of green electricity and the sustainable supply of electricity to buildings for many years. This solar installation is an excellent example of creating and transferring value for all local stakeholders, supporting a more sustainable steel production in Switzerland.
In addition, in November, thanks to the collaboration with AEW, an additional large photovoltaic plant was put into operation on the roof of the Stahl Gerlafingen shipping warehouse. The plant consists of approximately 6,300 panels, has a capacity of 2.8 MWp and produces an amount of energy equivalent to the annual consumption of 650 households. The entire energy produced is used locally for the production of steel.

Renewability Consortium

In 2022, AFV Beltrame Group joined the Renewability Consortium, a community of renewable energy consumers committed to developing photovoltaic plants and distributing the energy produced to its member organisations. This project offers a strategic advantage, making it possible to reduce exposure to the instability of energy market prices, bearing exclusively the industrial costs of the initiative and accessing energy from renewable sources.

AFV Beltrame Group uses renewable energy generated by the consortium's photovoltaic plants, located in Lazio, Abruzzo and Sicily. The company was allocated a power quota of 9 MW, which is expected to ensure an annual production of approximately 14 GWh. These plants became operational between late 2023 and early 2024, further strengthening the Group's commitment to energy sustainability.

RENEWABILITY PRODUCTION USED BY AVF BELTRAME GROUP



The main alternatives currently available to fossil fuels come from renewable sources, such as hydroelectric, photovoltaic and wind power plants.

San Giovanni Valdarno

A 1.6 MW photovoltaic plant was installed on the roof of the San Giovanni Valdarno plant. Consisting of 2,970 photovoltaic modules, it covers a total area of 11,000 m².

This plant, which became operational in January 2024, is capable of generating about 2 GWh per year of renewable energy, over 70% of which is self-consumed by the plant. By 2024, this configuration has made it possible to decrease energy withdrawal from the grid by about 12% of annual demand.

San Giovanni Valdarno plant, Italy

Sirio

A 3.3 MW ground-mounted photovoltaic plant, comprising over 7,300 high-efficiency modules equipped with horizontal-axis tracker technology, has been constructed in the province of Mantua.
Commissioned in July 2023, the plant is expected to generate approximately 5 GWh of renewable electricity annually.
The energy generated will be supplied to AFV Beltrame Group through a PPA contract entered into with the company that owns the plant.

Photovoltaic plant, Ceresara, Italy

Other photovoltaic plants

AFV Beltrame Group plans to develop new proprietary photovoltaic plants, considering the use of internally produced materials for the structures, following a comparative analysis of the emission impact with respect to other available options. Furthermore, the pursuit of new Power Purchase Agreements (PPAs) remains ongoing, with the goal of increasing the share of renewable energy in the Group's energy mix, in line with recent legislative developments in the energy sector and national decarbonisation targets.

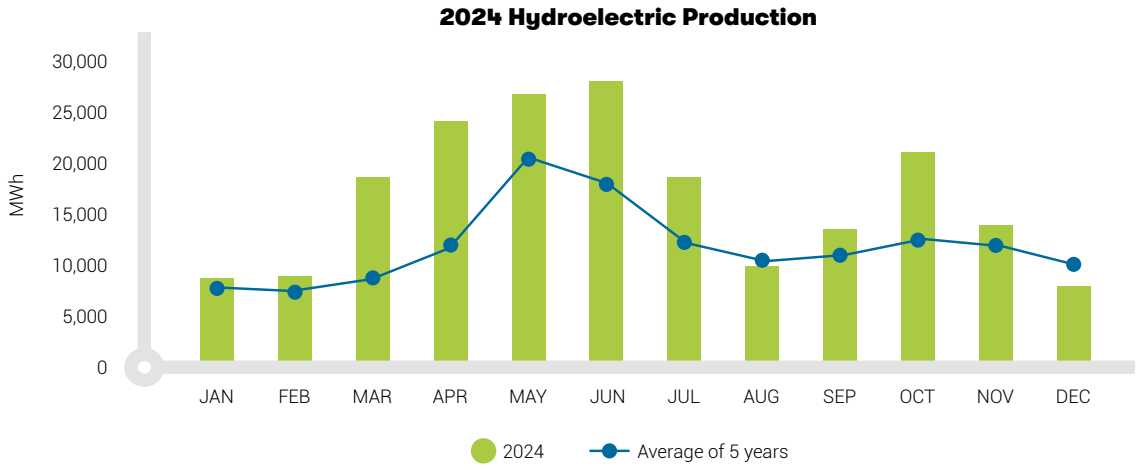
Renewability photovoltaic plant, Abruzzo, Italy

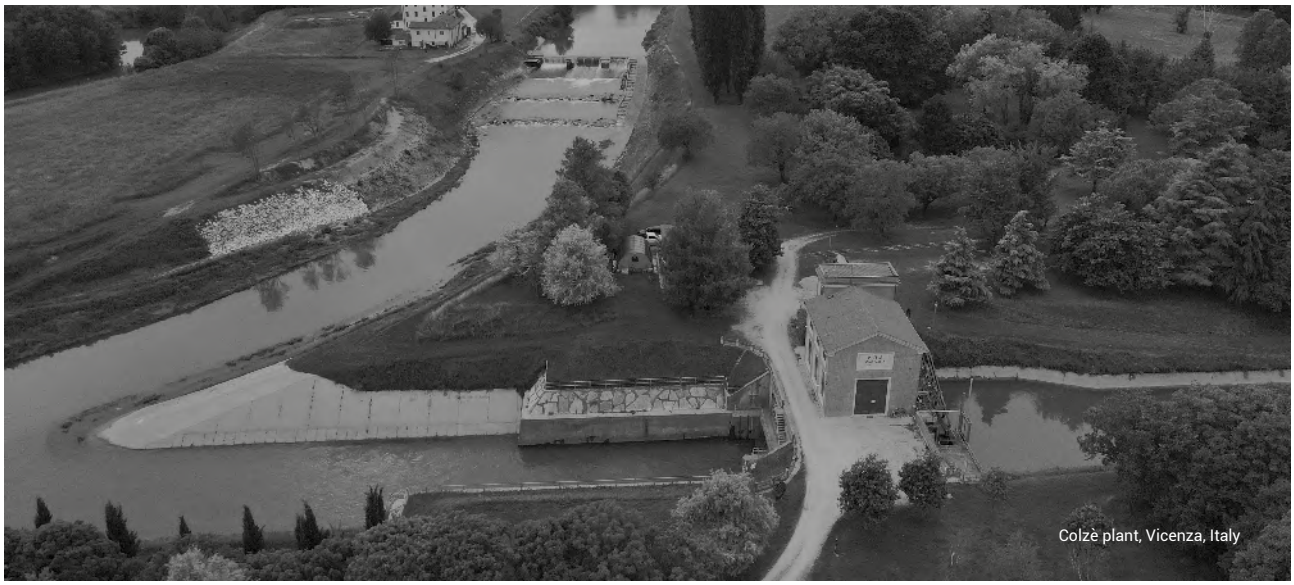
Hydroelectric power plants

Ongoing climate change and the steady rise in energy prices observed in recent years have made it increasingly urgent to adopt solutions that accelerate the energy transition.

Among these, the production of clean energy is a priority, gradually and steadily replacing fossil fuels. A wide range of renewable energy systems are currently in use, many of which have been operational for some time. Among these, hydroelectric power plants play a leading role, contributing in Italy to just over 17% of the total energy production and about 40% generated from renewable sources. Their main advantage lies in the absence of greenhouse gas emissions, as they generate energy by exploiting the power of moving water. With the aim of increasing the supply of clean energy to meet its energy needs, in 2023 AFV Beltrame Group acquired and subsequently incorporated Idroelettriche Riunite S.p.A., a company active in the production of renewable energy.

This investment is part of a tradition started in the first decades of the last century by Antonio Beltrame, founder of the Group, who sensed the potential of hydroelectric plants to directly power the family steel mill at lower costs than the energy purchased from the network. Over time, Beltrame built or acquired several power plants, primarily located in Northern Italy, taking advantage of the favourable geographical features of the Apennine ridge and the Alpine arc, where steep gradients ensure optimal productivity. Currently, AFV Beltrame Group owns 12 hydroelectric power plants spread over 10 sites between Piedmont and Veneto regions. To maximise the value of this initiative, the company collaborated with an energy supplier to develop an innovative contract that, from 2024, enables the sharing of energy generated by hydroelectric and photovoltaic plants with its production facilities in Italy. These small and large-scale plants produced more than 180 GWh/year of renewable energy in 2024, covering approximately 35% of the energy needs of Italian plants and reducing annual CO_2emissions by approximately 45,000 tonnes. Therefore, the merger with Idroelettriche Riunite S.p.A. represents a significant step forward in reducing Scope 2 emissions. To maximise the value of this initiative, the company collaborated with an energy supplier to develop an innovative contract that, from 2024, enables the sharing of energy generated by hydroelectric and photovoltaic plants with its production facilities in Italy.




Colzè plant, Vicenza, Italy

The hydroelectric plants managed are:

Carturo plant

Location: San Giorgio in Bosco (PD)
Water: Brenta River
Year of construction: 1989-1992
Turbines: 2 Kaplan
Power: 400 kW
Average production: 16,400,000 kWh/year

Collicello plant

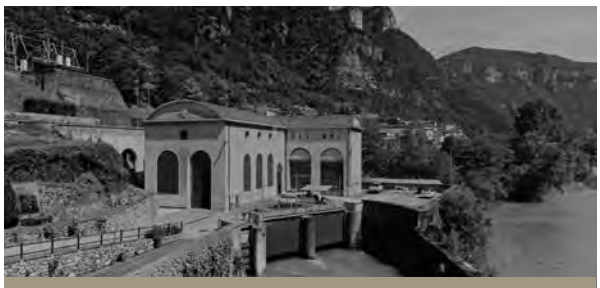
Location: Valstagna (VI)
Water: Brenta River
Year of construction: 2017
Turbines: 1 Kaplan
Power: 130 kW
Average production: 1,000,000 kWh/year

Colzè plant

Location: Longare (VI)
Water: Bacchiglione River
Year of construction: 1937-1939
Turbines: 1 Kaplan
Power: 750 kW
Average production: 3,500,000 kWh/year

Debba plant

Location: Vicenza (VI)
Water: Bacchiglione River
Year of construction: 1943
Turbines: 2 Kaplan
Power: 400 kW
Average production: 1,600,000 kWh/year

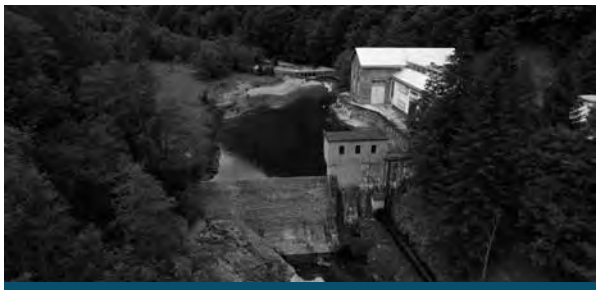


Valstagna plant

Location: Valstagna (VI)
Waters: Brenta River
Year of construction: 1942-1951
Turbines: 2 Kaplan and 1 Francis
Power: 7,000 kW
Average production: 33,800,000 kWh/year

Agrasina plant*

Location: Montecrestese (VB)
Waters: Larecchio Dam, Isorno Stream
Year of construction: 2009-2013
Turbines: 1 Pelton and 2 Francis
Power: 5,100 kW
Average production: 7,500,000 kWh/year



Cipata plant

Location: Montecrestese (VB)
Water: Agrasina Dam, Isorno Stream, Tomello Stream, Nocca Stream, Gillino Stream
Year of construction: 1950-1953
Turbines: 2 Pelton - Power: 10,600 kW
Average production: 31,600,000 kWh/year

Montecretese plant

Location: Montecrestese (VB)
Waters: Isorno Stream, Melezzo Stream
Year of construction: 1940-1946
Turbines: 2 Francis
Power: 700 kW
Average production: 4,100,000 kWh/year

Nuova Ceretti plant

Location: Montecrestese (VB)
Waters: Larecchio Dam, Isorno Stream
Year of construction: 1927; 1995-1998
Turbines: 1 Pelton
Power: 10,500 kW
Average production: 40,300,000 kWh/year

Pontetto plants*

Location: Montecrestese (VB)
Waters: Melezzo Stream, Molini Stream, Isorno Stream, Fenecchio Stream
Year of construction: 1925-1926
Turbines: 2 Pelton and 2 Francis
Power: 8,800 kW
Average production: 20,500,000 kWh/year

*There are two plants at the Agrasina and Pontetto sites.

**The hydroelectric power plants located in Veneto and Piedmont regions produce 90% of energy used in steel production.
This allows us, on the one hand, to ensure greater security and protection from market fluctuations through reduced energy costs and, on the other, to continue generating energy from renewable sources.**

Gianmaria Zanni
Energy COO

Sustainable Mobility

During 2024, the company analysed a series of initiatives aimed at consolidating its commitment to sustainable mobility. The actions undertaken form part of a strategic journey aimed at creating shared value for all stakeholders by reducing environmental impact and promoting responsible behaviour both within and beyond the organisation. In particular, the activities carried out refer to:

1. preparation and submission of the Home-Work Travel Plan (PSCL) for the Vicenza and San Didero (TO) sites;
2. launch of electric car and plug-in car charging service for employees at the Vicenza plant.

Home-Work Travel Plan (PSCL)

For the Vicenza and San Didero sites, as required by current regulations, the Home-Work Travel Plan (PSCL) was also prepared in 2024. The Home-Work Travel Plan (PSCL) is a tool aimed at reducing the use of individual private means of transport, through the identification of effective and concrete measures to encourage sustainable mobility among employees. The PSCL also aims to increase the quality perceived by workers and, indirectly, that of the working environment as a whole. The ultimate objective of the plan is to contribute to the improvement of air quality by reducing climate-altering gas emissions.

In 2024, for the two aforementioned sites, as conditions remained unchanged, the following activities were maintained:

- information and spatial analysis;
- preparation, distribution and processing of the internal mobility survey.

While the following have been updated:

- definition of possible actions;
- estimation of potential benefits.

No. of columns:
26 (for the exclusive use of employees)

Total Electricity:
20,000 kWh

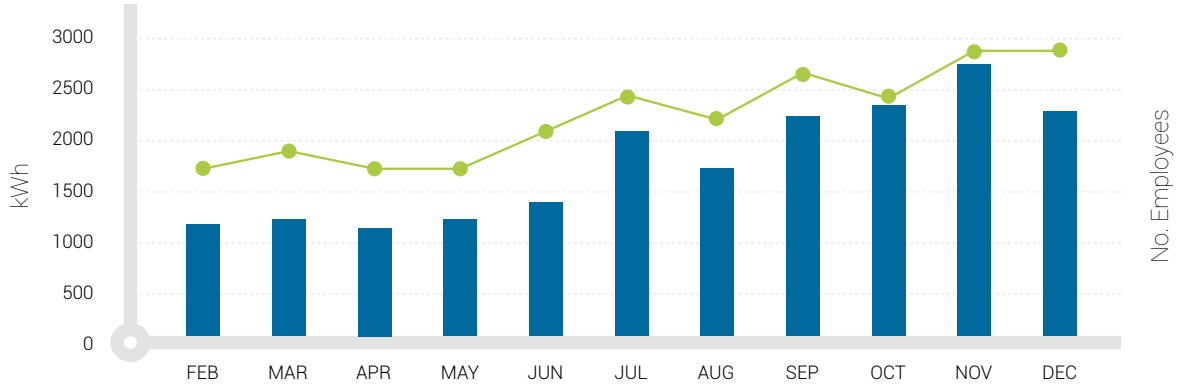
Distance:
125,000 km[1)] covered using green energy from a photovoltaic plant (PPA type)

Note:
[1)] "Quattroruote" figure, average value of 16 kWh/100 Km.

Electric vehicle charging stations for employees

As part of the mobility management initiatives, an investment was made that led to the installation of 26 charging stations at the Vicenza plant, each with a nominal capacity of 7.4 kW, intended exclusively for employee use. Since the beginning of 2024, employees who need to charge their electric vehicles can do so directly within the company car park, benefiting from a fixed, discounted rate. The installation and commissioning of the infrastructure were made possible thanks to a framework agreement signed with an energy supplier. Moreover, all the energy supplied by the charging stations comes from 100% renewable sources, thanks to an energy supply contract (PPA – Power Purchase Agreement) signed by the company.

The chart below shows the data relating to charging sessions carried out during 2024 (service started in February). The performance clearly shows a constant growth in the use of the service, a sign of growing interest from employees. This positive trend is further confirmed by the steady increase in requests to join the service, demonstrating how the infrastructure effectively meets the company's sustainable mobility needs.



Plant in Vicenza, Italy

IV.V ATMOSPHERIC EMISSION MANAGEMENT

AFV Beltrame Group is actively committed to controlling and reducing atmospheric emissions, achieving significant results through the application of Best Available Techniques (BAT) and continuous monitoring of pollutant concentrations. In 2024, these concentrations consistently remained below the legally authorised limits, according to the results of self-monitoring carried out under the Integrated Pollution Prevention and Control (IPPC) permits for each facility, demonstrating the effectiveness of the strategies implemented.

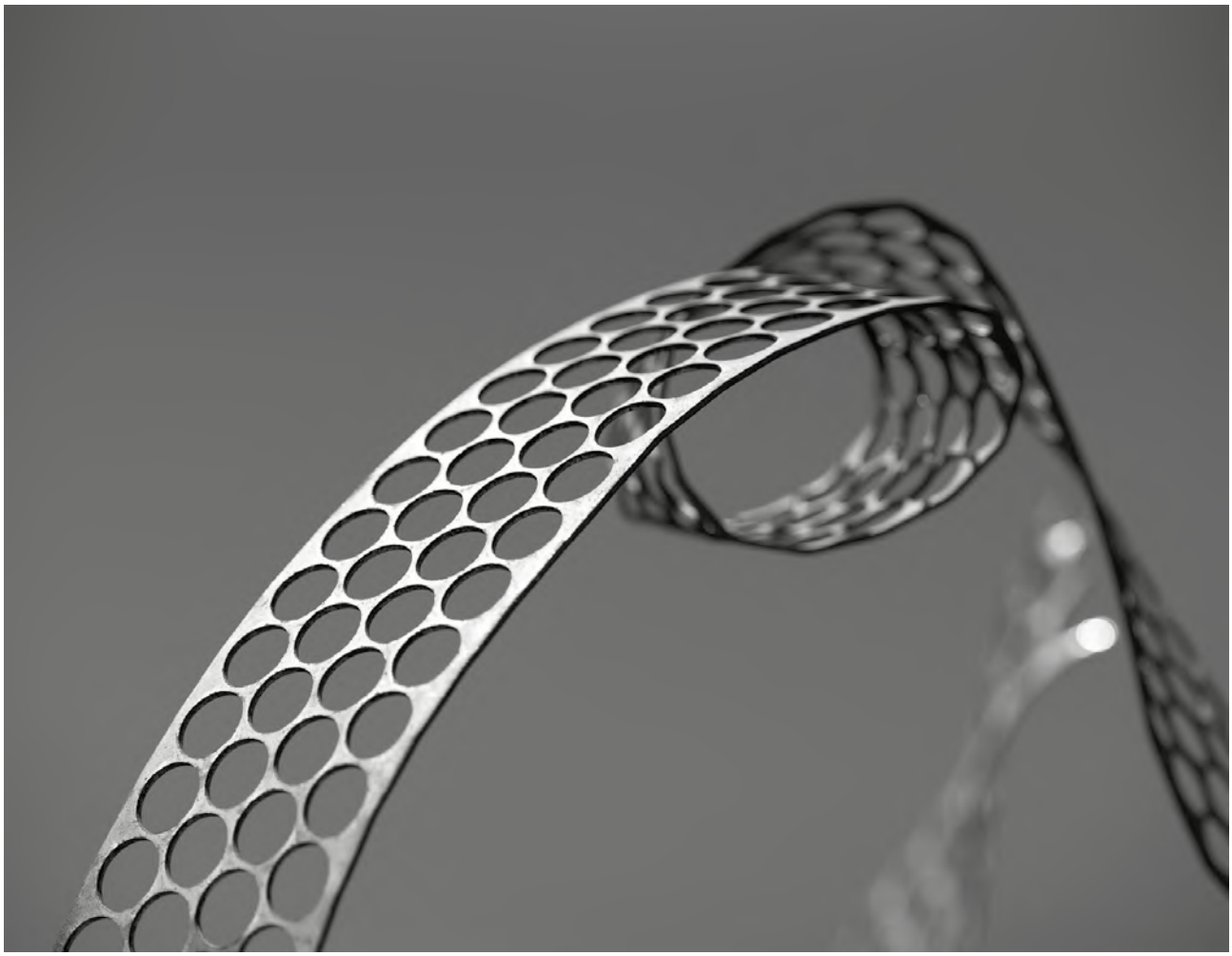
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

The emissions from the smelting plants (EAF furnaces) are also continuously monitored by measuring the flow rate and particulate concentration at the chimneys located downstream of the flue gas treatment systems, which consist of bag filter units.

Alarm management procedures are also applied, allowing for immediate corrective actions in case of plant malfunctions and all facilities implement a preventive maintenance programme to ensure the continued full efficiency of the equipment. To control organic micropollutants, dosing systems for adsorbent materials (activated carbon) are installed along the flue gas ducts, ensuring emission levels well below the stringent European limits.

Technical and procedural methodologies are also applied for the reduction of diffuse emissions from raw and auxiliary material handling processes, often through water mist systems or localised suction in loading/unloading areas.

The comparison of local regulations across the countries hosting the Group's facilities also facilitates the development of control strategies and investments directed towards common prevention objectives. All plant investments are evaluated to ensure their alignment with the sector-specific BAT conclusions for iron & steel and ferrous metal processing, which are subject to periodic review by the European Union.



IV.VI DECARBONISATION AND CLIMATE CHANGE

Context

The AFV Beltrame Group oversees the issue of climate change, assessing the risks and opportunities associated with its activities over the short and medium to long term, both in terms of mitigation and adaptation.
There are multiple and significant implications for the Group in terms of economic-financial, reputational and environmental impact.

Climate change is no longer just an environmental issue: it is a profound social challenge that redefines the boundaries of competitiveness and demands a cultural transformation. It requires a long-term vision, adaptability and a new system of values to guide organisational decisions. Only those who manage to embed sustainability into their DNA will be able to successfully navigate the complexities of the future.

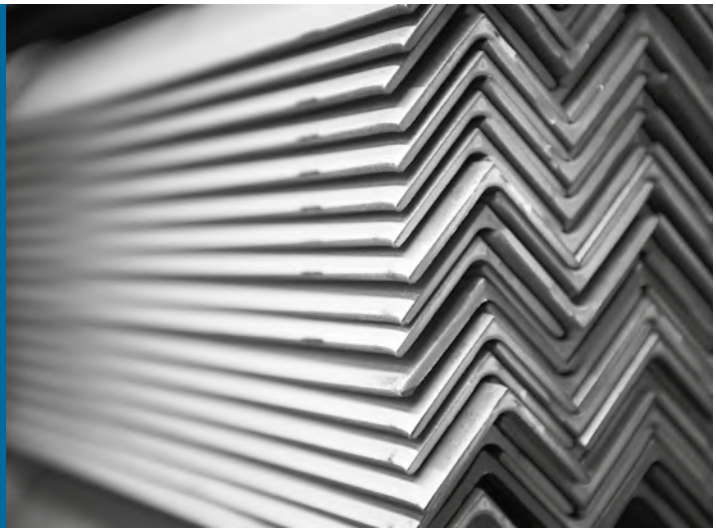
Raffaele Ruella
CFO Executive Director, Head of Sustainability Projects

Regulatory Developments and Possible Scenarios

The European legislative framework of climate policies is constantly evolving, with several proposals that may have an impact on the AFV Beltrame Group. In particular, new environmental obligations on greenhouse gas reduction may require additional capital expenditure, changes in operating practices and additional reporting requirements, even for the electric steel industry which already produces fewer emissions than the integrated cycle.
On 11 December 2019, the European Commission officially presented the communication related to the "European Green Deal" to the European Parliament in plenary session. The European Green Deal includes an action plan aimed at:

- ensuring that there are no net greenhouse gas emissions by 2050;
- promoting the efficient use of resources by moving to a clean and circular economy;
- restoring biodiversity and reducing pollution.

The document presented illustrates the necessary investments and the financing instruments available and explains how to ensure a fair and inclusive transition. Each EU Member State is required to prepare a targeted action plan to meet the proposed sustainable growth objectives.
The EU intends to achieve climate neutrality by 2050 and achieve a 55% reduction (compared to 1990 levels) by 2030. For this reason, member states but also individual economic entities must work to achieve the envisaged objectives.



Implementing the European Green Deal: the decisive decade.
By 2030, as established by European climate legislation, the EU will reduce its net greenhouse gas emissions by at least 55% compared to 1990 levels. On 14 July 2021, the European Commission presented various proposals aimed at achieving these objectives and implementing the European Green Deal.

Source:
"Architecture Factsheet" rev. July 2021 of the European Commission updated by AFV Beltrame Group.

CBAM - Carbon Border Adjustment Mechanism

The Carbon Border Adjustment Mechanism (CBAM), which came into effect in 2023 in a transitional phase, is a tool introduced by the European Union to counteract the risk of production relocation to countries with less stringent environmental regulations, known as "carbon leakage" and to ensure a level playing field between European companies and those outside the EU. As part of the European Green Deal, the CBAM foresees, once fully implemented, the application of a cost on the emissions embedded in imported goods, which will be borne by importers starting from 2026.

Importers will be required to declare the emissions associated with products originating from third countries, initially using default values and subsequently through data calculated for each individual product. These emissions will have to be offset by purchasing CBAM certificates, the price of which will be aligned with that of the European ETS allowances. The enforcement of the mechanism follows a roadmap divided into several phases, with precise obligations for importers and parties involved.

01

Transition period (1 October 2023 - 31 December 2025)
Declarants must submit quarterly reports on the emissions embedded in imported goods, without the need to purchase CBAM certificates.

02

Definitive entry into force (1 January 2026)
By 31 May of the year following the imports, declarants must submit an annual report and purchase CBAM certificates to offset the emissions embedded in the imported goods, at a price linked to that of the European ETS allowances.

Starting from 2026, the gradual phase-out of free allowances under the ETS system for certain industrial sectors will begin, with completion expected by 2034.
All emissions data must be verified, from 2026, by bodies accredited according to European standards (e.g. EN ISO/IEC 14065).
Operators from third countries will be able to register on a dedicated portal to transmit data about their installations to EU declarants.
From the third quarter of 2024, the use of default values is no longer permitted (except for up to 20% of emissions); instead, it is mandatory to provide actual data obtained directly from producers, covering both direct and indirect emissions. These data must be collected through monitoring systems along the entire production chain. The obligation will remain valid for the entire transition phase. From 1 January 2026, CBAM reports will switch to an annual format, but it will once again be permissible to use default values when purchasing certificates.

The European Commission has clarified that CBAM declarants must make every effort to obtain actual data from their suppliers, demonstrating due diligence in the process. However, in justified cases, it will be possible to use alternative values, provided they are supported by appropriate documentation.

The "Informal Expert Group on the CBAM" has examined the latest developments of the mechanism, focusing on reporting requirements, possible simplifications, ongoing technical studies and potential regulatory updates. In the first year of the transitional period, over 70,000 reports were submitted by approximately 10,000 declarants.

Declarations have progressively decreased over time: from the peak of more than 19,000 reports in the fourth quarter of 2023 to 15,361 in the third quarter of 2024. The countries with the highest number of declarants were Germany, Poland and Italy, while China was the main country of origin for goods subject to CBAM. CBAM declarations concentrated on four main industrial sectors: iron and steel (69% of declarations), fertilisers (17%), cement (9%) and aluminium (5%).

In the first three quarters of the transitional period, around 95% of CBAM declarations were based on predefined values.
However, in the third quarter of 2024, around 50% of declarants began using actual data, indicating improved access to emissions information. This trend improves the accuracy of the CBAM and reduces uncertainty regarding the embedded emissions in imported products. In the iron and steel sector, the prevailing use of predefined values is confirmed, indicating a limited availability of data by exporters. The main countries of origin for the goods are China, Turkey and Ukraine.

For a more detailed overview of the actions included within the European Green Deal, please refer to Chapter I.VIII "Policy and Regulatory Risk".

The commitment of AFV Beltrame Group

In an ever-evolving and increasingly demanding regulatory landscape, AFV Beltrame Group reaffirms its commitment to combating climate change by continuing its membership in the Global Steel Climate Council (GSCC).

The Global Steel Climate Council (GSCC) is a non-profit organisation dedicated to promoting a technology-neutral, globally applicable standard to reduce CO_2 emissions in the steel industry. By certifying science-based objectives, established under the Paris Agreement of 2015 and promoting transparent carbon accounting, the GSCC enables steel producers and consumers to achieve their decarbonisation goals.

Members of the GSCC represent the entire steel value chain across more than 80 countries worldwide, encompassing steel producers, trade associations, end-users, scrap metal suppliers and non-governmental organisations.

Purpose of the GSCC Standard
The main objectives of the Steel Climate Standard are:

GSCC | Global Steel Climate Council

1. to provide an unambiguous framework, independent of the technological processes used, for certifying steel products and setting science-based emission reduction targets, applicable to all steel producers equally on a global basis. Independent third parties verification of all data in compliance with ISO standards is required;

2. to ensure transparency in communicating the actual carbon emissions associated with steel products to all buyers and users along the entire value chain (Scope 1, 2 and 3), guaranteeing objective assessments, progress monitoring and informed purchasing decisions based on the actual carbon footprint of the production process used;

3. to create a clear and industry-replicable standard to achieve, by 2050, emission reduction targets aligned with scientific evidence and consistent with the Paris Agreement on climate change, through monitoring, planning and implementing targeted carbon emission reduction activities.

Worker at the plant in Vicenza, Italy

Certification of Science-Based Targets according to the GSCC Standard

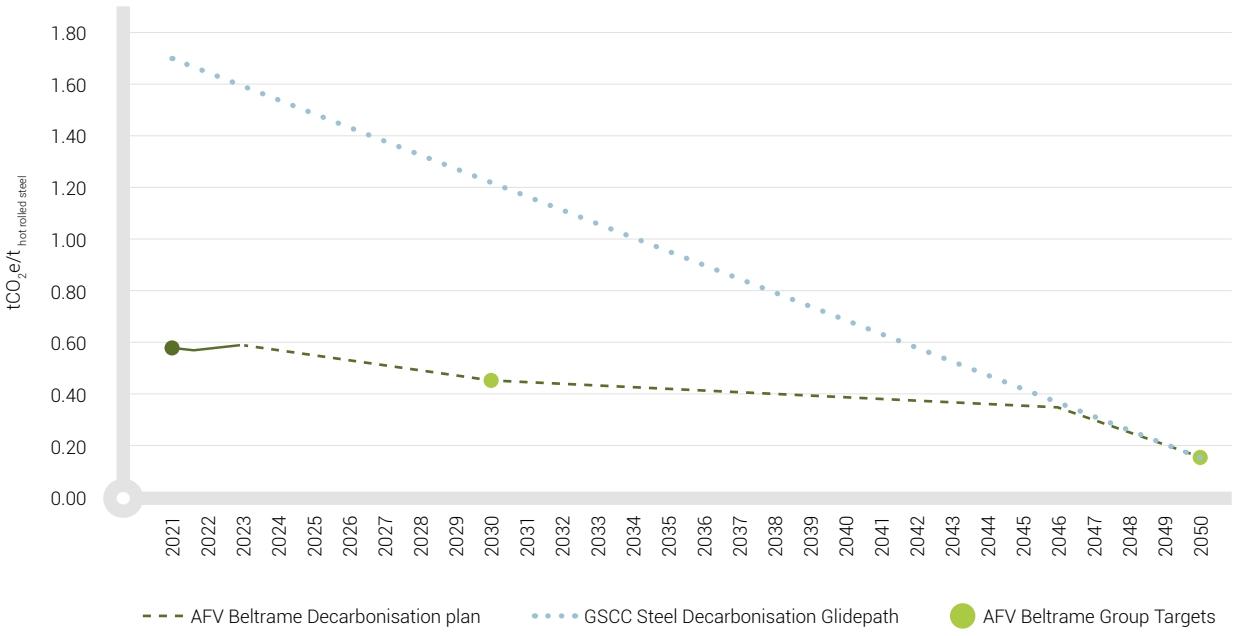
AFV Beltrame Group, excluding the Târgovişte site, obtained the GSCC certification in 2025 for its organisation-specific emissions (CASEI - Corporate Average Steel Emissions Intensity) and its medium- and long-term reduction targets (SBETs - Science-Based Emissions Targets).

This important recognition further confirms the Group's tangible commitment to the decarbonisation of the steel industry. The certification, issued following a rigorous independent audit conducted by a third party, covers two fundamental aspects:

- Certification of the organisational carbon footprint at Group level (CASEI - Corporate Average Steel Emissions Intensity): defined as 0.57 tonnes of CO_2e per tonne of hot-rolled steel, with base year 2021 relating to Scope 1, 2 and 3 emissions upstream.
- Validation of the medium and long-term decarbonisation objectives (SBETs - Science-Based Emissions Targets):
  - 0.46 tonnes of CO_2e per tonne of steel by 2030;
  - 0.12 tonnes of CO_2e per tonne of steel by 2050.

These objectives are fully aligned with both the GSCC Climate Standard for steel and with the commitments envisaged by the Paris Agreement to limit the global temperature increase to within 1.5 °C compared to pre-industrial levels.

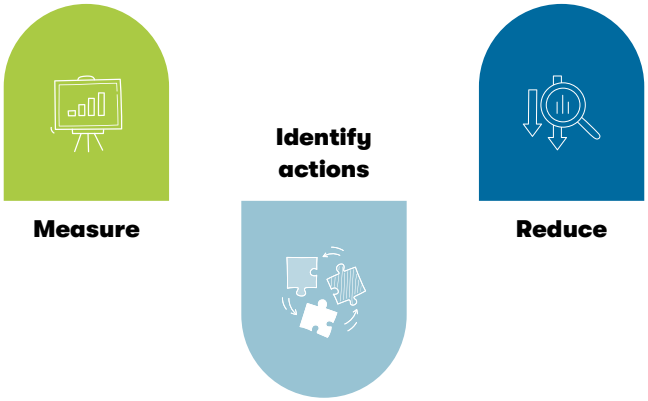
AFV Beltrame Group - Science-Based CO_2e Emissions Targets certified by GSCC



The achievement of this certification enables AFV Beltrame Group to continue its path towards reducing specific carbon dioxide emissions (tCO_2e per tonne of finished product), encompassing not only emissions from its own production processes but also indirect emissions related to transport and the procurement of raw and auxiliary materials (Scope 1, 2 and 3 upstream).

AFV Beltrame Group Operations
The growing interest of stakeholders and the evolving regulatory framework offer new opportunities for sustainable growth: reducing CO_2 emissions has become a key driver for accessing the market of the future, where sustainability is increasingly a critical factor for competitiveness. Through certification in accordance with the GSCC standard, AFV Beltrame Group strengthens its environmental commitment by consolidating its decarbonisation targets and the strategies defined to achieve them. These strategies are monitored and updated during the periodic meetings of the Sustainability Steering Committee.

For CO_2 emissions, AFV Beltrame Group follows a structured and responsible approach based on three key steps:



Measurement

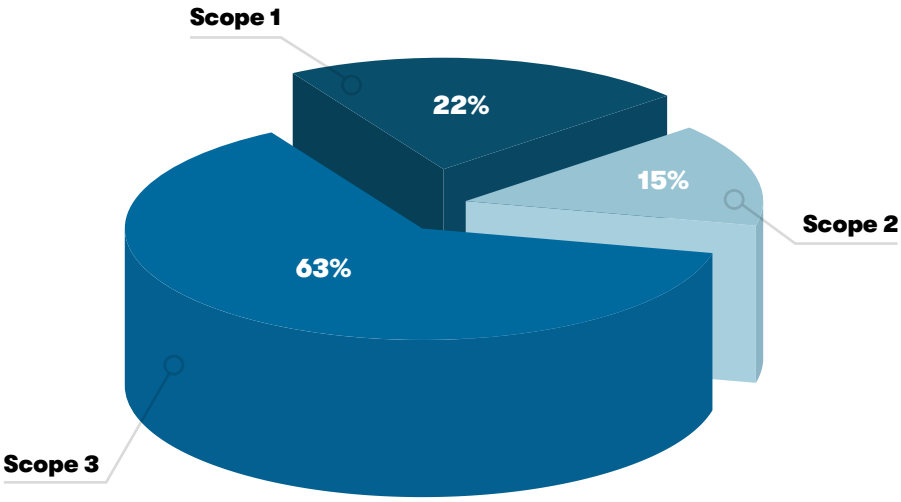
AFV Beltrame Group completed the quantification of CO_2 emissions generated along the value chain in 2024 as well, in accordance with ISO 14064-1, fully aware that emission reduction cannot be achieved without a constant and increasingly accurate measurement.

In line with its commitment to sustainability, the Group measures and monitors CO_2 emissions classified as Scope 1, Scope 2 and Scope 3. Within the steel industry, emissions can be calculated according to two main approaches: absolute value (in tonnes of CO_2 emitted) and emission intensity, expressed in tonnes of CO_2 per tonne of finished steel product. As part of the Group's decarbonisation plan, the emission trend in 2024 was particularly positive with reductions in the absolute value of both Scope 1 and Scope 2 emissions thanks to the improvement actions undertaken by the Group. Instead, the Scope 3 value was influenced less by process data and more by the upward revision of emission factors in the reference databases. The positive trend mentioned above is also reflected in the Group's specific emissions, with the 2024 KPI for Scope 1, 2 and 3 upstream fully aligned with the decarbonisation targets set by the Group and in compliance with the GSCC's Steel Climate Standard.

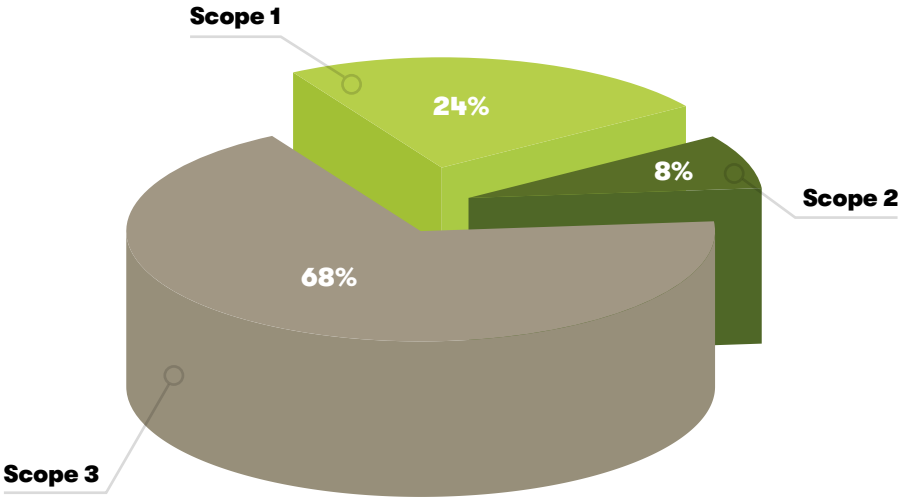
At Group level (excluding the Târgovişte site), the absolute CO_2 emissions (expressed in tonnes) from Scope 1+2+3 contributions for steel mills and rolling mills, for the year 2024, amount to:

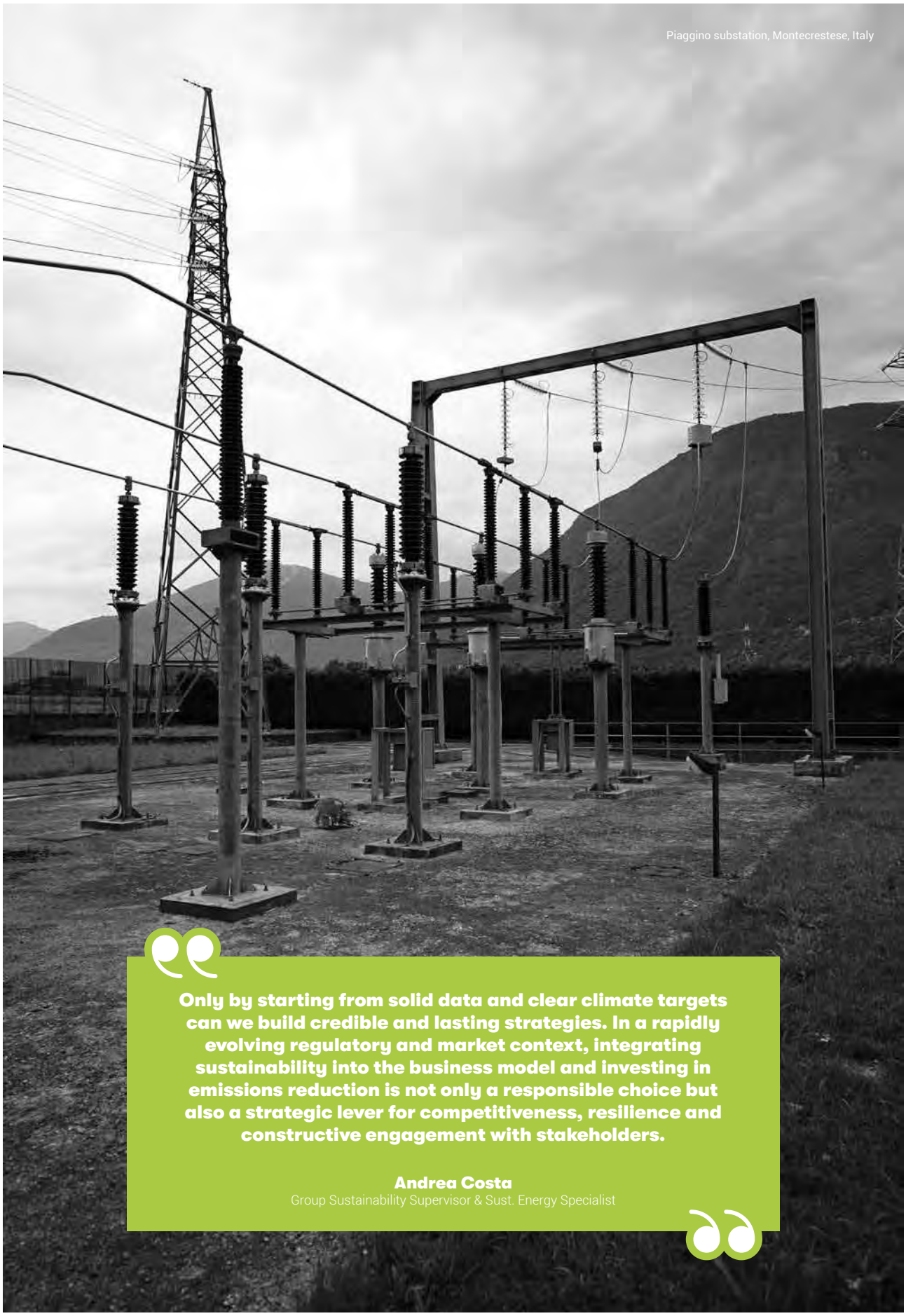
- Scope 1, Scope 2 (*Market Based*) and Scope 3: 1,198,081 tCO_2e;
- Scope 1, Scope 2 (*Location Based*) and Scope 3: 1,292,265 tCO_2e.

Breakdown of Group CO_2 emissions (Scope 2 Location Based)



Breakdown of Group CO_2 emissions (Scope 2 Market Based)





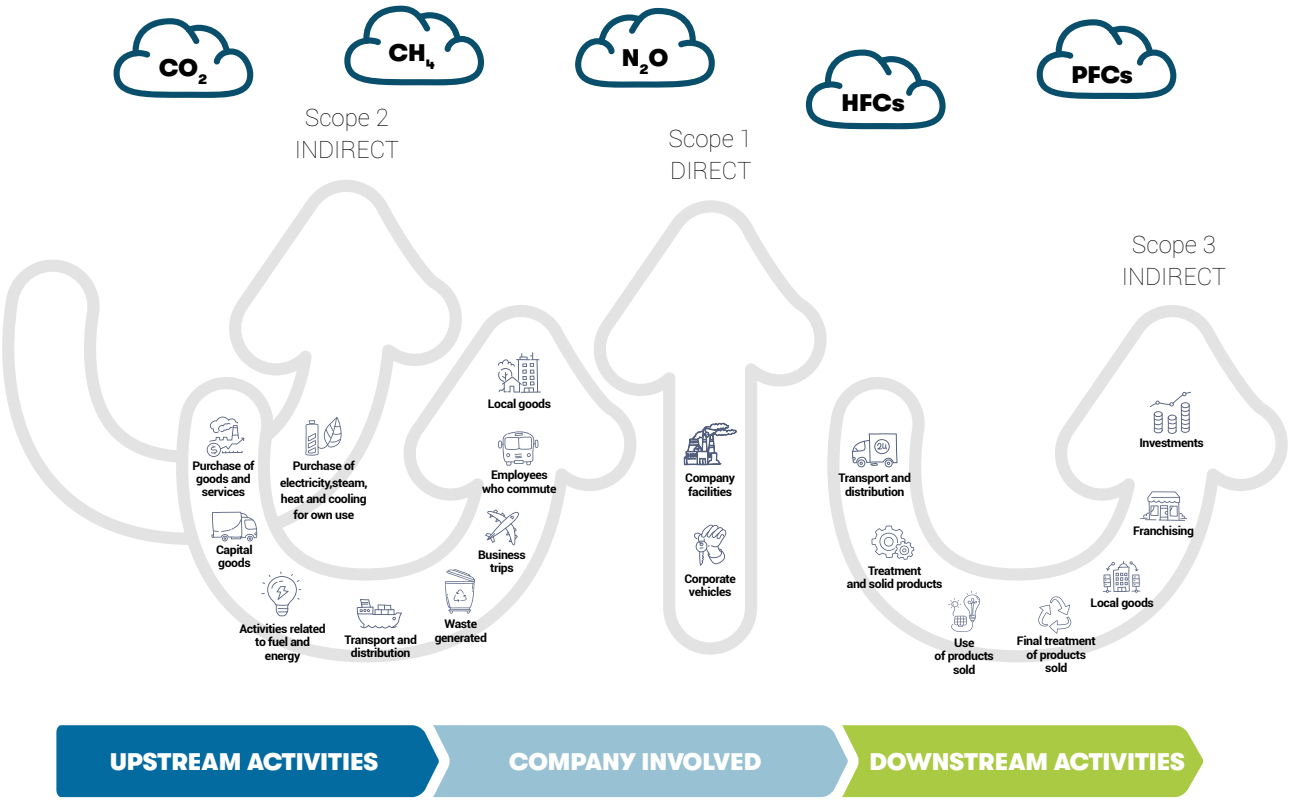
Piaggino substation, Montecrestese, Italy

Only by starting from solid data and clear climate targets can we build credible and lasting strategies. In a rapidly evolving regulatory and market context, integrating sustainability into the business model and investing in emissions reduction is not only a responsible choice but also a strategic lever for competitiveness, resilience and constructive engagement with stakeholders.

Andrea Costa
Group Sustainability Supervisor & Sust. Energy Specialist

The CO_2eemission intensity, always referring to Scope 1+2+3 (*upstream*) emissions for the Group's steel mills and rolling mills, for 2024 and expressed in tCO_2e per tonne of finished steel product, is as follows:
1. Scope 1, Scope 2 (*Market Based*) and Scope 3: 0.516[1)] tCO_2e/tonne finished product.
1. Scope 1, Scope 2 (*Location Based*) and Scope 3: 0.561[1)] tCO_2e / tonne finished product.

[1)] The indicator is calculated as a weighted average over the finished product output of each production site and also considers processing yield.



The Italian, Romanian and French plants of the Group, which are subject to the European Union Emissions Trading System (EU ETS), will experience a gradual reduction in free allowances in the coming years, leading to an increase in operating costs.

The European Commission introduced Directive (EU) 2023/959, which governs the establishment and operation of the Market Stability Reserve for the EU ETS system and amended Regulation (EU) 2019/331, introducing significant changes regarding free allocation. Among the main changes are: the revision of benchmarks for certain production plants and the introduction of conditionality criteria, such as the obligation to implement recommendations from energy audits and the requirement to prepare a climate neutrality plan for high-emission-intensity installations. In particular, the final annual amount of free allowances may be reduced by 20% if the operator fails to demonstrate the implementation of all energy efficiency measures required under Article 8 of Directive 2012/27/EU, or if emissions exceed 80% of the product benchmark values for the 2016–2017 period, unless a climate neutrality plan is submitted.

In 2024, an impact analysis of this regulation was carried out for the Group's companies, which revealed no penalties related to the stipulated conditionality criteria. Furthermore, a favourable approach towards steel plants has been confirmed, with the removal of the criterion concerning the interchangeability between fuels and electricity. This change is expected to lead to an increase in free allocations compared to the previous period (2021–2025).

Quantification of Scope 1

The AFV Beltrame Group carefully monitors the evolution of regulations and the possible risks and opportunities that derive from these reforms. Discussions have been initiated within the Sustainability Steering Committee on the Group's decarbonisation objectives and on the strategies to be implemented to achieve the proposed level. The attention of our stakeholders and the regulatory context have offered new development opportunities: reducing CO_2 emissions today is the key to accessing the economic context of tomorrow, in which companies are called upon to be increasingly sustainable in order to remain competitive.

	2023			2024		
	AFV	**LME**	**DON**	**AFV**	**LME**	**DON** (Călărași)
Allocations [tCO_2]	98,565*	58,159	12,796	97,350	59,022	12,796
Emissions [tCO_2]	116,824	72,416	16,553	121,429	68,386	11,754

NOTE:

*Change made to the 2023 allocation, implemented during 2024.

The Stahl Gerlafingen factory is instead not within the scope of the ETS (Emission Trading System) and is subject to the obligations prescribed by Swiss Law 641.71 "Federal law on the reduction of CO_2 emissions". The calculated emissions for 2024 are 82,377 tonnes.

Plant in Vicenza, Italy

Focus on emissions for 2024

Production detail and emissions	Production of billets	Production of rolled products	Total production	CO_2 emissions from steel mill	CO_2 emissions from rolling mill	Total CO_2 emissions
Unit of measurement	t	t	**t**	tCO_2e	tCO_2e	**tCO_2e**
AFV Vicenza	994,295	642,495	**1,636,790**	72,632	34,444	**107,076**
AFV San Didero	n.a.[1)]	104,177	**104,177**	n.a.[1)]	9,145	**9,145**
AFV San G. Valdarno	n.a.[1)]	51,305	**51,305**	n.a.[1)]	5,208	**5,208**
Donalam (Călărași)	n.a.[1)]	87,229	**87,229**	n.a.[1)]	11,754	**11,754**
L.M.E.	571,193	474,356	**1,045,549**	36,380	32,006	**68,386**
Stahl Gerlafingen	572,615	561,279	**1,133,894**	51,772	30,605	**82,377**
Total	**2,138,104**	**1,920,840**	**4,058,944**	**160,784**	**123,162**	**283,946**

Breakdown of emissions	CO_2 emissions from steel mill	CO_2 emissions from rolling mill	CO_2 emissions from steel mill	CO_2 emissions from rolling mill
Unit of measurement	%	%	tCO_2e/t steel	tCO_2e/t steel
AFV Vicenza	68	32	0.073	0.054
AFV San Didero	n.a.[1)]	100	n.a.[1)]	0.088
AFV San G. Valdarno	n.a.[1)]	100	n.a.[1)]	0.102
Donalam (Călărași)	n.a.[1)]	100	n.a.[1)]	0.135
L.M.E.	53	47	0.064	0.067
Stahl Gerlafingen	63	37	0.090	0.055
Total	**57**	**43**	**0.075**	**0.064**

Note:
[1)] n.a.: not applicable as these are stand-alone rolling plants.

Category Scope 1	Vicenza	San G. Valdarno	San Didero	L.M.E.	Stahl Gerlafingen	Donalam (Călărași)	Total
	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	**tCO_2e**
1.1 Emissions from stationary combustion	49,715	5,208	9,145	38,071	63,213	11,754	**177,107**
1.2a Emissions from mobile combustion [1)]	899	22	148	186	2,277	94	**3,626**
1.2b Company vehicles [1)]	340	8	12	59	32	61	**510**
1.3 Process emissions	57,361	0	0	30,315	19,164	0	**106,839**
1.4 Fugitive emissions	133	1	0	265	0	0	**399**
Total							**288,481**

Quantification of Scope 2

The calculation of Scope 2 emissions, which concerns the indirect contribution of emissions from the generation of purchased electricity consumed by the Group, was based on the plants' total energy consumption and emission factors according to two different approaches:

The market-based approach uses the CO_2 emissions generated by the energy suppliers from which the organisation purchases electricity through contracts and can be calculated by considering: energy Guarantee of Origin certificates and direct contracts with suppliers, supplier-specific emission factors and emission factors related to the "residual mix", i.e. energy and emissions not monitored or unclaimed. This methodology was applied using the emission factor provided by AIB - European Residual Mixes, 2023, for the French site, while supplier-specific emission factors were used for the Italian and Romanian sites.

The location-based approach uses average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries. This methodology was applied using emission factors from the source Greenhouse gas emission intensity of electricity generation by country - EEA, Umweltbilanz Strommixe Schweiz 2018 - BAFU for Switzerland and the 2023 ISPRA report for the Italian sites.

Scope 2 emissions calculated using the Market-Based and Location-Based method are expressed in tonnes of CO_2, as the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO_2 equivalent), according to the relevant technical literature.

NOTE:

[1)] Below is a table with the parameters used in the calculation of Scope 1 emissions.

Fuel	tCO_2e/t	kg/L	Emission Factor Source
Diesel (machinery)	3.215	0.85	IPCC + Calculation
Diesel (cars)	3.200	0.85	Fetransp 2022 + Calculation
Unleaded petrol for automotive use	3.177	0.72	Fetransp 2022 + Calculation

	Scope 2 *Location Based* Emission Factors		Scope 2 *Market Based* Emission Factors	
Country	Value (gCO_2/kWh)	Source	Value (gCO_2/kWh)	Source
Italy	242	Emission factors for the production and consumption of electricity in Italy (2022 update and preliminary 2023 estimates) - ISPRA	240	Supplier mix
France	50	Greenhouse gas emission intensity of electricity generation by country - EEA 2023	41	AIB Residual Mix - 2023
Switzerland	128	Umweltbilanz Strommixe Schweiz 2018 - BAFU	0	Market Based Guarantees of Origin
Romania	234	Greenhouse gas emission intensity of electricity generation by country - EEA 2023	141	Supplier mix

Site	**Scope 2 *Location Based* in tCO_2e**	**Scope 2 *Market Based* in tCO_2e**
AFV Vicenza	123,812	76,529
AFV San Didero	3,532	2,425
AFV San Giovanni Valdarno	1,862	1,176
L.M.E.	17,675	14,401
Stahl Gerlafingen	38,949	0
Donalam (Călărași)	5,089	2,203
Total	**190,918**	**96,734**

Site	**Scope 2 *Location Based* Emission Intensity (tCO_2e/t steel[1)])**	**Scope 2 *Market Based* Emission Intensity (tCO_2e/t steel[1)])**
AFV Vicenza	0.125	0.077
AFV San Didero	0.034	0.023
AFV San Giovanni Valdarno	0.036	0.023
L.M.E.	0.031	0.025
Stahl Gerlafingen	0.068	0
Donalam (Călărași)	0.058	0.025

Notes:

1) • AFV Vicenza, L.M.E., Stahl Gerlafingen: tonnes of billets produced.
• AFV San Didero, AFV San Giovanni Valdarno, Donalam (Călărași): tonnes of finished product.

Quantification of Scope 3

Sources of GHG emissions were identified within the established organisational and operational boundaries and the available data was collected in order to quantify them with reference to Scope 3. The calculation methodology used is based on the multiplication between the "activity figure", which quantifies the activity and the corresponding "emission factor". For the process of calculating GHG emissions, mainly primary sources were used (particularly for de facto) and secondary data were used to quantify the emissions only where these could not be found. To this end:

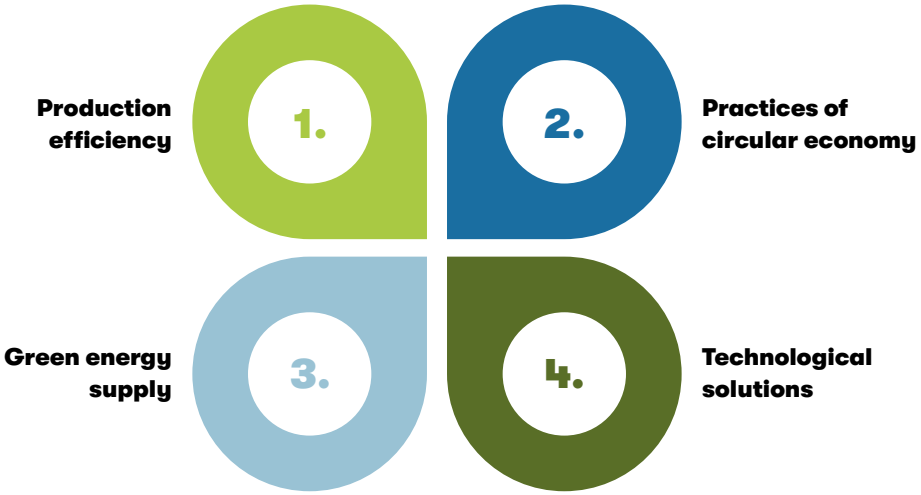
- the primary source of the data refers to the main inputs and outputs corresponding to the steps under the organisation's control: these were provided directly by the organisation, as actual data. This includes bills, invoices, registers, etc.;
- emission factors were taken from LCA-recognised databases (Ecoinvent, GHG Protocol, etc.), publications of industry associations (IPCC, UNFCC, etc.) and supplier-specific emission factors;
- all other secondary information was taken from national statistics (FETRANSP from Ispra, Ispra's National Generation Park Emission Factors Study (ISPRA).

The Group's Scope 3 emissions of 812,866 tCO_2e (excluding the Târgovişte production site) account for more than 60% of total CO_2 emissions and fall mainly within the categories related to transport (upstream and downstream) and the purchase of goods/materials.

Category Scope 3	Vicenza	San G. Valdarno	San Didero	L.M.E.	Stahl Gerlafingen	Donalam (Călărași)	**Total**
	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	tCO_2e	**tCO_2e**
3.1 Upstream transport activities (supply)	16,614	233	181	17,080	9,311	9,292	**52,710**
3.2 Downstream transport activities (shipping)	34,843	1,772	2,408	27,961	7,707	11,017	**85,708**
3.3 Employee home/ work commute	1,698	114	189	1,584	1,539	416	**5,542**
3.5 Business trips	124	2	6	0	0	0	**133**
4.1 Emissions from purchased goods	297,336	2,632	4,948	138,162	137,346	50,449	**630,872**
4.3 Emissions from waste disposal	3,087	44	32	626	613	274	**4,676**
5.1 Emissions associated with the use of products from the organization	25,078	0	0	8,025	19	0	**33,122**
5.2 Emissions from leased assets	0	0	0	0	104	0	**104**
Total							**812,866**

Identification of actions and reduction targets for Scope 1 and Scope 2
Already among the lowest in the sector, CO_2 emissions will be further reduced thanks to a decarbonisation plan that aims to reduce Scope 1 and 2 emissions by 40% by 2030 compared to 2015 levels, as part of the "Steel Climate Standard" developed by the GSCC and recently adopted by the Group.

The activity plan is oriented towards four main areas of action:



PRODUCTION EFFICIENCY

With projects aimed at improving the efficiency of production processes through several key initiatives for the Group, including, for 2024, the full commissioning of the main reheating furnaces (revamped in 2023) and the replacement of the ladle heating and drying burners at Stahl Gerlafingen.

FULL OPERATION OF THE FURNACES IN FRANCE, SWITZERLAND AND ROMANIA

Furnace in Stahl Gerlafingen, CH - KOMBI
In March 2023, Stahl Gerlafingen commissioned the new reheating furnace for the Kombi rolling mill, replacing the previous one. The new plant was installed in a different area compared to the past, a choice that helped minimise production interruptions and create space for potential future developments.

The construction of the foundations and the preparatory work took about a year. This state-of-the-art furnace will enable AFV Beltrame Group to optimise the rolling mill's productivity and reduce natural gas consumption, combining operational efficiency with environmental sustainability.

Thanks to the use of regenerative burners, the heat generated is recovered to preheat the combustion air, guaranteeing energy savings of 15-20% both on natural gas consumption and on direct CO_2emissions.
Furthermore, the residual heat from the cooling circuit and exhaust gases is reused to heat the water in the district heating network.

Furnace in L.M.E., FR - TGP

At the end of February 2023, the L.M.E. plant commissioned the new reheating furnace for the TGP rolling mill, replacing the previous system. The construction of the new furnace took approximately one year, during which auxiliary works were also carried out, such as the relocation of underground networks and the construction of a new building.

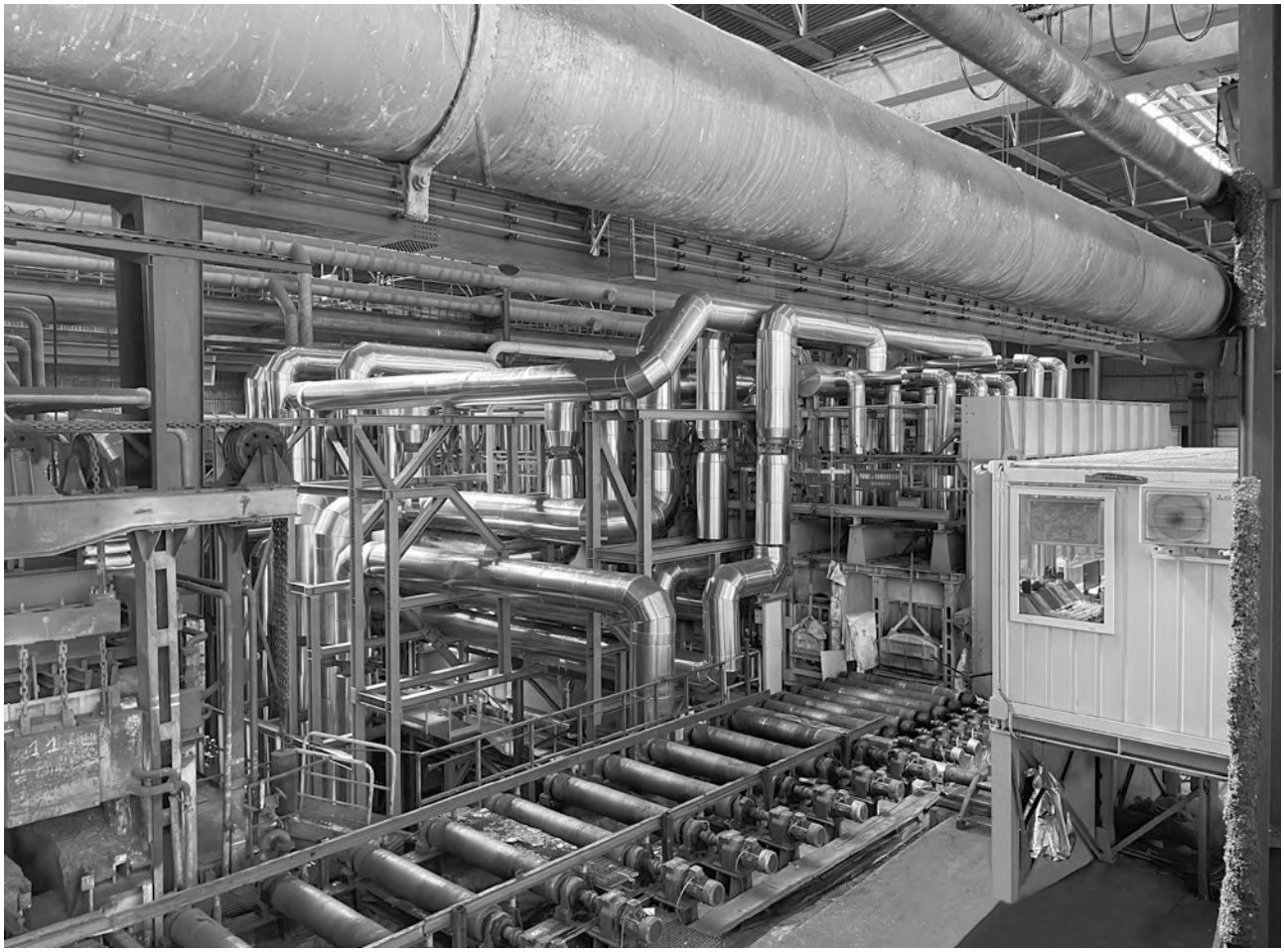
The project aims to improve the reliability and sustainability of the production line, while optimising natural gas consumption. The new furnace is equipped with advanced technology featuring regenerative burners that recover heat through ceramic systems on each burner.

This innovation allows an estimated energy savings of between 10 and 15% in the consumption of methane gas and in the CO_2 emissions related to the rolling furnace.

Furnace in Donalam, RO

In June 2023, the Călărași (Donalam) plant inaugurated a new rolling mill furnace, replacing the previous system. The investment represents a significant step towards energy savings and decarbonisation.

As well as allowing the expansion of the range of products offered to customers and better production efficiency, the new walking beam furnace is equipped with cutting-edge technologies (e.g. hot air recirculation, regenerative burners, advanced material loading and unloading systems) that will reduce methane gas consumption by about 30% compared to the previous system, thereby significantly contributing to the reduction of CO_2 emissions.



NEW LADLE BURNERS

As part of the decarbonisation plan, a significant upgrade was carried out in 2024 on the reheating and drying burners of the ladles at the Stahl Gerlafingen steelworks.

The ladle burners are powered by methane gas and are used to dry the ladles after replacing the internal refractory lining or to heat them to a suitable temperature for receiving the molten steel coming from the electric arc furnace.
As part of the intervention, all the systems were replaced with new or upgraded models incorporating the latest technologies.

The new machines are now equipped with heat recovery units or burners powered by a mix of natural gas and oxygen.

This improvement has made it possible to reduce by about 30%, in this production process, the consumption of natural gas, the main cause of direct CO_2emissions.

OPTIMISATION OF THE L.M.E. ELECTRIC ARC FURNACE (EAF)

As part of L.M.E.'s energy efficiency and decarbonisation programme, an important initiative to optimise the EAF process was launched in early 2024.
In addition to the ongoing efforts to reduce coal use, an ambitious target was set and achieved to cut natural gas consumption by 65% between 2022–2023 and the latter part of 2024.

This achievement resulted in an annual saving of approximately 25 GWh of gas, contributing to a 10% reduction in the steelworks' direct CO_2 emissions attributable to the lower consumption of natural gas.

CIRCULAR ECONOMY PRACTICES

The Group's production is completely based on the use of scrap as a raw material; in fact, over 95% of all iron used as raw material is recycled.
The Group has launched a series of initiatives aimed at improving the sustainability of its production processes, through targeted actions focused on the quality of scrap and raw materials, the reuse of internal waste and the gradual replacement of virgin raw materials with recycled and alternative materials.
Some examples are:

- the internal reuse of steel mill slag or the production of certified industrial aggregates, thus creating the conditions to meet green procurement requirements in the construction chain;
- the search for biogenic materials for the partial replacement of hard coal (e.g. tests on biochar conducted in L.M.E.);
- the use of recycled products deriving from the separate collection chain of plastic in partial replacement of coal.

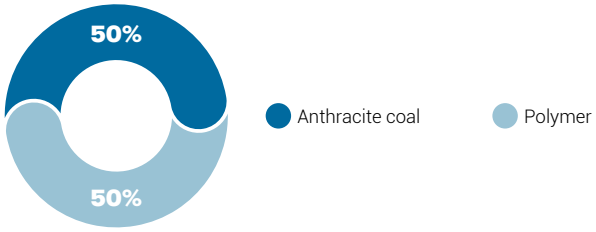
Polimero Project
Use of secondary reducing agent

The Vicenza plant continued throughout 2024 to use the SRA (secondary reducing agent) as a partial substitute for anthracite coal, continuing to monitor the project.
This initiative is part of the decarbonisation strategies and holds significant value within the framework of the circular economy. The SRA, certified as a "secondary raw material", is a technopolymer obtained from the mechanical processing of plastic waste. It acts as a reducing agent in the EAF furnace, allowing for the partial replacement of injected coal. Compared to hard coal, the technopolymer, compliant with UNI 10667 standards, contains a lower amount of fossil carbon, thus exhibiting a significantly lower emission factor. The use of SRA helps reduce CO_2 emissions and the carbon footprint of the steel produced. Furthermore, the polymer contains a significant percentage of biogenic carbon, which has a neutral impact within the EU ETS framework, thanks to precise measurements compliant with regulations.

Below are some results achieved thanks to the introduction of the polymer:

- the amount of fine coal blown into the EAF furnace has already fallen by 50% compared to 2023. This result not only promotes circular economy practices but also helps reduce the use of natural resources and reliance on material imports from abroad.

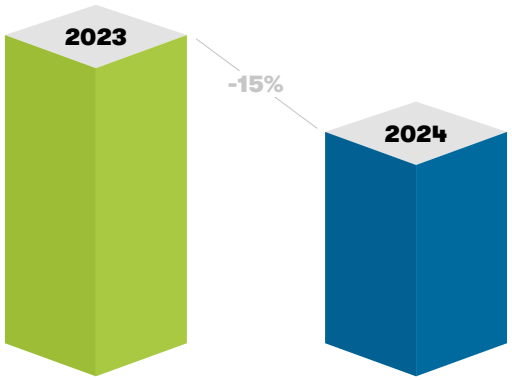
Breakdown of anthracite vs polymer use



- the use of the polymer has already enabled a 15% reduction in CO_2 emissions related to coal use in the process compared to 2023, considering only the fossil carbon component present in the material.

These results are in line with the project's objectives and are continuously monitored for CO_2 reporting purposes. AFV Beltrame Group is also considering extending this ambitious project to the Stahl Gerlafingen plant in Switzerland and the L.M.E. plant in France.

Specific CO_2 emissions (SRA project)



The reduction of the carbon footprint is not only an environmental commitment but also a strategic choice that helps ensure the sustainability and competitiveness of businesses in the long term.

GREEN ENERGY SUPPLY

The Group has planned several investments to achieve two key targets by 2030: increasing the share of renewable energy to 40% of the total supply at sites in Italy and Romania and significantly boosting the use of non-fossil energy sources at sites in France and Switzerland. Similarly, during 2024 the Group made significant investments in developing projects for green energy procurement, as described in the previous paragraphs.

TECHNOLOGICAL SOLUTIONS

HYDROGEN VALLEY PROJECT IN VILLADOSSOLA

AFV Beltrame Group, in collaboration with qualified external partners, presented the "Hydrogen Valley" project to the local community of Villadossola in early December 2024. This initiative is funded by the National Recovery and Resilience Plan (NRRP) with a total budget of approximately Euro 19.5 million. This project will transform the disused "Ex Sisma" area into a cutting-edge hub for green hydrogen production, contributing to the energy transition and sustainable development of the local community.

The project in detail

The project involves the installation of an electrolysis plant for the production of green hydrogen from water and electricity. The plant will be powered by a photovoltaic system to be built in the same area, ensuring a supply chain entirely based on renewable sources. In the initial phase, the hydrogen produced can be supplied to nearby companies to fuel industrial boilers by blending hydrogen with natural gas. This will significantly reduce fossil fuel consumption, CO_2 emissions and PM10 particulate matter. The project is designed to evolve over time: the area will be set up to accommodate a trailer bay for loading hydrogen cylinder trailers for distribution. In the first half of 2025, the authorisation process for the hydrogen production plant will begin, marking a crucial phase in the project's implementation. During this period, work will focus on the final project design and obtaining the necessary permits, a fundamental step towards the commissioning of the infrastructure. Compliance with the deadlines established by the NRRP represents one of the key challenges, especially given the innovative nature of the project and the limited previous experience in similar initiatives.

Safety and sustainability at the core

Safety is a top priority for AFV Beltrame Group and the project partners. The Villadossola plant will be designed following the highest international safety standards, involving specialised experts as well as, of course, the competent authorities who will issue the permits required by Italian regulations after reviewing the project details. Advanced technologies will be implemented to continuously monitor operations, minimising any risks to the environment and the community.

Low environmental impact design

The plant will be designed with extreme attention to the protection of the environment and the territory. Noise, odours, discharges, air emissions, waste, excavation and visual impact will all be minimised to the greatest extent possible.
This approach will ensure a perfect integration of the project with the local ecosystem and the well-being of the community.

Benefits for the territory

The Hydrogen Valley project will bring numerous benefits to Villadossola and the surrounding region:
- technological innovation: introduction of advanced technologies in the green hydrogen sector;
- real and sustainable energy transition: reduction of the use of fossil fuels and promotion of renewable energies;
- greater energy independence: development of local clean energy production;
- new opportunities for local businesses: direct involvement in the activities and supplies related to the project;
- new professional opportunities and jobs: creation of job opportunities in different sectors;
- reduction of polluting emissions: significant reduction of CO_2emissions;
- green image for the territory: positioning of the area as a model of sustainability and innovation.

OTHER HYDROGEN PROJECTS

The Group is preparing to use green hydrogen as a fuel, also participating to community projects funded for the study of these solutions. The heating furnaces of the rolling mills are already set up to use hydrogen as a fuel mixed with natural gas. The potential use of green hydrogen is a long-term opportunity (roughly starting from 2026, according to various ongoing studies) which envisages a fuel mix (80% natural gas and 20% green hydrogen) and the support of induction furnaces.

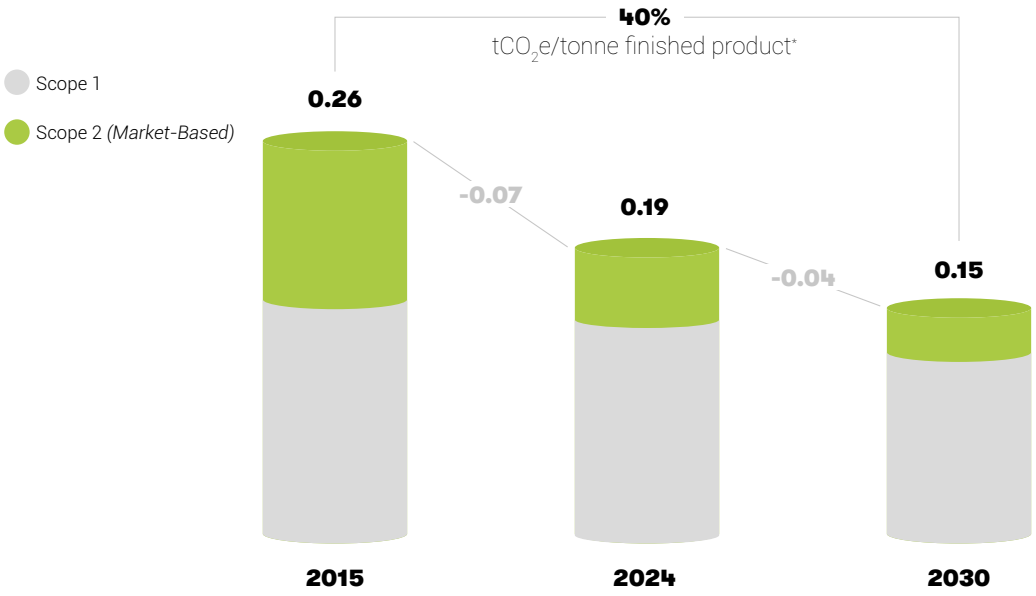
L.M.E. DISTRICT HEATING NETWORK PROJECT

LME launched a study on the various heat sources generated by the different steel production processes, particularly from the electric arc furnace (EAF).
Since this heat is not significantly used directly within the production site, a dialogue has been initiated with the local community to explore its potential use through a district heating network, which did not yet exist at the time.

Since 2022, important work has been carried out with various stakeholders in the Valenciennes Métropole and Porte-du-Hainaut areas to define a project for the creation of an extended district heating network, intended to serve local public and collective users (such as the Valenciennes hospital, the university and collective residential buildings) by connecting to L.M.E. and other local heat sources. In 2024, a public consultation was launched for the development of the network, while L.M.E. initiated technical studies to define the most efficient methods for recovering and utilising a significant share of its waste heat. The hope is that this community project can be launched within the next three years, allowing L.M.E. to recover and supply between 20 and 40 GWht of heat annually, thereby actively contributing to the reduction of natural gas consumption and the decarbonisation of the area.

Călărași plant, Romania

Based on the initiatives and projects outlined above, the following chart is presented, showing the value of Scope 1 and Scope 2 *(Market-Based)* emissions for the year 2024, as validated by a third party, as well as the target value set for 2030.



*The emission intensity value also takes processing yield into account. Moreover, this intensity value is understood as a weighted average based on the finished product output of all production sites within the reporting boundary (excluding the Târgoviște site and the hydroelectric plants).

Identification of Actions for Scope 3

In the first months of 2025, AFV Beltrame Group completed an updated analysis of its greenhouse gas (GHG) emissions, including all of its production sites. This study, relating to the 2024 emissions performance, enabled the retention of the ISO 14064-1 certification, which was issued in early 2025 by the certification body RINA. The Group's total emissions are estimated at nearly 1.3 million tonnes of CO_2, with the main contribution coming from Scope 3, which accounts for emissions related to indirect activities along the entire value chain, representing over 60% of the total, amounting to more than 800,000 tonnes of CO_2. In calculating the Scope 3 emissions for the reference period, the following approaches were adopted:

- use of the Ecoinvent coefficients of version 3.11, which is the most up-to-date version as required by the ISO standard and which, for many materials, has resulted in an increase in emission values compared to the previous version;
- use of the GLEC v3.0 coefficients, applied for the calculation of transport emissions in both upstream and downstream phases, in line with the methodology adopted by major transport providers and recognised by the ISO 14083 standard;
- where available, use of supplier-specific factors, covering 40% of the six macro-categories of raw material purchased and with the greatest CO_2 impact, namely: lime, coal, electrodes, iron/steel, ferroalloys and refractories.

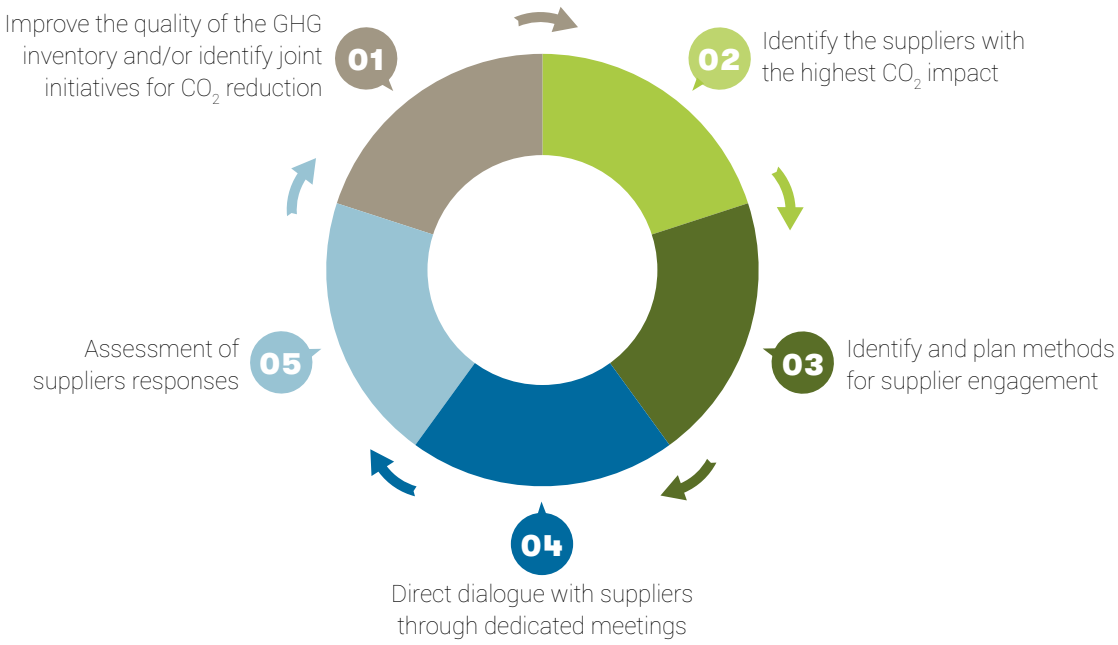
In keeping with the Group's commitment to enhancing its emissions performance, efforts to engage stakeholders, begun the previous year, have continued. This engagement is directed at the main suppliers of raw materials and transport services, both upstream and downstream, as these represent the most significant sources of Scope 3 emissions.

In particular, in addition to the ongoing information exchanges that take place through in-person and/or remote meetings, building on the work carried out last year, a questionnaire was developed and distributed in the final months of 2024 to the suppliers of the raw materials with the highest CO_2 impact. This initiative aims not only to ensure continuity in the collection of primary data but also to gather additional information useful for emissions reporting purposes.
Once feedback has been received from the suppliers, an analysis and evaluation phase will follow to assess the potential need for further investigation through interviews and/or in-person meetings, in order to:

- explore the level of awareness among customers regarding sustainability and decarbonisation;
- verify the presence of specific data (e.g. CO_2emissions), calculation methods used and/or presence of any certifications (e.g. ISO14064-1) to improve the quality of the GHG emissions inventory;
- encourage the improvement of suppliers' awareness of environmental issues with the possibility of considering future partnerships.

The aim of the project is to improve the quality of the GHG emissions inventory through the collection of primary data from suppliers. In 2024, 40% of emissions in the most significant Scope 3 category will use supplier-specific emission factors instead of average values from databases.

The initiative represents a crucial step in strengthening dialogue with suppliers and promoting an increasingly sustainable supply chain, thereby reinforcing the Group's commitment to emission reduction and improving environmental performance.

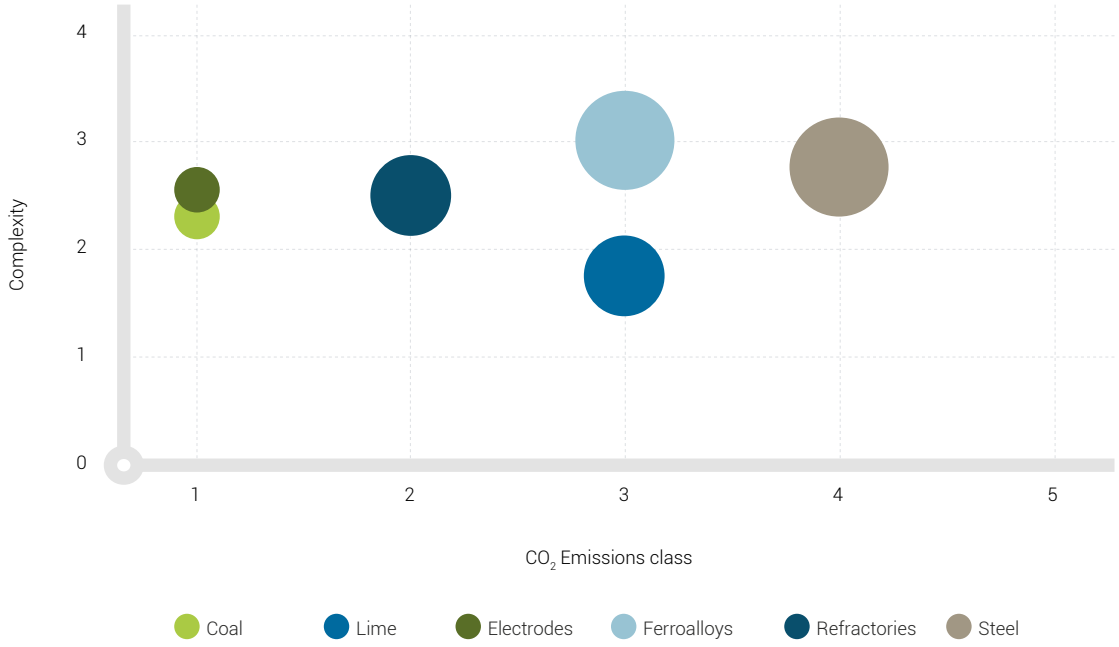


Focus on raw materials

As part of its Scope 3 activities involving the supply chain, AFV Beltrame Group is actively working together with its suppliers of raw materials. The screening and identification of the most impactful categories in terms of emissions, carried out last year, continues with a view to developing a qualitative method for assigning a rating based on the supplier's level of commitment and awareness regarding sustainability and decarbonisation.

Additionally, a materiality matrix has been developed to represent the relevance of various raw materials to the Group's business; this matrix correlates the "emission class" of the purchased product category with the "complexity" of the production sector. The main areas of attention concern the production process of lime, ferroalloys and iron/steel, which have a significant impact. Other materials, such as carbon, electrodes and refractories, although significant, have less impact on the overall assessment due to their lower contribution to absolute CO_2emissions.

Materiality matrix [1)]



Note:
[1)] Matrix 4x4 obtained by dividing raw materials into classes, based on CO_2 emissions, and a complexity index built on four qualitative parameters: data quality, number of suppliers, geographical area and type of process.

Focus on transport providers

In 2024, AFV Beltrame Group further completed the collection and processing of data relating to CO_2 emissions from upstream (mainly scrap) and downstream transport. Thanks to the work of the internal multidisciplinary team, the "dB Atlante" database has been optimised and is now able to map with greater accuracy:

- volumes transported;
- mode of transport (i.e. intermodal);
- breakdown between routes, each with its own specific mileage.

This refinement allows for improved data quality, a crucial step in defining and implementing targeted policies to reduce transport emissions. Moreover, AFV Beltrame Group has begun supplying customers who request it with detailed self-declarations, including information on the annual quantities of material transported, the types of transport used and the total CO_2 emissions generated as a result.
The activity launched last year, based on questionnaires and targeted interviews, continues with the integration of new information. A qualitative methodology has been developed to assign a score to transport providers, recognising their commitment to environmental sustainability. The assessment criteria include:

- modes of freight transport (e.g., intermodal, rail or road);
- emission class of the fleet of vehicles used;
- calculation of CO_2 emissions carried out by the transport company;
- direct involvement in sustainability actions.

With a view to enhancing stakeholder engagement, AFV Beltrame Group has established a strategy based on two main pillars:

- exploring possible partnerships with transport providers on sustainability issues, such as switching to intermodal transport or adopting alternative fuels;
- strengthening collaboration with transport providers in order to encourage them to improve the accuracy of the emission data provided.

These actions confirm the Group's commitment to promoting a more sustainable and responsible transport chain, in line with the objectives of decarbonisation and continuous improvement.

Plant in Gerlafingen, Switzerland

Chalibria®

Carbon neutral steel by AFV Beltrame Group

IV.VII CHALIBRIA - CARBON NEUTRAL STEEL

The Idea

The inventiveness of the term Chalibria takes us on a journey back in time, specifically to the ancient people of the Chalybes, whom classical sources credit with the invention of ironworking and brings us to the present day, where environmental care and protection require even steel to find a new balance.

The interlocking profiles depicted in the logo form three Cs (Carbon Neutral, Circular, Commitment), alluding on one hand to the circularity inherent in our business's value and on the other to the balance we strive to achieve, beginning with the reduction of our carbon footprint and giving equal importance to ESG principles across all activities and processes.

For all these reasons, Chalibria is synonymous with transparency and responsibility for the Group. A name that looks from the ancient forges to the future of an increasingly conscious, circular steel.

Highlights 2024

Throughout 2024, AFV Beltrame Group participated as a panelist in numerous roundtables and workshops.

Europe Steel Markets 2024 by Kallanish

12-13 June 2024, Milan, Italy

Round table: "Europe's place in a rapidly evolving global steel industry".
Focus: European steel producers saw profit margins drastically shrink in 2023 after two positive years. Currently, their competitiveness is further threatened by rising carbon costs and the transition to low-emission production. The European economy narrowly avoided the recession in 2023 and the automotive industry, a large end user of steel that recorded a solid performance in 2023, saw a significant slowdown in 2024. The share of imports in total steel consumption in Europe remained high in 2023.

However, the increasing share of Russian billet imports highlights Europe's dependence on raw material imports. Despite the lack of resources to produce green steel competitively, the EU is pursuing more ambitious decarbonisation goals than any other region. EU steel mills are at the forefront of conversion to DRI-EAF or DRI-ESF production, but will face obstacles related to renewable energies. Meanwhile, emerging markets are rapidly increasing steel consumption to meet urbanisation and consumer goods demand, while Australia, Brazil and the Middle East are set to become hubs for low-emission metallic raw material supply for mature economies such as Europe, raising questions about the sustainability of the supply chain. Carlo Beltrame, Country Manager France & Romania, Group Chief Business Development Officer, discussed all of this with prominent figures from the steel industry.

Green Building Council Italy

18 June 2024 - 22 September 2024, Venice, Italy

In June, the Venetian Green Building Cluster, together with the Regional Innovative Networks of Veneto, organised the seminar: "Innovative Materials for Sustainable Construction". The event aimed to support designers, builders, material producers and all stakeholders in the sector who have embarked on the sustainability journey through innovation in their products and processes. The use of innovative materials in construction processes is essential to reduce the environmental impacts of the sector and to achieve the ambitious targets set by national, European and international decarbonisation plans.
Focus of the event: innovative materials and products designed to be manufactured more efficiently, with a high recycled content, easily reusable or recyclable at end-of-life, free from toxic substances and with low VOC emissions. Moreover, sustainability protocols and minimum environmental criteria set strict requirements and reward both high-performing materials and the projects that incorporate them.

Speaker: Giovan Battista Landra, Group EHS & Sustainability Director

The Regional Innovative Network Venetian Green Building Cluster also organised the GREEN BUILDING CONFERENCE & EXPO in September, held at the striking Venice Heritage Tower in Marghera. AFV Beltrame Group was present to illustrate how the CAM (Minimum Environmental Criteria) requirements are met for categories of steel construction products and for industrial aggregates derived from the EAF (Electric Arc Furnace) steelmaking process, as well as to highlight the opportunities offered by the use of EPDs (Environmental Product Declarations) in the construction sector.

Swiss Green Economy Symposium
27-29 August 2024, Winterthur, Switzerland

The Swiss Green Economy Symposium (SGES) is one of Switzerland's most comprehensive and inclusive conferences focused on the intersection between economy and sustainability. Since its inception in 2013, it has evolved into an influential event with a growing international presence, bringing together professionals from various sectors to discuss and promote sustainable economic solutions.
In two and a half days it hosted 280 speakers and 2000 participants, offering networking and exchange opportunities across 15 innovation forums. Alain Creteur, CEO of Stahl Gerlafingen, presented the ongoing projects at the Swiss Gerlafingen plant, all centred on sustainability and decarbonisation.

Speaker: Alain Creteur, CEO Stahl Gerlafingen

Hydrogen Expo
11-13 September 2024, Piacenza, Italy

Hydrogen Expo is the largest Italian exhibition and conference dedicated to the technology sector for the development of the hydrogen supply chain. Italy represents an attractive market for hydrogen development due to its abundance of renewable energy sources and a well-structured gas transport network.
During the event, a comprehensive programme of technical seminars and conferences took place, organised with the support of leading industry associations and major national and international companies, including AFV Beltrame Group, which updated attendees on the latest technological and regulatory developments in the sector.

Sustainability and energy efficiency in industry: a current overview
19 September 2024, Milan, Italy

On 19 September, ABB, a technological leader in electrification and automation, hosted an event dedicated to promoting energy efficiency and savings in the manufacturing sector. The event took place at MADE, the Industry 4.0 Competence Center led by Politecnico di Milano, where AFV Beltrame Group was invited to share its experience in energy optimisation.
Gianmaria Zanni, Group Energy COO, discussed how energy efficiency in industry brings not only economic benefits through energy savings but also a range of significant indirect advantages. Implementing optimisation measures not only enhances worker safety but also improves the reliability and operational continuity of machinery and equipment. It helps reduce faults, accidents and unplanned downtime, while also lowering maintenance costs. Therefore, efficiency does not only mean economic savings but also sustainability, safety, competitiveness and innovation.


Challbria

EURIC
26 September 2024, Milan, Italy

On 26 September 2024, EuRIC organised an event in Milan to mark ten years of the association's dedication to circularity and sustainable recycling practices. For years, EuRIC has been at the forefront of promoting recycling and the circular economy in Europe and beyond. Industry leaders, policymakers and advocates came together to reflect on the actions taken so far and to envision the path ahead. It was an opportunity to engage in transformative dialogue and to network with stakeholders committed to promoting circularity and shaping EU decision-making processes.
Giovan Battista Landra, Group Sustainability & Environment Director, explained how the waste-to-value approach is central to the Group's philosophy and showcased EAF steelmaking as a positive example of a circular value chain, based on the use of secondary raw materials such as scrap and alternative carbon carriers.
In fact, steel plays a leading role in a low-carbon economy and in limiting the consumption of natural resources, providing the construction market with alternative industrial aggregates derived from slags.

Steel Orbis Italy Forum
8 October 2024, Milan, Italy

Market trends, future forecasts for steel and insights from distinguished guests: this was the formula of the Italy Forum 2024, the Steel Orbis event held on 8 October in Milan.
The event hosted several round tables presenting the in-depth opinions of national and international speakers from leading companies and associations in the steel industry who discussed the most recent national and global economic issues.
Raffaele Ruella, Managing Director and CFO of the Group, participated in the workshop by presenting the speech: "The strategy for managing carbon emissions in AFV Beltrame Group".

Speaker: Raffaele Ruella, Chief Financial Officer & Head of Corporate Services, Managing Director

Produrable
8-9 Ottobe 2024, Paris, France

Organised by the AEF information group and under the patronage of the Ministry of Ecological Transition and Territorial Cohesion, the PRODURABLE two-day event was attended by 12,000 visitors, 750 speakers, more than 250 partners and a community of 50,000 decision-makers. The common thread of Produrable is open dialogue and the presentation of concrete data demonstrating that organisations embracing ethical, social and environmental values are better positioned in an ever-changing world. Measuring and taking into account all relevant factors is also the core aim of the double materiality concept introduced by the CSRD directive. Beyond the often complex reporting exercise, it seeks to fundamentally reshape the rules of the game by promoting a new economic order that is more attentive to human rights and the environment, assigning value to what was previously unvalued and redefining the notion of overall performance to include the interests of all stakeholders.
The obligation to reinvent ourselves opens up exciting opportunities to rethink our industries, businesses and organisations and to restore value to what is truly real: living beings, biodiversity and water in particular. Experts, business executives, local players, NGOs, opinion leaders, researchers, investors discussed all this together at Produrable. Guillaume Martin, Sustainability & Energy Manager, was present for AFV Beltrame Group.

Climate Change Summit
15-17 October 2024, Bucharest, Romania

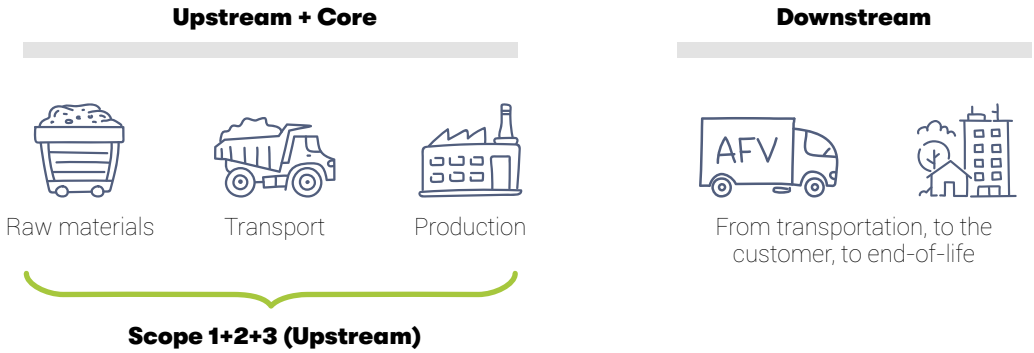
The Bucharest Climate Change Summit is the largest event in Central and Eastern Europe dedicated to tackling the challenges of climate change through innovative solutions. A significant platform for exchanging ideas and exploring sustainable pathways for our future. Dan Cheroiu, commercial director of Donalam - Rebar, participated in the session on green materials Made in Romania. He shared valuable insights into the current context, challenges and future prospects of our sector in the green transition. The third edition of the Climate Change Summit took place from 15 to 17 October 2024 in Bucharest, serving as a platform to connect representatives from businesses, citizens and European and CEE governments in discussions on climate policy, investment opportunities and technological innovation. During the October event, more than 100 speakers, including experts, policymakers and public and private leaders, gathered alongside over 500 specialists, scientists, entrepreneurs, business leaders, politicians and civil society representatives to discuss the impacts, challenges and solutions related to climate issues at both European and regional levels. Among the main topics covered are sustainability and climate change, food systems and sustainable farming or agriculture, the transition to a green economy in Europe, sustainable finance and climate-related investments, greeneo materials or the way in which technologies such as artificial intelligence or the blockchain can be used in the fight against climate change.

Speaker: Dan Nicolae Cheroiu
Donalam Sales Director

Chalibria is the carbon-neutral steel of the AFV Beltrame Group with respect to Scope 1, 2 and 3 emissions (upstream) along the "cradle-to-gate" value chain, whose quantification has been verified by the accredited certification body RINA in accordance with the ISO 14064-1 standard (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals).

The Group uses the RINA digital platform that supports audit activities, "DIAS" (Data Integrity Audit Services platform); this platform guarantees the traceability, integrity and transparency of data along the "cradle-to-gate" value chain for carbon neutral Chalibria steel.

The boundaries of Chalibria's carbon neutrality are illustrated in the following diagram:



For the CO_2 emissions that the Group is not yet able to reduce through the projects included in the decarbonisation plan, Chalibria's carbon neutrality is obtained by offsetting these emissions through the purchase of carbon credits on a voluntary basis, in line with the PAS2060 certification (Specification for the demonstration of Carbon Neutrality).

The investments of the decarbonisation plan will allow the reduction of emissions of the "cradle-to-gate" value chain and consequently a decreasing purchase of carbon credits. Carbon neutrality is validated through a certificate issued by RINA in accordance with the standards and sent to all our customers who purchase Chalibria steel.

Carbon Credits

AFV Beltrame Group carefully selects projects that generate carbon credits, basing its purchasing process on evaluation criteria that ensure the project's integrity and quality, specifically:

1. Procurement of CO_2 credits from programme operators included in the IETA-ICROA code of conduct (e.g. VCS – Verified Carbon Standard, CDM – Clean Development Mechanism, GS – Gold Standard), validated and verified by independent and reliable third-party bodies;

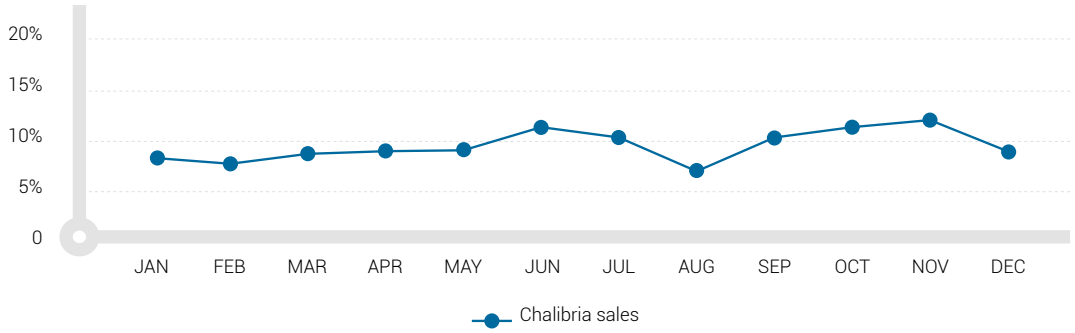
2. selection of projects that meet the minimum eligibility criteria (additionality, permanence, no double counting), prioritising those subject to a robust CO_2 emissions quantification system (reduction and/or removal);

3. ensuring that projects contribute not only to reducing CO_2 emissions, but also to a wider positive impact on the environment, local communities and sustainable development (SDGs).

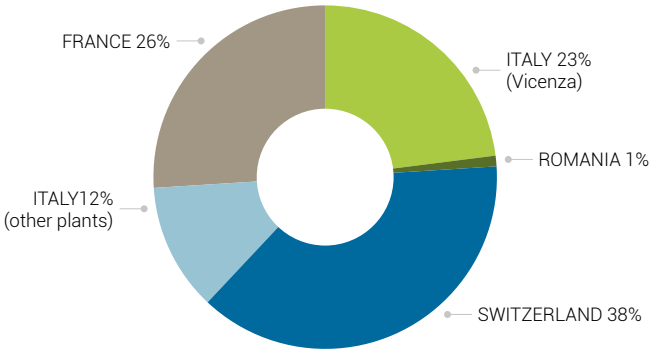
The certificate sent to customers that certifies the carbon neutrality of Chalibria steel, shows the reference project for the carbon credit used for offsetting, together with the verification of the compliance of carbon credits issued by RINA in line with the PAS2060 certification.

To further highlight the achievements of the "Chalibria" partners, the Group introduced a new certificate issuance system for its customers this year. Produced in collaboration with the certification body RINA, the certificates show both the quantities purchased and the total carbon footprint of the supply, certifying its complete neutralisation.

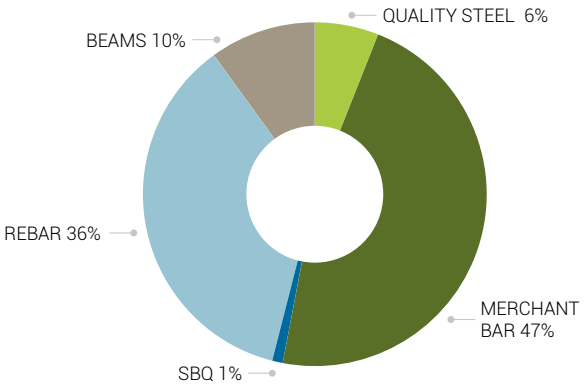
CHALIBRIA SALES PERCENTAGE FOR 2024



CHALIBRIA SALES FOR 2024
Production site



CHALIBRIA SALES FOR 2024
Product category



Destination Chalibria	Percentage (%)
Switzerland	37
Germany	29
Italy	13
Netherlands	9
Nordic countries	6
France	5
Others	1
Total	100

Business operations and professional training in 2024

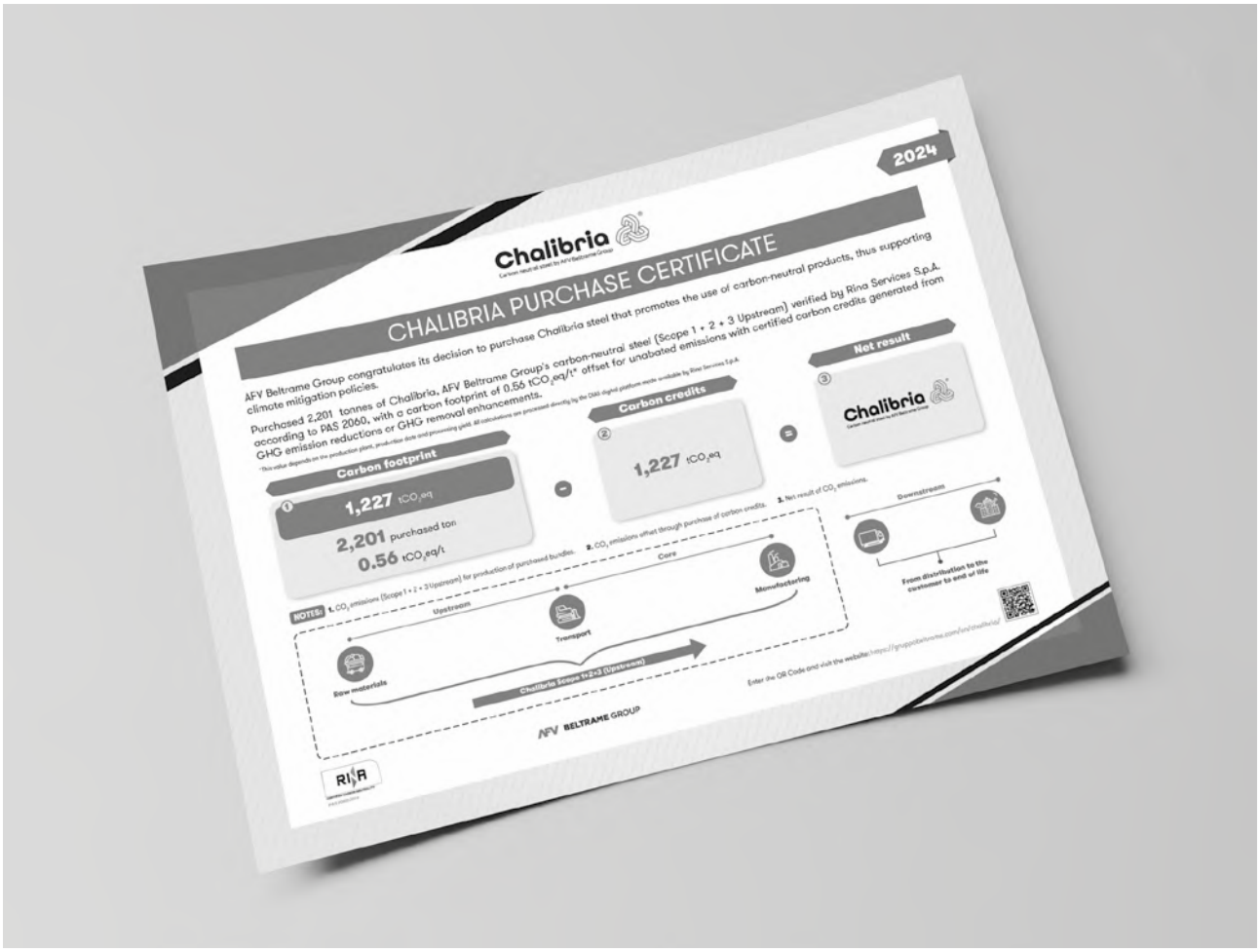
In 2024, our customers across Europe reaffirmed their commitment to decarbonisation by choosing Chalibria, our carbon-neutral steel. Despite the absence of a unified European regulation governing emission levels for steel across its various applications, the market response has been significant. Sales of Chalibria represented approximately 10% of those of the entire Group, divided between: 57% of merchant bars and beams, 36% of rebar and 7% of quality steel (including SBQ).

In addition to implementing concrete projects to reduce CO_2 emissions, AFV Beltrame Group is actively committed to creating synergies with its customers. Throughout 2024, numerous meetings were held, both in person and remotely, involving the sales network, commercial representatives and ESG managers. These moments were designed to offer specific training and encourage a fruitful exchange of experiences. In addition, AFV Beltrame Group provided support to customers for the calculation of their carbon footprint and for the adoption of strategies aimed at reducing their emission impact.
The meetings showed a growing interest from stakeholders in the purchase of carbon-neutral materials.

In particular, the sector of infrastructures for high-voltage electricity networks has proven to be highly sensitive: in some European countries, tenders assign rewarding scores to materials with lower emission levels.

To further highlight the achievements of the "Chalibria" partners, AFV Beltrame Group introduced a new certificate issuance system for its customers this year. Produced in collaboration with the certification body RINA, the certificates show both the quantities purchased and the total carbon footprint of the supply, certifying its complete neutralisation.

AFV Beltrame Group looks to the future with confidence, convinced that the positive sales trend of Chalibria will continue to grow, thanks to the evolution of European regulations and the increasing awareness of ESG issues. Collaboration with our partners will be fundamental to improve emissions performance, supporting sustainable growth through concrete and synergistic projects.



The certificate sent to customers that certifies the carbon neutrality of Chalibria steel, shows the reference project for the carbon credit used for offsetting, together with the verification of the compliance of carbon credits issued by RINA in line with the PAS2060 certification.

In 2024, the carbon credits used by the AFV Beltrame Group were generated from two distinct projects: the first supported the construction of a 32 MW geothermal plant, while the second financed the development of a project comprising multiple photovoltaic plants with a total installed capacity of 480 MW.

Both projects contribute to the achievement of the Sustainable Development Goals (SDGs) defined in the 2030 Agenda, in line with the priority objectives defined by AFV Beltrame Group and reported in its Sustainability Report.

SDG 7 "Affordable and clean energy": the projects generate electricity from renewable energy sources, using solar and geothermal power to help meet the growing electricity demand in the Philippines and India through a sustainable, low-carbon technology.

SDG 8 "Decent work and economic growth": the plant ensures safe employment opportunities for the local community, contributing to the region's economic development.

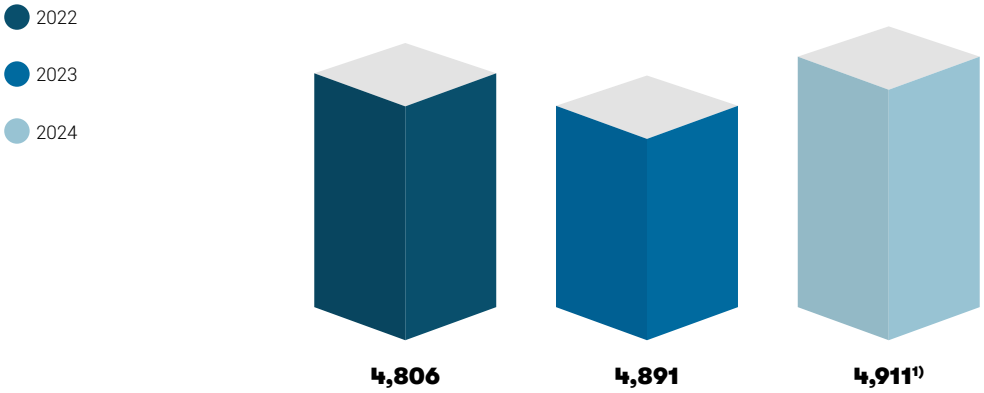
SDG 13 "Climate Action": the plant contributes to improving the environmental situation in the region and country by improving air quality and thereby reducing negative effects on the climate.

The investments outlined in the Decarbonisation Plan will lead to a reduction in emissions across the "cradle-to-gate" value chain, resulting in a decreasing need for carbon credit purchases.

Pontetto, Montecrestese, Italy

IV.VIII WATER RESOURCE MANAGEMENT

Total water withdrawal [megalitres]



Note:
[1)] The 2024 figure includes data from the Târgoviște site and the hydroelectric power plants.

6 CLEAN WATER AND SANITATION

Water plays a crucial role in steelmaking processes, being used for plant cooling, waste management and dust control.

To reduce water consumption and minimise waste, the Group has developed a series of strategies aimed at improving the efficiency of water circuits and encouraging the reuse of secondary flows.

Pontetto Hydroelectric Power Plant, Montecrestese, Italy

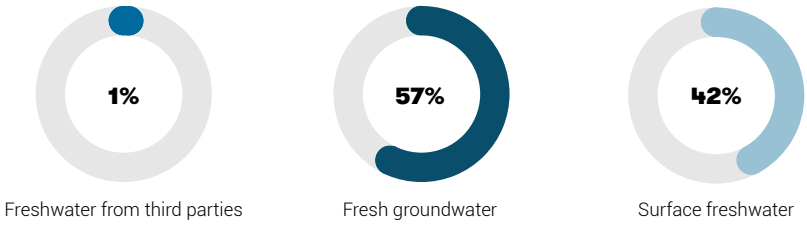

Larecchio Dam, Verbania, Italy

As mentioned, the use of water in the Group's plants is basically related to the cooling process of production plant components, which takes place either through exchangers (indirect cooling) or through direct contact (e.g. in the continuous casting plants and rolling mills).
Water is primarily sourced through groundwater extraction at the Italian plants (Vicenza, San Didero and San Giovanni Valdarno) and the Romanian facilities (Călărași and Târgoviște), while the plants in Trith Saint Léger and Stahl Gerlafingen mainly use water from surface watercourses. The cooling network at the Vicenza plant consists of separate circuits arranged in cascade and has been upgraded with the installation of a new set of cooling towers, featuring improved thermodynamic, acoustic and energy performance.

Excluding the Târgoviște site, total water withdrawals in 2024 amounted to 4,329 megalitres, representing a reduction of over 10% compared to 2023, thanks to improvement measures.

AFV Beltrame Group has also identified sites located in areas of high water stress (the L.M.E. site and San Giovanni Valdarno), for which separate reporting is provided in the final tables, in the GRI 303-3 section on page 221.

Water Withdrawal Sources



Main activities in 2024:
In the Vicenza plant, a series of projects were implemented to promote the recirculation of process water, reduce water losses throughout the plant and optimise the process water circuits. In addition, an air cooler plant was installed, which made it possible to significantly reduce water requirements in the cooling process, partially replacing the use of water with an air cooling system. This approach has contributed to significant water savings by optimising the overall efficiency of the plant.
At the Trith-Saint-Léger production site, the decision was made to reduce consumption by switching to softened water for the cooling towers. This solution has increased the flow rate of water recirculation, with a positive impact on the management of water resources and on the sustainability of the plant. The site of the steel mill was also equipped with a rainwater accumulation and sedimentation tank, equipped with a treatment and oil separation plant, which is being put into operation, aimed at a possible recovery of this water.
In Gerlafingen, the study for the optimisation of the entire water cycle is still underway, aiming at the separation of circuits that involve different types of water (industrial use, non-industrial use, rainwater). Developed over a number of years, this project represents a further step towards the efficient and sustainable management of water resources.

IV.IX RAW MATERIALS, FEEDSTOCKS AND WASTE

The AFV Beltrame Group pays great attention to ensuring that its activities have a reduced impact on the environment and are consistent with the expectations of stakeholders, also by limiting the use of raw materials and natural resources. For this purpose, the Group carries out continuous research on techniques and operating methods that make it possible to replace natural materials with by-products of industrial origin and products deriving from waste recovery flows and to optimise the efficiency of its production plants.
This approach is a practical representation of how sustainability, articulated in this case in its environmental dimension, is an integral part of the Group's operational management.

In fact, the enhancement of all secondary streams of the steel-making process is one of the fundamental pillars on which the Group's sustainability strategy is based, which is carefully monitored in the dedicated dashboard through the indicator that shows the percentage of recovered waste with respect to the total delivered. We have set ourselves the Group goal of keeping this parameter constantly above 90% through continuous research into the best technological solutions suitable for the purpose, as we are convinced that the terms waste or by-product must be associated with the concept of a resource and therefore with the circularity of processes.

The Group's steel mills use electric arc furnace (EAF) technology, which involves the use of selected ferrous scrap of predetermined quality. This secondary melting process, unlike the primary process that starts with the coke furnace treatment of iron ore, already represents a circular approach in itself, as more than two million tonnes of scrap iron are recovered annually in the Group and transformed into new steel with the same characteristics, properties and performance as the original one, in a recurring and virtually endless life cycle.
Scrap that re-enters the steel production stream at the end of its life cycle comes both from the industrial sector (processing waste, classified as pre-consumer) and from collection downstream of common use (so-called post-consumer).
On average, the content of material deriving from recycling activities in the Group's finished product is over 95%.

The scrap iron entering the factories can be classified either as a product deriving from a recovery cycle ("end of waste" according to European regulation EU 333/2011) or as waste and must comply with strict purchase specifications as well as be subject to strict verification and classification protocols upon entrance to the scrap yard area.
Some scrap streams undergo further internal processing to optimise their performance. A scrap pre-selection plant is in operation at the Group's French factory, which makes it possible to select high-performance ferrous materials for the electric furnace, guaranteeing high yields and reduced energy consumption. The resulting material deriving from the selection of scrap has a significant content of non-ferrous metals, which is recovered and enhanced in processing cycles outside the site. The iron and steel production process also includes the addition of feedstocks, which provide energy and chemical value to the liquid steel bath present in the furnace (with reducing and fluxing functions, etc.).
They typically include lime, dolomite, coal and other slag-forming agents necessary for the formation of slag with qualities suitable for both protecting the equipment and enabling its subsequent reuse.

Material content from recycling operations

The Group's steel mills use electric arc furnace (EAF) technology. On average, the content of material deriving from recycling activities in the Group's finished product is over 95%.

Waste classified as non-hazardous

The Group's annual waste production amounts to approximately 690,000 tonnes, of which around 94% has been classified as non-hazardous.

Recycled and valorised waste[1)]

Also in the year 2024, the target of recycling and recovering at least 92.3% of the waste delivered was met.

Notes:
[1)] The figure includes data from the Târgoviște site and the hydroelectric power plants. The volumes considered have been reduced by the non-recurring portion associated with extraordinary investments. The figure is calculated as the ratio between the sum of recycled and recovered waste and the total amount of waste delivered (including recycled, valorised and disposed waste).

Total waste generated[1)]

Destination of the waste delivered[1) 2)]

Notes:
1) The figure includes data from the Târgoviște site and the hydroelectric power plants. The volumes considered have been reduced by the non-recurring portion associated with extraordinary investments.
2) The figure is calculated as the ratio between the sum of waste destined for disposal (or not) with the total amount of waste generated plus the stocks of the previous year.

Optimal management of waste produced by steel-making processes is a fundamental pillar of environmental sustainability strategies. The plants adopted advanced practices to reduce the amount of waste destined to landfills and to increase the rate of recovery and valorisation of waste materials.

At the Vicenza plant, the BELTRECO project has been consolidated. This initiative aims to transform EAF slag into industrial aggregates, which in 2024 were well received by the market and were used in large quantities and with great success in industrial construction and road infrastructure projects. This solution has made it possible to minimise contribution to landfills and reduce the consumption of materials extracted from natural quarries. The management of refining slag (LF ladle) has been addressed through the installation of an internal recovery plant, currently being commissioned, which will eliminate most of the waste sent off-site. As part of our circular economy efforts, an internal process was also developed to enable the stripping and upstream pre-treatment of the different types of refractory materials used in the furnaces. This allows for the optimisation of secondary material flows and facilitates recovery at external plants, ultimately contributing to a reduction in the use of raw materials.

At Trith-Saint-Léger, experimental projects were launched to improve the stripping and treatment of waste generated by the cleaning of steel mill pits. The adoption of new technologies has made it possible to increase the percentage of materials reused, significantly reducing disposal costs. In addition, collaboration with the European SLAG2BUILD project will enable experimentation aimed at transforming ladle furnace slag into materials suitable for Portland cement production, thus promoting a circular economy based on the reuse of secondary raw materials.
The Gerlafingen plant focused on the optimised management of metal waste, thanks to the introduction of advanced material strip and recovery systems. The implementation of a regeneration plant for contaminated packaging has significantly contributed to the reduction of hazardous waste destined to landfills.
Overall, the Group achieved its 2024 target of allocating at least 92.3% of waste sent to external plants or recycled internally to recovery and valorisation operations, consolidating an industrial model focused on sustainability and reducing its ecological footprint.


Vicenza, Italia

Valorisation of electric arc furnace slag

Beltreco

The inert aggregate BELTRECO is produced in various sizes according to the technical specifications of the standards relating to the construction of road subbases and embankments, as well as the production of concrete and bituminous mixtures. It bears the CE marking in compliance with the 2+ conformity assessment system provided for by the European Construction Products Regulation (CPR).

The aggregate produced is also registered with the European Chemicals Agency under the European REACH Regulation (EC) No. 1907/2006 and is accompanied by a Safety Data Sheet (SDS) consistent with the information provided in the Chemical Safety Report. The use of the BELTRECO inert aggregate therefore makes it possible to achieve two key objectives: reducing the consumption of non-renewable natural resources and decreasing waste generation, by harnessing the properties of secondary material flows produced during the steel-making process.

Ruvido

The slag from the electric arc furnace steelmaking process at the Stahl Gerlafingen plant is similarly transformed into industrial aggregates, through a certified process and used in road subbases, embankments and as a sustainable base material for the production of concrete or asphalt, replacing natural resources traditionally extracted from quarries.

The slag aggregate produced at the Stahl Gerlafingen factory is marketed under the RUVIDO brand. For years, partnerships have been established with numerous manufacturers and users to promote its use in bonded form as aggregate for concrete and today concrete produced with RUVIDO is also used in the construction of many in-house structures at the Stahl Gerlafingen site (interlocking structures, floors and foundations).

The RUVIDO concrete aggregate in sizes 0-16 mm is sold to concrete batching plants in Switzerland, each of which has developed its own dedicated design mix. Thanks to RUVIDO's excellent mechanical properties, it guarantees increased mechanical strength and elasticity modulus, contributing to the circularity of production processes.

IV.X RADIOMETRIC MEASURES

The control and management of radioactivity in metal scrap represent a fundamental aspect for guaranteeing environmental safety and compliance with current regulations. The Group has adopted a structured and articulated approach to radioactivity monitoring, implementing a multi-level control system. This system is aimed at preventing the risk of radiological contamination, ensuring compliance with international radiation protection standards.

Phases of radiometric monitoring of scrap

The current monitoring strategy is developed through five main phases, which make it possible to detect any radiometric anomalies at different points of the scrap management process:

1. Upstream radiometric check at suppliers

Suppliers are legally required to check the radioactivity of shipments leaving their warehouses. They must certify the negative outcome of the check, reporting it on transport documents. The Group carries out sample checks at suppliers to ensure the correct application of the procedure.

2. Monitoring on entry into the sites

Once the scrap metal arrives at the Group's facilities, it undergoes further inspection using radiometric portals. During 2024, the monitoring capacity was implemented at the steel mills through an increase in the number of detectors installed.

3. Monitoring of internal transfers

Radiometric control is not limited to incoming materials, but also extends to internal transfers between plants and deposits managed on behalf of the Group.

4. Monitoring during unloading in scrap yards

An additional level of control takes place near the scrap unloading bays, where staff use portable instruments to perform direct measurements. This makes it possible to identify any anomalies with respect to the natural background and, in the event of suspicious findings, to intervene immediately with qualified personnel.

5. Scrap bucket monitoring in the furnace

A technical-economic and feasibility analysis was carried out to introduce an additional level of control before loading into the furnace. The most favourable option was the installation of additional detectors near the loading baskets, at the point where the baskets pass through, which will be completed during the first half of 2025.

Radiometric anomaly management and operational updates

In addition to instrumental monitoring, the Group has adopted specific measures for the management of radiometric anomalies and the updating of operating procedures. Current activities include:

- review of anomaly management procedures in collaboration with radiation protection experts;
- planning of training courses for personnel, with a specific update on the management of anomalies, the use of equipment and intervention protocols;
- dialogue with suppliers to strengthen monitoring in the scrap warehouses.

The radiometric issue management system adopted by the Group stands out for its multi-level approach, which guarantees monitoring at various critical points in the process. The adoption of advanced technologies and continuous updating of procedures allow the risk of radiological contamination to be minimised, ensuring compliance with current regulations and protecting the health of workers and the environment.

The next steps include further technological optimisation and greater integration between detection systems to improve the sensitivity and effectiveness of controls. Lastly, no significant anomalies were found in 2024.

IV.XI A SUSTAINABLE SUPPLY CHAIN IN AFV BELTRAME GROUP

Decarbonisation and transport: measuring CO_2 emissions for a sustainable supply chain

The transition towards a more sustainable supply chain inevitably involves the decarbonisation of transport, particularly with regard to Scope 3 emissions - that is, indirect emissions associated with upstream and downstream activities along the value chain. Thanks to digitalisation and increasingly centralised management of logistics flows, it is now possible to monitor and improve the environmental impact of deliveries. Let's see how.

Climate Change Summit - The power of data: understanding to take action

Access to complete transport data, both upstream and downstream, is the basis for any decarbonisation initiative. Collecting, analysing and improving the quality of this data allows for an accurate snapshot of the emissions generated throughout the entire supply chain.

Working on data quality means ensuring that information is accurate, up-to-date and comparable, creating the conditions for making informed decisions. Only with reliable data is it possible to identify the most critical areas and develop strategies for emission reduction.

In 2024, AFV Beltrame Group completed the collection and processing of data relating to CO_2 emissions from upstream (mainly scrap) and downstream transport. Thanks to the work of the internal multidisciplinary team, the "dB Atlante" database has been optimised and is now able to map with greater accuracy:

- volumes transported;
- mode of transport (i.e. intermodal);
- breakdown between routes, each with its own specific mileage and emissions.

Engaging suppliers: a shared challenge

Once data quality is ensured, the next step is to engage transport suppliers. Collaboration is essential to develop practical solutions: from adopting low-emission vehicles (such as electric or biofuel-powered trucks) to optimising routes and loads.

Establishing a dialogue with logistics partners, sharing emission metrics and setting common goals enables the transformation of the entire network into a more sustainable ecosystem, where every participant is aware of their impact and motivated to reduce it.

With this in mind, AFV Beltrame Group has established a strategy based on two main pillars:

- exploring possible partnerships with transport providers on sustainability issues, such as switching to intermodal transport or adopting alternative fuels;
- strengthening collaboration with transport providers in order to encourage them to improve the accuracy of the emission data provided.

Giving value to customers by acting with transparency

One of the most innovative aspects of this transformation is the ability to provide customers with an accurate indication of the CO_2 emissions associated with the delivery of goods to their warehouses. This not only responds to a growing demand for transparency and environmental responsibility, but also offers customers a useful tool to monitor and improve their sustainability report. Having access to this information allows customers to make more informed choices, rewarding companies that are concretely committed to reducing emissions and contributing, indirectly, to pushing the entire sector towards more virtuous practices. Since last year, we have been able to do this and have started providing emissions data for the delivery of goods to all customers who have begun requesting it. And their number continues to grow.

Plant in Vicenza, Italy

Towards a low-emission supply chain

The ultimate goal is to build an increasingly decarbonised supply chain, in which the reduction of emissions is not just a regulatory obligation or a market need, but a distinctive element of competitive value.

The combination of digitalisation, quality data and collaboration along the logistics chain makes it possible to draw a clear path towards zero impact.

With this in mind, the Beltrame Group is increasingly centralising transport assignment operations at the corporate headquarters in Vicenza, with the goal of further optimising processes and identifying synergies.

The effort to transition towards lower-emission transport methods is ongoing. By now, the consolidation of the 2024 data shows us that about 37% of our transport is NOT road or not completely road (rail, intermodal, naval, river).

Conclusion

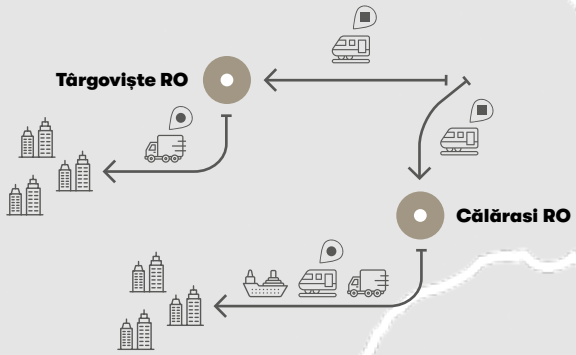
The decarbonisation of logistics is not an unattainable goal, but a concrete journey that requires data, collaboration and strategic vision.

Measuring and communicating Scope 3 emissions thus becomes not only an act of responsibility, but also an opportunity to build stronger relationships with suppliers and customers, actively contributing to the sector's ecological transition.


Trith-Saint-Léger FR
Birsfelden CH
Gerlafingen CH
Vicenza IT
Ospitaletto IT
San Didero IT
San G. Valdarno IT

Intermodality: maximising synergies in transport makes steel even more sustainable

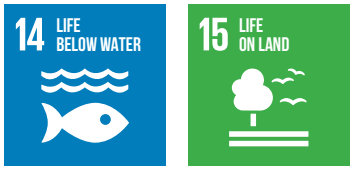
AFV Beltrame Group has deployed a combination of efficiency measures to protect the environment and profitability, the benefits of which are increasingly understood by all players in the supply chain.



Key

- Ships
- Trains
- Lorries
- Customers
- Send
- Receive
- Railway lines
- Scrap
- Semi-finished products
- Finished product
- AFV Beltrame Group
- Laminés Marchands Européens
- Stahl Gerlafingen
- Donalam

IV.XII BIODIVERSITY IN THE COMPANY



In the context of all its industrial activities, AFV Beltrame Group carefully assesses the potential direct and indirect impacts on biodiversity and natural habitats. The materiality analysis recently updated by the Group highlighted that the impact of industrial activities on biodiversity, particularly related to soil sealing caused by infrastructure and paved surfaces, is a significant concern for the stakeholders involved. In particular, the Group's steel plants occupy extensive areas, which include industrial areas, warehouses, deposits and transit routes. If not managed correctly, these structures can reduce the natural capacity of the land to absorb rainwater, increasing the risk of alterations in local ecosystems and interference with the hydrological cycle. Consequently, in certain situations, indirect effects on wildlife and plant life may occur, such as alterations to natural habitats and changes in the availability of resources for local species.

A mapping of all the Group's sites has been conducted, in accordance with the requirements of GRI 304-1. This enables us to meet all specified criteria and to identify any overlaps between our sites and protected habitats or areas designated for special conservation under EU directives.

To compile the table below, the "European Protected Sites" database from the European Environment Agency was consulted. This provides a comprehensive and up-to-date overview of officially recognised protected natural areas across Europe, categorised as follows:

- Natura 2000 areas - Birds Directive and Habitats Directive;
- areas classified under IUCN Categories I-VI;
- other: sites designated under international conventions (e.g. UNESCO, Ramsar), national parks, etc.

The table focuses on the Group's steel plants, excluding in this first stage renewable energy production sites, as their impact was deemed negligible by the company.

State	Site	Activities	Size (m²)	Distance (km)	Protected area name	Code	Area type	Site category
Coordinates: 45° 31' 17.53" N, 11° 29' 44.98" E								
	AFV Vicenza	Steel production	290,000	6.96	Former Quarry of Casale - Vicenza	IT 3220005	Habitats Directive - Birds Directive	C
				1.7	Colli Berici (Berici hills)	IT 3220037	Habitats Directive	B
				5.5	Valdiezza stream	IT 3220038	Habitats Directive	B
				5.03	Bosco di Dueville and neighbouring springs	IT 3220040	Habitats Directive	B
Coordinates: 45° 7' 48.21" N, 7° 12' 33.87" E								
	AFV San Didero (Turin)	Steel production	198,000	3.84	Orsiera - Rocciavrè Natural Park	IT 6027	Protected landscape or seascape	V
				3.84	Orsiera - Rocciavrè Natural Park	IT 1110006	Habitats Directive Birds Directive	C
				3.9	Orrido di Chianocco Special Nature Reserve and Leccio di Chianocco Station	15279	Habitat and species management area	IV
				3.9	Xerothermic Oasis of the Susa Valley – Orrido di Chianocco	IT 1110030	Habitats Directive	B

Coordinates: 43° 34' 0.26" N, 11° 31' 38.59" E

	AFV San G. Valdarno (AR)	Steel production	39,500	7.9	Mountain grasslands and scrubland of Pratomagno	IT 5180011	Habitats Directive Birds Directive	B
				8.2	Chianti Mountains	IT 5190002	Habitats Directive	C

Coordinates: 50° 19' 40.05" N, 3° 29' 18.07" E

	L.M.E. Trith Saint Léger	Steel production	488,000	2.74	Scarpe-Escaut	FR 178317	Protected landscape or seascape	V
				5.86	Avesnois	FR 147523	Protected landscape or seascape	V

Coordinates: 44° 13' 56.54" N, 27° 18' 3.83" E

	DON Călărași	Steel production	308,000	1.46	Iezerul Călăraşi	RO SPA0051	Birds Directive	A

Coordinates: 44° 13' 56.54" N, 27° 18' 3.83" E

	DON Călărași	Steel production	1,230,000	4.65	Lacurile de pe Valea Ilfovului	RO SPA0124	Birds Directive	A
				9.1	Pădurile din Sudul Piemontului Cândești	RO SAC0344	Habitats Directive	B

Coordinates: 47° 10' 14.34" N, 7° 33' 49.03" E

	STG Gerlafingen	Steel production	420,700	4.02	Aare bei Solothurn und Naturschutzreservat Aare Flumenthal (SO)	CH 178716	Habitat and species management area	IV
				5.3	Aemmeschache-Urtenensumpf	CH 555768312	Not assigned	-
				5.3	Utzenstorfer Schachen	CH 148615	Habitat and species management area	IV
				9.75	Oberaargau	CH 555513680	Not assigned	-
				9.75	Oberaargau	CH 0000040	Emerald Network - adopted site	NA

KEY

Category	Area type	Description
A	Birds Directive (SPA)	Special Protection Areas designated under the Birds Directive (2009/147/EC), aimed at the protection of bird species.
B	Habitats Directive (pSCI, SCI, SAC)	Sites designated under the Habitats Directive (92/43 /EEC): • pSCI - proposed Sites of Community Importance. • SCI - Sites of Community Importance. • SAC - Special Areas of Conservation.
C	Birds Directive (SPA)	As A - Special Protection Areas designated under the Birds Directive for the conservation of wild birds.
IV	Habitat and Species Management Area	IUCN Classification (Category IV): protected areas managed primarily for conservation through active interventions on habitats and species.
V	Protected landscape or seascape	IUCN Classification (Category V): protected landscapes or seascapes where the interaction between people and nature has produced significant natural, cultural and scenic value.

None of the Group's steel manufacturing sites are located within protected natural areas, although some are situated near designated protected zones (more than 1 km away). This confirms the location of the plants in industrial areas. The Group recognises the protection of biodiversity and ecosystems as a fundamental component of its sustainable development strategy. In this context, also through environmental management tools such as ISO 14001 certification, the company carefully assesses each new infrastructure project to avoid or minimise its impacts on soil sealing and regularly monitors its activities to minimise land pressures.

Trith Saint Léger plant, France

Educational garden in the external area of the L.M.E. rolling mill

As part of our commitment to biodiversity conservation, we have rehabilitated an unused space, transforming it into a green area aimed at fostering local flora and fauna near the offices of the rolling mill at our French site in Trith-Saint-Léger, making it accessible to employees from June 2024. Hornbeam hedges, shrubs, nectar-rich plants and a wildflower meadow have been planted to create a habitat favourable to various pollinator species. To support biodiversity, stone piles, bird boxes and insect hotels have also been installed, all constructed from recycled materials. The area's furnishings were entirely designed and built by employees, using wood scraps from company operations. Plant irrigation is powered by rainwater collection.
The initiative also included the installation of informative signage to raise awareness among employees about biodiversity conservation and best practices in green space management. Finally, the space is accessible as a wellness area for employees, fostering a direct connection with nature within the workplace environment.


Trith Saint Léger plant, France


Trith Saint Léger plant, France

Eco-grazing and beekeeping projects

At the Group's French site, the management of green areas is entrusted, also in 2024, to eco-grazing activities, i.e. the care of the greenery through the grazing of herbivorous animals such as goats, sheep and donkeys. This approach effectively reaches even hard-to-access areas and naturally controls invasive species such as Japanese knotweed (Reynoutria japonica), all without the use of mechanical equipment or chemicals, thus reducing the environmental impact to zero.

Dedicated enclosures have also been built to house the animals, whose care and monitoring are entrusted to a specialised external company. In addition to its ecological benefits, eco-grazing helps reduce noise, pollution and maintenance costs, making it a virtuous solution for landscape management in urban and peri-urban areas.


Trith Saint Léger plant, France

At the same time, the Group remains committed to protecting bees, through the maintenance of active beehives at the Trith Saint Léger (France) and Stahl Gerlafingen (Switzerland) plants. Bees play a key role in the health of ecosystems and biodiversity: they provide up to 80% of the pollination of plant species and are considered a natural indicator of environmental quality. The presence of beehives represents a concrete action for environmental protection and allows for monitoring the possible presence of pollutants in the area. The initiative also has an educational purpose: it promotes environmental awareness among employees, strengthening the link between sustainability, protection of biodiversity and collective responsibility.

Eco-grazing at L.M.E. helps address various issues:

- maintenance of hard-to-reach spaces;
- elimination of invasive plants, particularly Japanese knotweed;
- reduction of environmental impact;
- conservation of endangered breeds.

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

At L.M.E., honey jars and beeswax candle kits are produced and given to employees as gifts.
A similar project is also being implemented at the Stahl Gerlafingen factory.


Trith Saint Léger plant, France


Trith Saint Léger plant, France

In 2024, Stahl Gerlafingen AG continued to stand out for its concrete commitment to biodiversity protection, particularly through bee-related initiatives:

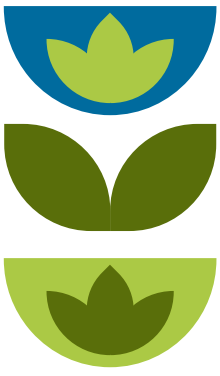
- production of company honey: within the plant there are about 25 active beehives, cared for by a professional beekeeper. Bees not only produce honey, but also contribute to the health of the local ecosystem thanks to their fundamental role in pollination;
- creation of favourable habitats: the company has transformed several green areas within the industrial site into flower meadows rich in nectar-producing plants, ensuring a constant source of nourishment for bees and other pollinating insects throughout the year;
- participation in national programs: Stahl Gerlafingen adheres to the Swiss program for flower areas promoted by Bienen Schweiz, thus contributing to the creation of a more hospitable landscape for pollinating fauna;
- installation of nests and shelters for insects: specific refuges for wild bees and other beneficial insects have been placed around the site, encouraging nesting and reproduction in an industrial environment made more welcoming.

These actions demonstrate how the steel industry can also become an active player in nature conservation, integrating environmental sustainability into its corporate identity.


Plant in Gerlafingen, Switzerland


Plant in Gerlafingen, Switzerland

CHAPTER V
Care for Human Capital



V.I THE GROUP'S HUMAN RESOURCES. PEOPLE. RELATIONSHIPS. VALUE.

Care for Human Capital

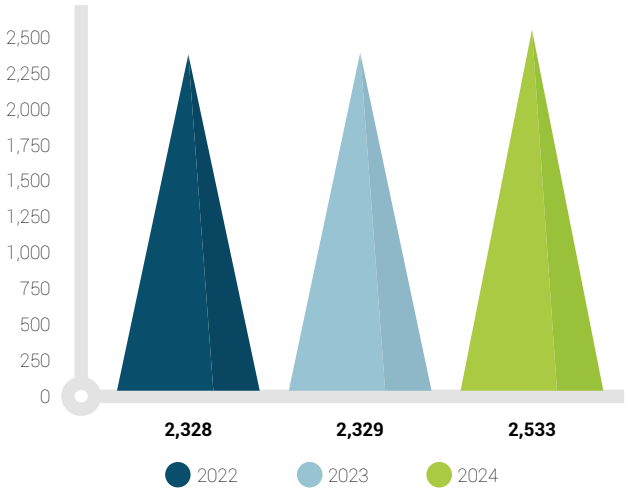
In our Group, the development and appreciation of human resources is a cornerstone for progress and long-term success. The specific skills we aim to develop require a considerable commitment, with a training process that can take months and, in some cases, even years. For this reason, people represent not only a fundamental resource but also a strategic factor in the company's development.
The real challenge arises during the recruitment phase, where the competitive landscape for attracting talent is highly demanding, with other sectors often offering more attractive opportunities. It therefore becomes essential to stand out by offering something unique and valuable, both for young graduates and experienced professionals. The challenge lies in meeting the expectations of those seeking an opportunity in a leading, top-tier company capable of offering a fulfilling and stimulating career.

To attract these talents, AFV Beltrame Group participates in major recruiting events, such as job fairs and career days for recent graduates. It also organises company visits for students and professional groups and actively participates in professional social networks. The recruitment, selection and on-boarding processes are managed using professional and well-structured methods, aiming to attract the best candidates and make them feel an integral part of our project from the very first contact.
Another crucial aspect concerns the training of highly specialised professionals. Since the learning process in this sector requires time and resources, it is essential not only to attract talents but also to retain them within the company. To achieve this, the Group has developed a welfare and total compensation system that offers employees more than just a salary, providing solutions that address their everyday needs. Flexibility in working hours and shifts is just one aspect, alongside additional services that relieve employees of external burdens, thereby improving their quality of life. Particular focus is placed on health and prevention, with direct investments aimed at ensuring well-being.

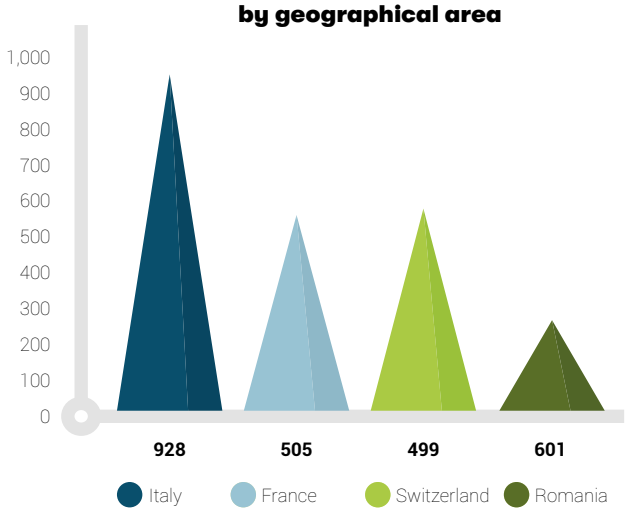
In conclusion, human capital is the resource to invest in to build a managerial class capable of facing the challenges of an increasingly complex future. The development of competent and sustainability-focused leadership is, indeed, one of the main objectives of our Group.

Workers at the plant in Vicenza, Italy

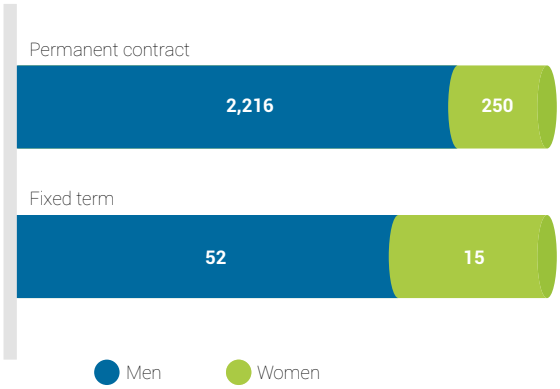
Total number of employees



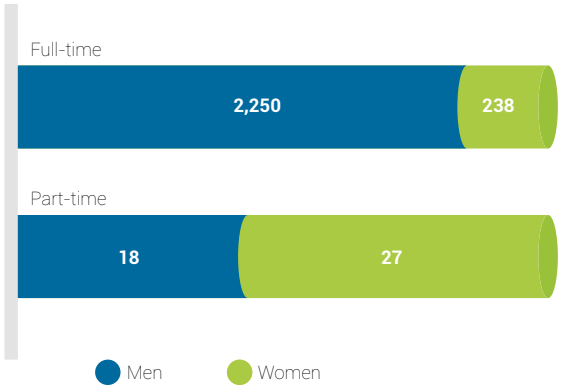
Total number of employees broken down by geographical area



Total number of employees broken down by type of contract



Total number of employees broken down by type of employment



Total number of employees broken down by professional category

Total number of employees broken down by age bracket

V.II TRENDS IN EMPLOYMENT LEVELS

The steel industry is one of the main drivers of the economy, both nationally and across Europe, significantly contributing to job creation and wealth generation Steel is the fundamental raw material for numerous sectors, from construction to engineering, automotive and food production, as well as the medical and shipbuilding industries. According to Federacciai's 2023 Sustainability Report, in 2022 the steel sector employed over 70,000 direct workers in Italy, accounting for about 2% of the national manufacturing workforce. Including the supply chain, the total number of employed people rises to around 150,000, with a direct and indirect employment impact that extends well beyond these figures, considering support to the production chain and related sectors.

Steel continues to be essential in numerous fields, with the construction sector remaining the largest user, accounting for around 30% of total production. However, demand for steel is becoming more diverse, with sectors such as automotive, engineering and shipbuilding playing an increasingly important role in supporting the market.

In 2020, the European steel industry directly employed 326,000 people, with an employment impact extending to over 2.7 million individuals, including the entire supply chain and related activities. The outlook for growth, even if conditioned by global difficulties, remains positive, but structural investments are necessary to maintain the competitiveness of the sector in Europe.

As of 31 December 2024, AFV Beltrame Group currently has 2,533 employees. The Group's employment policy is strongly oriented towards development and training. Investments in human resources are realised through training programmes such as the Induction Week, onboarding initiatives and activities in collaboration with local institutions. A notable initiative is the "Giovani d'Acciaio" project, which focuses on developing young talent to secure the future of the steel industry. It should be noted that in the reporting year, a reduction in the workforce was implemented as a result of the unfavorable market situation, including by taking advantage of social shock absorbers.

Sources:
*https://federacciai.it/rapporto-di-sostenibilita-2023/
**https://ftp-siderweb.s3.eu-west-1.amazonaws.com/speciali/Speciale_Il%20futuro%20dell%27industria%20siderurgica%20europea_2022.pdf

Plant in Gerlafingen, Switzerland

V.III REMUNERATION OF HUMAN RESOURCES

AFV Beltrame Group has developed its remuneration policy, the "Corporate Compensation Policy", to establish a clear and consistent framework for managing compensation. This policy is designed to adapt to the various local regulations of the countries in which the Group operates, while ensuring that compensation programmes remain aligned with the Group's strategic objectives, financial performance and long-term sustainability. The approach chosen is based on a system that rewards individual and collective performance, in compliance with international standards, but also taking into account the interests of all stakeholders. The aim is to create a remuneration system that not only supports the growth and development of human resources, but also stimulates their motivation, without ever losing sight of company results and long-term strategies. The Corporate Compensation Policy is applied uniformly across all Group companies, governing the remuneration of all employee categories, from managers and office staff to manual workers. The core principle underpinning this policy is to ensure fairness and transparency, so that every employee receives fair compensation in line with their contribution to the company. The remuneration policy of the AFV Beltrame Group must pursue the following principles: clear and transparent management of remuneration programmes; compliance with regulatory requirements and principles of good professional conduct; continuous benchmarking of trends and practices in the labour market to ensure a balance between internal and external remuneration; respect for the principle of internal equity, both at an individual country level and at a Group level; sustainable remuneration linked to company results. Another key objective of the compensation policy is to retain employees, with a particular focus on those with critical skills. The Group is committed to rewarding not only individual performance, but also contributions that strengthen the company's overall growth. "The benefits policy is structured to ensure equal treatment for all types of contracts, with no distinction between full-time, part-time, or fixed-term workers. In addition, in some countries, additional benefits have been introduced, such as specific health insurance, to improve the protection and well-being of employees.

The federal act on gender equality in Switzerland

The Federal Act on Gender Equality in Switzerland has recently been revised and the law was supplemented with an obligation for employers to conduct an internal equal pay analysis. The amendment aims to strengthen the constitutional right to equal pay for equal work and work of equal value. Staff at Stahl Gerlafingen are pleased that the company fully complies with these regulations in 2024 as well.

Equal treatment of men and women

Equal pay

Guarantee of equal rights and protections

Equal pay in Switzerland has been enshrined in the Federal Constitution since 1981 (Art. 8, par. 3 Cst.). It is also specified in the Federal Law on Gender Equality (GGEI) that came into force in 1996. Equal pay is an obligation that applies in all employment relationships, in both private and public employment. Starting 1 July 2020, employers employing at least 100 male and female workers have been subject to new obligations regarding equal pay. All male and female employees are counted, irrespective of the employment rate, while apprentices are not counted. In concrete terms, the new provisions lay down three obligations for employers: to analyse, to audit and to inform.

Analysis (1 July 2020 - 30 June 2021):
employers, both public and private, were given a year to analyse their pay practices and identify any disparities between women and men, using a scientific and legally compliant method.

Audit (1 July 2021 - 30 June 2022):
the analysis had to be reviewed by an independent body.

Information (1 July 2022 - 30 June 2023):
the results of the analysis had to be communicated to employees in writing. If pay equality is respected, no further analysis is required. Otherwise, the analysis must be repeated after four years.

Stahl Gerlafingen has obtained a certification confirming full compliance with all relevant regulations. This certification is valid for two years and will be renewed in 2025.

V.IV TRAINING AND EVENTS WITH A VIEW TO CORPORATE COMMITMENT

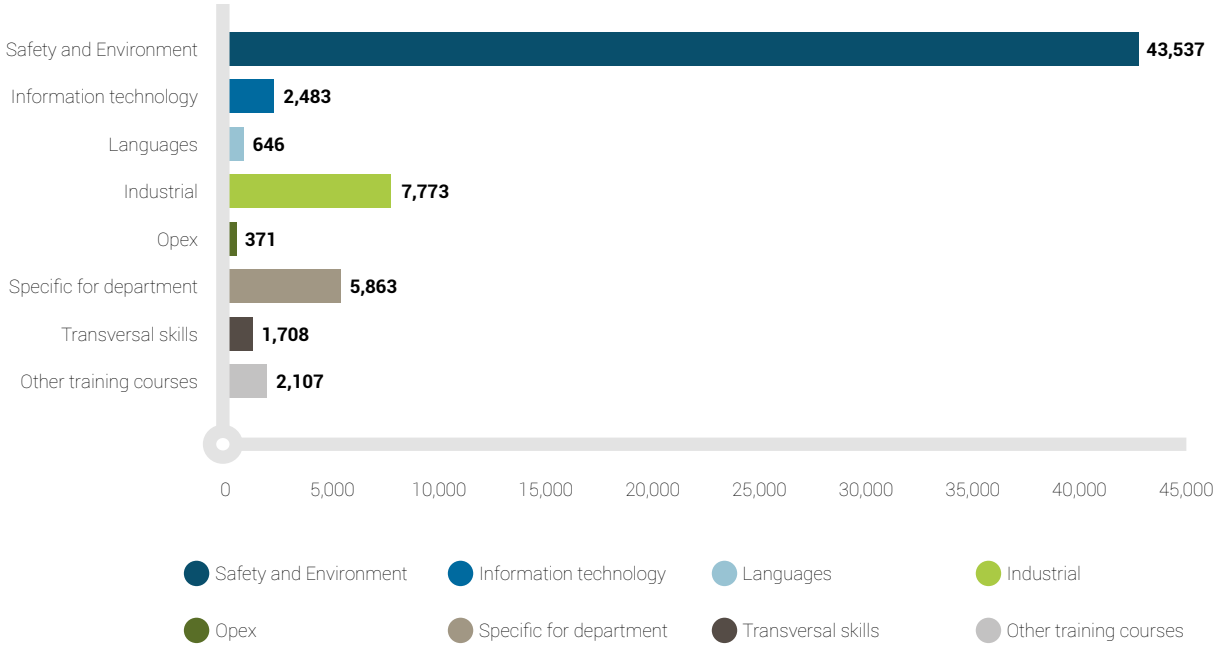
Training represents a strategic lever to promote skills development, increase productivity, attract new talent and foster a safe and collaborative working environment. Investing in people's professional growth not only helps to increase employee satisfaction but also strengthens the competitiveness of the entire Group organisation.
It is important to emphasise that, for the Group, training represents a fundamental asset for achieving corporate objectives. Overall, during 2024, AFV Beltrame Group provided a total of 43,537 hours of training in the "Safety and Environment" area, aimed at preventing workplace accidents and enhancing the technical and operational skills of employees. The training content included modules on emergency procedures, the correct use of personal protective equipment and regulatory updates.

In addition to training on health, safety and environmental protection, the Group has developed training courses in several other key areas, including:

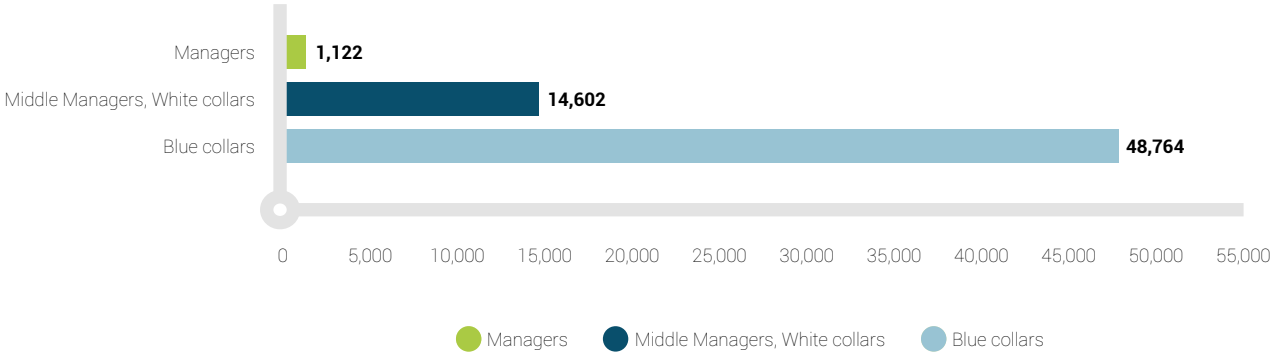
- IT, with a focus on digital tools and business applications;
- foreign languages, to promote communication in international contexts;
- industrial, to deepen the understanding of the process;
- Opex (Operational Excellence), for the optimisation of production processes;
- specific training by department, calibrated on the operational needs of the individual production units;
- transversal skills, such as communication, teamwork and time management;
- other training courses, designed in response to specific needs or specific projects.

Particular attention was also given to young people, with the aim of enhancing the Group's appeal in a perspective of sustainable and strategic development for the future. In this context, training was used as a key tool to develop new resources.
Among the most significant initiatives is the Induction Week, designed to facilitate the on-boarding of new hires and initially targeted at the Italian plants, which may in the future be extended to all Group companies. Training dedicated to recent graduates was also implemented, aimed at facilitating effective integration into the company environment.

Training hours broken down by topic



Training hours broken down by category



Induction Week

In June, newly hired staff across all three Italian plants took part in three days of training designed to help them get to know the company better and become more connected to its core, thanks to presentations by the managers of their respective departments. During these days, participants received fundamental information about the company, its culture, values and internal policies. It is a crucial moment to facilitate onboarding and foster engagement among new employees.

Induction Week, Plant in Vicenza, Italy

In 2024, the corporate Academy was further updated and is now available in Italian, French, German and Romanian (the Group's languages), featuring new content thanks to collaboration with Goodhabitz, new internal courses leveraging colleagues' knowledge and language training to ensure immediate information and learning opportunities for the workforce.
Investing in training is a winning strategy for the company, not only to ensure regulatory compliance but also to promote employees' professional growth and strengthen the corporate culture.

INDUSTRIAL RELATIONS

Industrial relations within AFV Beltrame Group are based on a principle of open and transparent communication, aimed at fostering constructive dialogue between the company and employee representatives. In each country where the Group is present, regular meetings are held between the HR Departments and the trade unions or workers' representatives, in order to discuss key issues for the proper functioning of company activities and the well-being of employees.

The main topics covered in these meetings include:
- the policies and results obtained in terms of health, safety and the working environment;
- the economic and industrial results, both at Group level and specific to each country and plant;
- the analysis of market conditions and forecasts for the coming year, both at national and international level;
- strategies relating to the management of human resources and their development.

These regular meetings serve as genuine observatories and are held at each of the Group's plants according to a schedule agreed upon with the social partners, with an annual national session taking place where feasible. These "observatories" represent a significant innovation in the field of industrial relations, creating a forum for joint participation between the company and employee representatives. Here, both parties are involved in assessing the results achieved and identifying the actions necessary to improve company performance. This process is conducted in a transparent and responsible manner, with the aim of fostering mutual collaboration not only during positive phases, but also in times of difficulty.

The model stands out for its innovative approach, which aims to build a harmonious and proactive relationship between the social partners. The idea is to create a cohesive working environment in which every party involved plays an active role in the decision-making process. During the meetings, the company results and future prospects are shared and discussed, so that all parties can contribute to the planning of the actions necessary to face future challenges.
With regard to regulatory changes, the Group fully complies with national regulations and existing contracts, ensuring that the minimum notice period is always appropriate to the scale of the planned changes. Furthermore, throughout the entire value chain of AFV Beltrame Group, no risk factors have been identified that could compromise employees' rights to freedom of association or collective bargaining.

Worker at the Trith Saint Léger plant, France

AFV Beltrame Group's Participation in Industry Associations

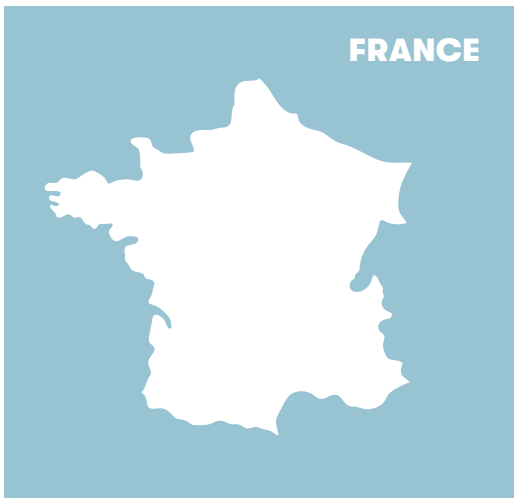
Through its Group companies, AFV Beltrame Group is affiliated with a network of national and international associations relevant to its operations.

Below is a summary of the main associations to which Group companies belong:

AFV Acciaierie Beltrame S.p.A. takes part in activities within associations representing trade interests, such as Confindustria, Federacciai and Federmeccanica, as well as in technical associations like Unsider, the Italian Steel Standards Body, which promotes the dissemination of international standards. Also worth mentioning is the company's representation in various technical and research committees, such as the Reach Ferrous Slag Consortium, as well as its membership in GBC Italia and the Global Steel Climate Council (GSCC).
It is also a partner of several associations, including:

- AIAS - Italian Association for the Environment and Safety;
- AIDAF - Italian Association of Family Businesses;
- AIM - Italian Association for Metallurgy;
- AIDII - Italian Association of Industrial Hygienists;
- AODV - Association of Members of Supervisory Bodies;
- AIIA - Italian Association of Internal Auditors;
- ITS Mechatronic Foundation;
- UNI - Italian Standard Setting Body;
- CUOA - University Centre for Business Organisation;
- Leonardo Committee - Italian Quality Committee;
- GBC - Green Building Council Italy;
- AITI - Italian Association of Corporate Treasurers;
- ANDAF - National Association of Administrative and Financial Directors;
- AIDP - Italian Association for Personnel Management;
- BDS AG Bundesverband Deutscher Stahlhandel;
- GSCC - Global Steel Climate Council;
- Elettricità Futura;
- Venetian Green Building Cluster consortium;
- Unsider;
- IHK - Chamber of Commerce in Munich.

This extensive network of collaborations confirms AFV Beltrame Group's commitment to promoting sustainability, research and development in the steel industry.



L.M.E. is a member of:

- Medef - Mouvement des entreprises de France;
- FFDM - Fédération Française de Détection de Métaux;
- CTPL - Centre Technique et de Promotion des Laitiers sidérurgiques;
- Uniden - at the Union des industries utilisatrices d'énergie;
- A3M - Alliance des Minerais, Minéraux et Métaux;
- Pôle Energie;
- GESIM - Groupement des Entreprises Sidérurgiques et Métallurgiques;
- UIMM (Union des industries et métiers de la métallurgie) - La Fabrique de l'Avenir.

SWITZERLAND

Stahl Gerlafingen is a member of:

- VSMR Steel - Metal and Paper Recycling Association;
- IGEB - Interessengemeinschaft Energieintensive Branchen;
- INVESO - Industrieverband Solothurn und Umgebung;
- Die Solothurner Handelskammer;
- SSHV - Schweizerischer Stahl- und Haustechnikhandelsverband;
- Metal Suisse;
- Swissmem;
- European Power Network;
- Energie - Agentur der Wirtschaft EnAW.

ROMANIA

Donalam is a member of:

- Confindustria Romania;
- Uniromsider;
- American Chamber of Commerce in Romania (AMCHAM).

V.VI DIGITISATION

In 2024, the company continued to strongly invest in the digitalisation of HR processes, with the aim of improving workflows and saving time spent on activities that do not add any real value.
At the Group's Italian sites, we continued by consolidating the processes previously developed and tested, standardising their use and formalising the various instructions. To date, the digitalised HR processes (both those related to the Talentia management system and those linked to the company ticketing system developed by our IT Department) are used and appreciated by the entire Italian workforce of the Group. We are committed to monitoring the performance of the systems daily, collecting feedback (including any suggestions for improvement where possible) and providing training to managers or employees who are using our systems for the first time.

The MBO (Management By Objectives) assignment process is once again carried out digitally at the Group's Italian sites this year. Through the HR management system, the Human Resources department shares the annual objectives set by top management with the managers, who are responsible for approving the objectives and then sharing them with the eligible employees involved in the bonus system, for their validation and acknowledgement.

Throughout 2024, we continued to expand the use of the Talentia management system at our foreign sites, initially digitalising the MBO (Management By Objectives) assignment processes in France and Switzerland and beginning to pilot the Appraisal Review process in France (already in use in Italy and Switzerland).
Finally, towards the end of the year, work was carried out to digitalise, starting from January 2025, the personal and payroll data of employees at the hydroelectric plants, both on the ADP payroll system used by the colleagues in the Personnel Administration office and on the Talentia management system.

Worker at the Trith Saint Léger plant, France

Regarding the request for work tools for new hires, the Group has implemented a system developed by the IT department. This process requires Human Resources and managers to complete an online checklist, which automatically triggers a series of e-mails sent to the relevant company departments. In this way, communications that once took a lot of time and added no real value are optimised. A similar workflow is also used for managing IT equipment and devices during job role changes, as well as for the retrieval of such equipment in the event of employee resignations.

V.VII TRAINING AND CYBERSECURITY

The Group's IT strategy for 2024 is based on five macro-themes coordinated by Business Relationship Management. These pillars include digitalisation, the introduction of artificial intelligence (AI), sustainability and cybersecurity.
In recent years, these closely related sectors have seen exponential growth across every industrial field. The rise of digital technologies and the computerisation of processes have brought enormous benefits and improvements in business performance, but have also significantly increased the risks of exposure to cyberattacks and so-called cybercrime. The steel sector is not immune to these threats.

The increasing computerisation of production processes has brought significant competitive advantages, but has also exposed companies to a high risk of cyberattacks, a threat that does not spare even the steel industry. From ransomware threats to cyberattacks linked to geopolitical conflicts, the cyber landscape has transformed into a true digital battleground. Even large industrial groups, despite substantial investments in security, have been hit by attacks capable of shutting down plants, disrupting services and causing multi-million euro losses. The Group, modern and advanced, employs information technology across all key areas of its production process: sales cycle, procurement cycle, production planning, management of production plants, field sensors, transportation and more.
A cyberattack can cripple an entire company's IT system, including that of a steel plant. Without a functioning IT system, it is impossible to manage customer orders, schedule production, send orders to suppliers, or monitor field data and equipment. An attack can bring the company to a standstill for weeks or even months if the necessary countermeasures are not implemented. Moreover, direct attacks on production facilities can occur. Cyberattacks, including recent ones across various industrial sectors, including the steel industry, have had devastating impacts:

- shutdown of plants or services, with consequent loss of money;
- ransoms demanded amounting to tens of millions of euros.

Worker at the plant in Vicenza, Italy

The companies involved are major international groups that invest considerable resources in cybersecurity. However, due to the exponential growth of technologies and attack techniques, there is no such thing as 100% protection. According to a forecast by Gartner[1], by 2025 (the current year), 75% of companies (3 out of 4) will fall victim to a cyberattack. Estimates for 2027 indicate that the costs associated with cyberattacks will reach 23.82 trillion dollars[2].

AFV Beltrame Group places strong emphasis on cybersecurity and has significantly increased its investments in IT and cybersecurity to protect the company from cybercrime. In 2024 as well, investments in this area have grown significantly to address emerging threats and the constantly evolving methods of attack.

The Group has implemented continuous monitoring and remediation activities for areas sensitive to cybersecurity, both in traditional IT and in OT (Operational Technology) environments. Among the measures adopted are antivirus software, XDR (Extended Detection and Response), antispam systems, patching and updating of outdated systems, password complexity requirements, multi-factor authentication, tamper-proof backup systems, WAF (Web Application Firewall), disaster recovery systems, vulnerability assessments and penetration tests, as well as protection systems based on artificial intelligence algorithms. AFV Beltrame Group has implemented a SIEM system (Security Information and Event Management) that automates the collection and orchestration of system logs across the entire Group. This system enables the monitoring of IT events, particularly those that may pose a potential cybersecurity threat.

Moreover, the Group relies on a SOC (Security Operations Center) service, an organisational unit that oversees and manages the security of information systems. The SOC monitors IT events around the clock and can detect, report and respond to every suspicious incident within the company perimeter, such as system access at unusual hours, attempts to enter restricted areas, suspicious behaviours and anomalous events.

Sources:

1) Gartner: "Hype Cycle for Storage and Data Protection Technologies, 2021". Gartner is a world-leading research and advisory company in the field of information technology, providing analysis, forecasts and strategic advice to help businesses make informed decisions.
2) Statista: Tecnology Market Outlook, National Cyber Security Organizations, FBI, IMF, update November 2022.

In 2023 and 2024, the service was further strengthened with new Cyber Threat Intelligence (CTI) capabilities to search for potential active threats on the Dark Web and other domains. This system continues to be extremely valuable in ensuring effective monitoring, rapid response and support in the event of an attack.

Furthermore, also in 2024, the Beltrame Group obtained the Bitsight Cybersecurity certification from a globally recognised body, used as a risk indicator by cyberattack insurance providers. Currently, the Group has received the Advanced level protection ranking certification. The HR department of AFV Beltrame Group, together with the IT department, continues the ongoing Cybersecurity Training campaign for all Group employees, based on a multimedia and multi-channel platform.

Over the years, participation rates and engagement at the Group level have increased significantly, contributing to the reduction of KPIs related to these risk factors. In line with this positive development and the increasing digitalisation, as well as the growing complexity and volume of cyber threats, continuous and thorough training across multiple aspects of cybersecurity is essential.

For this reason, the 2024 training programme was structured to provide both theoretical and practical knowledge, supported by interactive quizzes, real-life examples and simulations, organised into the following main thematic categories:

01

Digital threats and cyber attacks

- **Phishing and Whaling**
  Social engineering techniques used to steal sensitive information.
  - In-depth analysis with practical examples
  - Whaling: targeted attacks on executives
- **Ransomware and Defeating Ransomware**
  Analysis of attack methods, impacts on data and prevention strategies.
- **Identity theft**
  How to recognise and prevent techniques aimed at the theft of personal and business data.
- **CEO Fraud/Fake President (with quiz)**
  Recognising attempts to scam employees by simulating authoritative company communications.
- **Insider Threats**
  Threats originating from within the organisation, whether intentional or unintentional.
- **Threat management**
  Tools and processes to identify, analyse and respond to security events.

02

Protection of Data and Sensitive Information

- **Classification of documents**
  Management of information according to levels of confidentiality.
- **Data protection (with quiz)**
  Key concepts on GDPR, encryption, storage and secure deletion.
- **Reporting incidents**
  When, how and to whom to report a potential security incident.
- **Corporate Conduct: Acceptable Use Policy**
  Rules and guidelines for responsible use of IT resources.

03

Digital security and related technologies

- **Internet of Things (IoT) and connected devices**
  Risks related to smart devices, from the point of view of network and data security.
- **External devices and physical access**
  Security in the management of USB, external hard drives and other removable media.
- **Cloud Services**
  Data security in cloud environments and risks related to improper use.
- **Freeware and Third Party Applications**
  Risk assessment and criteria for the safe use of free or external software.

04

Personal security and authentication

- **Strong Passwords and Password Security**
  How to create, manage and update strong passwords.
- **Multi-factor authentication/Phone-phishing**
  Advanced account protection techniques and pitfalls related to fraudulent calls.
- **Passwords/Third-party applications**
  Conscious use of tools that manage passwords and integration of non-company applications.

05

Social engineering and online behaviour

- **Social engineering**
  Psychological techniques to manipulate users and obtain unauthorised access.
- **Excessive sharing on social media**
  Risks related to the publication of sensitive or corporate information.
- **Identifying Malicious Links (with quiz)**
  Recognising suspicious links through analysis of text, URLs and context.
- **Understanding URLs**
  Techniques for interpreting and verifying the security of a link.

06

Mobile security and work environments

- **Mobile Device Information Security (with quiz)**
  Protecting corporate data on smartphones, tablets and laptops.
- **Mobile devices**
  Risks related to mobility and loss of devices.
- **Workplace Cybersecurity**
  Everyday best practices to reduce digital risks in the office or during remote work.

07

Learning Assessment and Security Culture

- **Security Competency Assessment**
  Final quizzes and tests to measure understanding and application of the covered topics.

Participation in these trainings has significantly reduced risks related to human factors and has helped thwart numerous attempts of social engineering, advanced phishing and other cyber threats encountered by AFV Beltrame Group.

V.VIII WELFARE

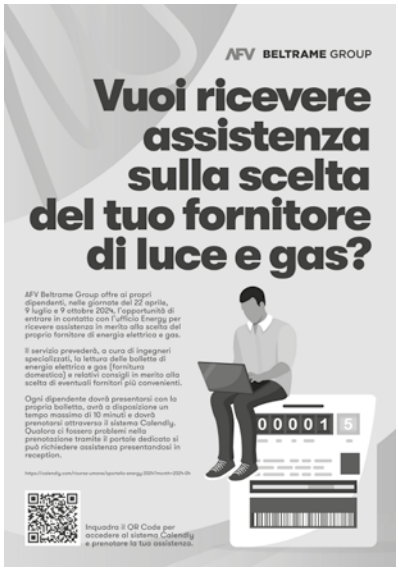
In 2024, AFV Beltrame Group allocated significant investments to services aimed at improving the quality of life and health of its employees. These measures, promoted by the parent company, were initially implemented and tested at the Italian plants. Currently, the activities are being progressively extended, immediately involving key personnel on topics of shared interest. The goal is to extend these projects to the Group's other international sites as well, establishing a common and structured approach to employee well-being. Services such as free vaccinations have been confirmed and reintroduced at all Italian sites, as well as in Gerlafingen and L.M.E; at the Vicenza plant, additional services continue to be offered, including an affiliated mechanic, on-site laundry service and grocery delivery.

Among the new initiatives introduced in 2024 as part of a health prevention strategy, two types of free medical check-ups were offered at all Italian plants: a cardiology check-up and prostate cancer screening (for male employees over the age of 45). These were made possible through collaboration with a medical centre that provided a "health camper" to carry out the examinations on site.

On the occasion of International Women's Day, all Italian sites confirmed the opportunity for female employees to undergo blood tests free of charge, with samples collected either at the company's infirmary in the Vicenza plant or at a partnered laboratory for the other sites.
In addition to services such as the company library, access to the infirmary and tax consultancy, in 2024 the company introduced further initiatives: HR consultancy for employees' family members and Energy consultancy for the assessment of household utility bills. In detail, these services have provided:

1. the opportunity to consult with specialists from our Energy Office to review personal household electricity bills and explore alternative suppliers or more competitive tariffs.

2. Support from colleagues in the Human Resources Department in job market repositioning, including assistance with creating or updating CVs for employees' family members seeking professional re-employment, aimed at facilitating the search for new career opportunities;



Both initiatives were welcomed with great enthusiasm by the staff, given the positive implications at family and personal level that the company's commitment is bringing.

All the initiatives mentioned also have positive impacts in terms of sustainability, reduction of social costs and environmental benefits. In relation to sustainability, it is important to mention the provision and offering of electric vehicle charging stations for employees' personal cars at a discounted and competitive rate (see the Sustainable Mobility chapter).
Additionally, as an extra service for employees at the Vicenza plant, an external vendor was offered during the summer months twice a week within the company premises, providing homemade ice cream, fruit salads and "granitas" at competitive prices to make the hot days more enjoyable.
With the aim of improving and engaging employees, the company has also created dedicated "suggestion boxes" located at the Vicenza and San Didero plants to collect new ideas from the workforce. In this way, all employees can suggest activities, services or improvements, which will then be reviewed by the HR department and internally shared with any relevant departments involved.
Finally, local agreements are in place (for example, discounts with shops or commercial activities) at the Group's various locations, tailored according to the availability in each area.

Well-being

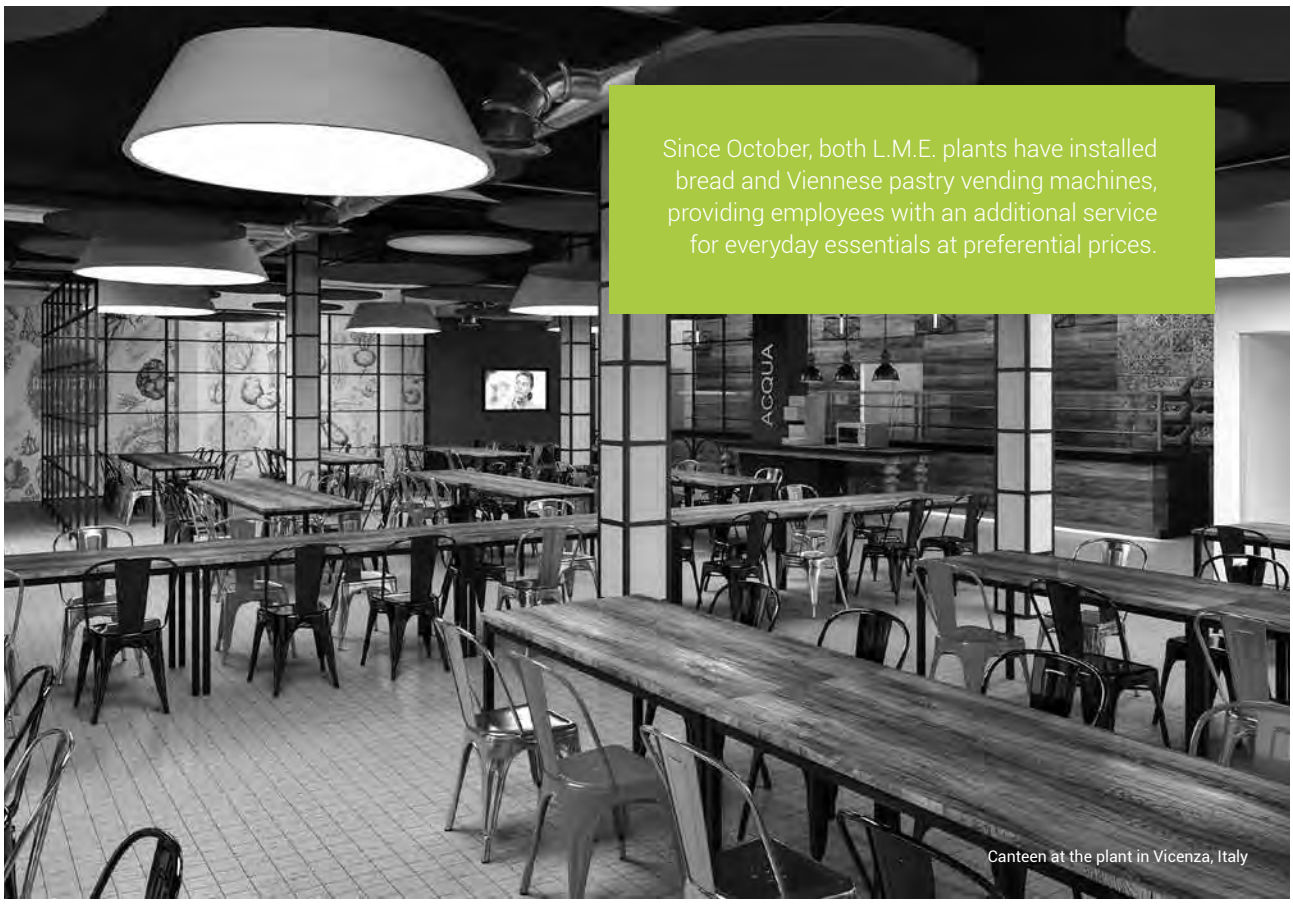
Vaccinations

Free check-ups

Vocational training

Intra-group synergies

Intra-group training



Since October, both L.M.E. plants have installed bread and Viennese pastry vending machines, providing employees with an additional service for everyday essentials at preferential prices.

Canteen at the plant in Vicenza, Italy

V.IX EQUAL GENDER OPPORTUNITIES

AFV Beltrame Group promotes a personnel development culture based solely on merit, excluding any form of gender or other discrimination, both during the selection process and throughout employees' internal career progression. The Group's primary objective is to create an inclusive work environment where every individual, regardless of gender, can fully express their potential. Diversity is an intrinsic value of the organisation, but to fully benefit from it, concrete measures promoting inclusion must be adopted. During 2024, no incidents of discrimination were reported and consequently no corrective measures were necessary.

On the occasion of the International Day for the Elimination of Violence against Women in November, the company distributed a leaflet with practical advice on preventing assaults and supported the fight against domestic violence.

Audible personal alarms for self-defence were also provided free of charge to all female employees and, on a voluntary basis, red whistles were made available to further raise awareness of the initiative, accompanied by a donation to national organisations fighting violence.

Human Rights

Respect for human rights is fundamental to ensuring freedom, justice and the creation of fair societies. This universal principle also guides the activities of AFV Beltrame Group, which has drafted a specific human rights policy to define the behaviours to be adopted in order to ensure the protection, respect and promotion of human rights across all its business operations. The policy applies to all stakeholders who may be positively or negatively affected by the Group's activities, including employees, collaborators, customers, suppliers, financial partners, trade unions and public institutions. Our policy is aligned with the main international treaties and European regulations, including:

External references
- United Nations Universal Declaration of Human Rights.
- European Convention on Human Rights.
- OECD Guidelines for Multinational Enterprises.
- Fundamental Conventions of the International Labour Organisation (No. 29, No. 87, No. 98, No. 100, No. 105, No. 111, No. 138).

Internal references
- Code of Ethics.
- Organisational Model and Related Protocols
- Human Rights Policy.

AFV Beltrame Group is committed to respecting and promoting human rights, avoiding any violations and taking action to prevent or address any negative impacts arising from its activities.
Specifically, both acts and omissions that could infringe upon fundamental rights are monitored. The following rights are those on which the Group's activities may have a direct impact:

General human rights

1. Rights to life, freedom of thought and opinion.
2. Rights of local communities.
3. Right to privacy.
4. The right to safety and health of individuals, as well as the respect and protection of the environment.

Specific workers' rights

1. Forced or compulsory labour.
2. Trade union freedom and the right to organise and collective bargaining.
3. Equal pay and non-discrimination in employment and occupation.
4. Right to health, safety and environmental protection.
5. Prohibition of child labour.
6. Right to rest and free time.

Workers at the Trith Saint Léger plant, France

V.X YOUTH POLICIES

Diversity and inclusion

The Group promotes personnel development based entirely on meritocratic criteria, where no gender or other forms of discrimination are tolerated, neither during the selection process nor throughout employees' internal career progression.
AFV Beltrame Group's primary objective in valuing its people is to create a work environment where everyone, regardless of gender, can fully express their potential. Diversity is a fact, but harnessing its value and promoting inclusion requires concrete actions.

The company is committed to fostering a culture of merit and talent in all processes and actions. The effort is focused on ensuring that merit receives appropriate support, for example, by offering equal career opportunities, support for parenthood; conventions that help employees with services that allow for a better work-life balance; and equal investment in training and combating any form of violence or harassment.

To this end, an awareness-raising event fighting violence against women is organised every year on 25 November in all Group plants.

Next gen days

The "Next Gen Days" programme is promoted by the Foreign Investors Advisory Board (ABIE) of Confindustria (Italian Manufacturers' Federation), which aims to enhance the professional and leadership skills of young corporate talent through training and networking days with colleagues from other companies.

In today's business environment, more and more companies are collaborating and sharing expertise to foster an integrated and strategic vision. The appointments provided ad hoc training on four macro-areas considered fundamental to succeed in today's working environment: manufacturing, leadership, sustainability and business management. During each session there were moments for networking and informal discussion between colleagues, useful to stimulate the exchange of experiences and best practices.

AFV Beltrame Group also supported this project in 2024 by participating in training two of the Group's talents, considering it an opportunity for professional growth dedicated to potential managers of the future.

Next gen days, Barbara Beltrame Giacomello, Rome, Italy

AFV Beltrame Group is committed to bridging the "skills gap" between academia and the workplace by implementing numerous PCTOs (work-based learning programmes formerly known as school-work alternation schemes): a gap that often hinders smooth employment after completing formal education. Through the organisation of work-based learning programmes, the company aims to provide young people not only with foundational knowledge but also with the skills necessary to enter the job market, combining study hours with classroom training and time spent within companies to ensure hands-on, practical experience.

Precisely for this reason, during 2024, 11 students from various local schools were placed in different company departments, not only in Vicenza but also at the San Giovanni Valdarno plant. This initiative allowed us to receive the "BAQ" (Quality Alternation Certification), issued by Confindustria.

Investing in resource talent: interns and apprenticeships

AFV Beltrame Group recognises apprenticeship as a highly valuable training model and is committed to providing young trainees with long-term opportunities for professional and personal growth across all its locations. This approach represents a fundamental strategic lever for the entire Group, not only as a tool to enhance young people's career paths but also as a concrete response to the challenges young people face when entering the labour market.

The goal is to re-establish an effective synergy between the education system and the world of work, so that young people can adequately meet the challenges of the labour market. Offering internships and apprenticeship opportunities within AFV Beltrame Group not only means enriching young people's educational background but also enhancing their ability to work independently, manage projects and take on responsibilities in a practical setting. In 2024, at the Trith Saint Léger site, the process of integrating fixed-term apprentices into various company departments continued. Additionally, L.M.E. has established a collaboration with AFPI (Training Centre of the Nord Pas-de-Calais region), participating since 2021 in their Career Day, thereby providing new opportunities for young people to connect with the professional world.

Becoming Manager

Half-day of speed interviews dedicated to Industrial Engineering students from the University of Vicenza. The initiative offers students the opportunity to interact directly with some of the main realities in the area. Participants had the opportunity to explore the most requested professional profiles, gain first-hand insight into various industrial sectors, expand their network of contacts and build greater awareness in view of entering the world of work.
Besides being an opportunity to practice in a context similar to a real interview, the event fostered dialogue between young talents and companies, promoting career guidance and the development of transferable skills.

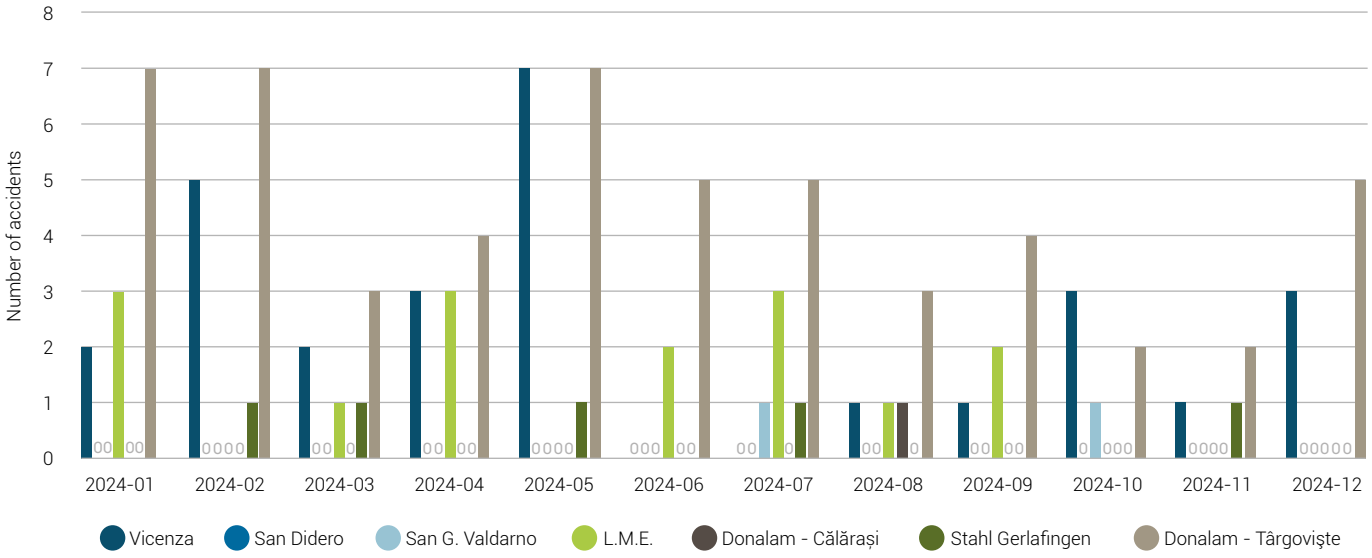
1st prize category: "Wellness Z": corporate welfare and personal well-being, Radar Award, Auditorium Bosch in Milan, Italy

V.XI EMPLOYEE HEALTH AND SAFETY

Activities relating to the protection of health and safety in the workplace are among the main priority of the Group. The commitment and worker information, instruction and training, the evolution of plant and work environments, the constant improvement of the company's Health and Safety Management have been used to achieve their maximum optimisation. Activities related to workplace health and safety continued in 2024.

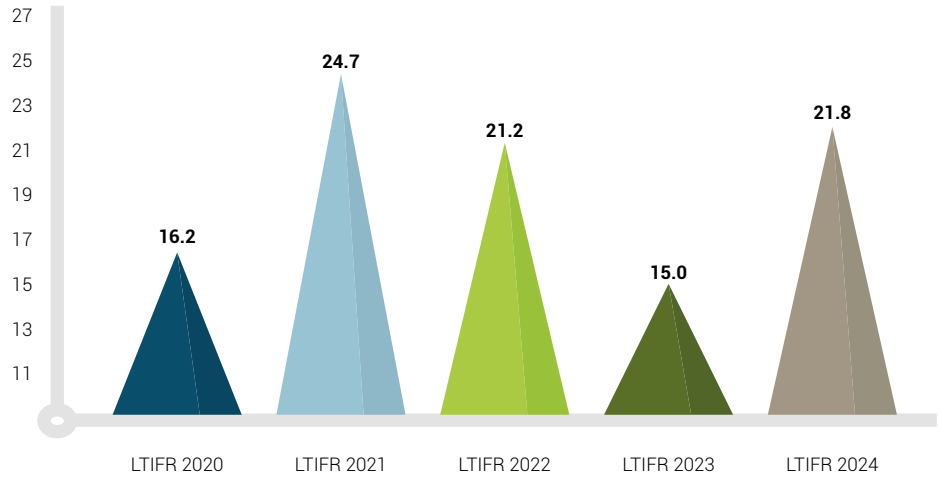
Accidents and Occupational Diseases

The data related to workplace accidents in 2024 include the Hydroelectric Power Plants, located in both Piedmont and Veneto, acquired by AFV Beltrame Group at the beginning of 2023 and incorporated into the Sustainability Report from the same year onwards. The plants closed 2024 with 0 injuries. With regard to injuries, we point out that the Group recorded progressive improvement in terms of injuries in recent years, even though 2024 saw an increase in the frequency index (LTIFR). LTIFR is the parameter that includes all accidents that have resulted in absence from the workplace of at least one day. In 2024, 105 injuries were recorded, compared to 78 in the previous year.



The frequency rate, defined as the number of accidents per million hours worked, for the Group stood at 21.8, compared to 15.0 in the previous year.

Frequency index (LTIFR) trend

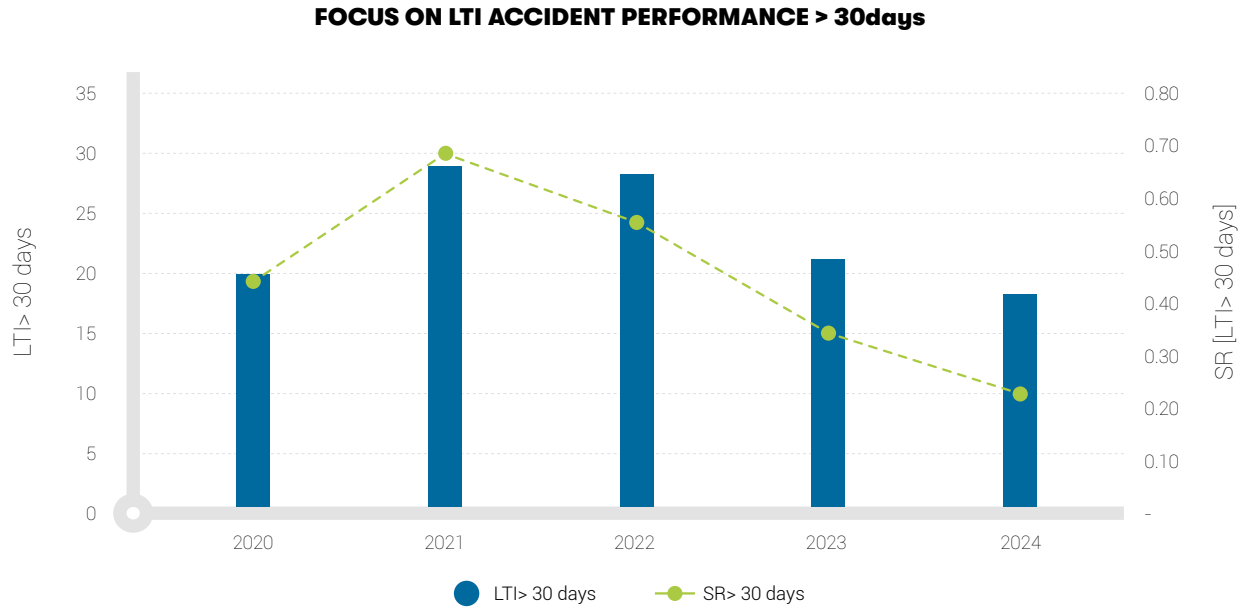


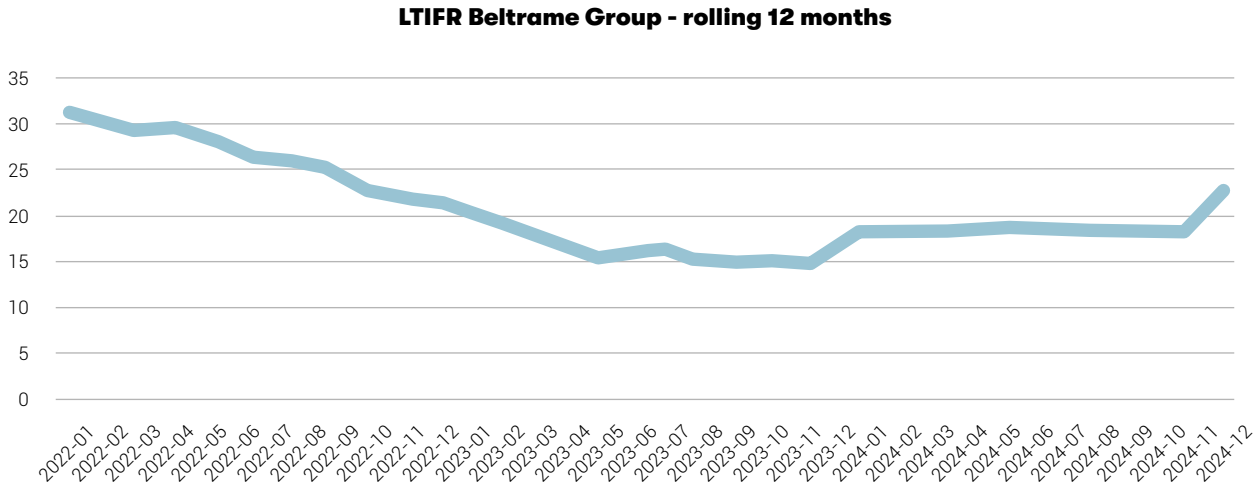
This indicator, expressed as a 12-month moving average, shows a return to the values of 2022.

Comparing the years 2023 and 2024, some improvements can be observed in 2024 compared to the previous year, as shown in the table below:

Indicator	2024 vs 2023
Reduction of accidents with a prognosis of more than 30 days	-18%
Average reduction in days lost due to injury	-23%
Average reduction in days lost due to accidents over 30 days of absence	-40%
Number of accidents with a prognosis greater than 180 days	0 | 2

The chart below shows the performance of accidents with a prognosis of more than 30 days.

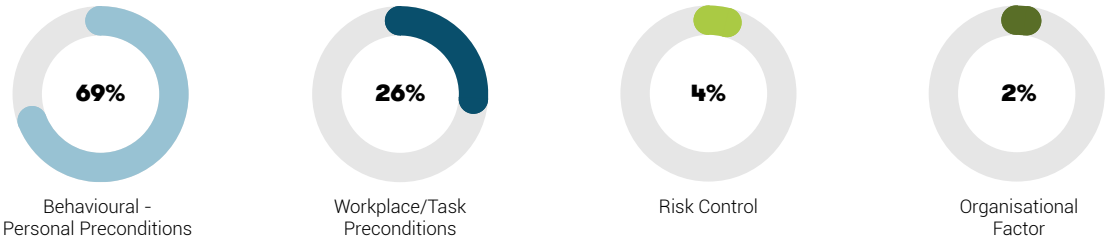




The analysis of the causes of Lost Time Injuries (LTI) revealed that the main contributing factors are as follows:

- behaviours or personal preconditions accounted for 69% of the cases;
- preconditions of the work environment or job in 26% of cases;
- risk control factors in 4% of cases;
- organisational shortcomings in 2% of cases;

Primary cause of accidents



The main types of injuries that occurred in 2024 were related to contusions, cuts, sprains and crushing injuries due to collisions/impacts and falls (many on flat ground) involving the upper and lower limbs accounted for approximately 67% of all accidents.

All the events were analysed and discussed also with the injured party on their return to work, with the aim of identifying the causes, implementing remedial actions and increasing awareness of a safe approach to the various work phases. These meetings are attended by the DDL (Delegated Employer), a representative of the Management (Plant and/or COO AFV Italy and/or Human Resources and/or Safety), the direct managers of the department to which the injured party belongs and a legal representation of the RLS (Workforce Safety Representatives). This last aspect is significant since about 60% of the accidents occurred during routine activities.

In 2024 no cases were reported with definitive responsibility for claims related to liabilities for work-related illnesses or causes of mobbing.

Main interventions

The first part of 2024 was marked by an unusual trend in workplace injuries compared to the previous year. This led to the introduction of an ad hoc Crash Program for the 3 plants concerned.
Some initiatives, resumed in the Crash Program, are inspired by the activities present in the SHARP project, launched in 2022, with the aim of increasing safety awareness and culture at all levels, favouring communication and sharing of different safety aspects.
Ad hoc meetings were held by the Group's H&S Department with the management of each plant, to understand the perceived level of safety in the area of relevance.

The feedback allowed the identification of targeted actions aimed at reversing the negative accident trend. The Crash Program activities focused on were the following:

1. Delivery of safety focus sessions or short training breaks during shifts (so-called "safety pills" or training breaks), conducted by supervisors/managers, covering specific topics or current issues related to safe practices in department activities.
   Crash Program focus: Safety Pills have been increased in quantity (from 30/month/plant to 1/day/team). Emphasis was placed on reporting events (both accidents and near misses) and discussing their dynamics and how they could be resolved.

2. Organisation of safety meetings in production departments, involving EHS with shift managers and department managers, for a periodic examination of accidents that have occurred and their causes, near-misses, reports received on dangerous situations or behaviours.
   Crash Program focus: organisational approach to these meetings has changed; while they were initially managed by the H&S function, responsibility has since been handed over to the department managers. This increased involvement has led to greater awareness and synergy in addressing and discussing the various topics raised.

3. Accurate and timely analysis of accidents and near-misses has been carried out in collaboration with the relevant departments, identifying root causes through dedicated methodologies (RCA – Root Cause Analysis). Approach to any cause identified with radical and targeted action, without neglecting any element that may have contributed to the event.
   Crash Program focus: the methodology for conducting the Root Cause Analysis (RCA) has been standardised, highlighting not only behavioural, technical or organisational causes, but also pre-existing conditions relevant for the proper characterisation of the RCA.

4. Dissemination of communications and brochures on significant events, i.e. accidents but also near misses, sharing causes and possible common actions between Group sites.
Crash Program focus: regarding significant incidents, the Group H&S Department has established a Good Practice of holding dedicated calls within 48 hours following the event. Invitations are extended not only to the H&S representatives of the various sites but also to members of the organisation (e.g., Department Managers, Maintenance Supervisors, etc.) who can provide valuable input both to the event analysis and to benchmarking Best Practices.

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

6. Resumption and strengthening of interactive visits (SWAT) through an observational approach and the direct involvement of the operators met.

7. Evaluation and follow-up of reports submitted by workers, including resolution plans and feedback to the reporting individuals.

8. Dissemination of safety slogans, by installing panels containing safety messages in work areas.

9. Periodic review of work procedures with respect to technical-organisational changes and correct application in the field.

10. Definition of a medium-term training programme on behavioural safety and awareness-raising according to international standards.
Crash Program focus: a project was launched in the Italian plants that follows the principles of Mindfulness and Brainfulness, mainly aimed at Supervisors and which aims to increase situational awareness, based on cognitive biases.

As usual, also in 2024, targets were defined for certain categories of activities and various methods of monitoring and formalising them were tested.

Worker at the Gerlafingen plant, Switzerland

Safety First

Application of Group standards

In 2024, the monitoring programme for the application of the centrally defined standards on specific safety issues continued in all Group factories.
Among ten standards defined, applied and monitored, 2024 focused on points 1-4-5, reported below:

1. H&S Reporting and Investigation and Environmental reporting (management of reports relating to incidents and accidents and reports relating to the monitoring of environmental parameters);
2. Mobile Equipment (mobile vehicles and risk of pedestrian/vehicle interference);
3. Work at height;
4. Housekeeping and 5s implementation (order/organisation and cleaning in the workplace);
5. Contractor Safety Management (safe management of contractors);
6. EHS Audit - EHS Scorecard (audit of the different companies);
7. Energy Isolation and LO.TO.TO. (isolation of energy sources before maintenance operations);
8. Liquid steel (risk management related to liquid steel and slag in all phases of handling and transport);
9. SWAT programme (behavioural audit);
10. JSA - Job Safety Analysis for risk assessment of non-routine operations.

Meetings were held dedicated to the definition of specific improvement plans for each site (with specific focus on EHS issues) with the involvement of local committees and the supervision and coordination of Group management.
A benchmarking programme was also concluded on the main personal protective equipment (PPE) used in the Group, with particular regard to safety shoes, helmets and protective eyewear, in order to standardise the technical characteristics of the devices.

Health, safety and environment investments

The main investment projects for the management of the environment, health and safety concerned:

- improvement of plants and machine tools (MASAI - Machine Safety Improvement Project);
- progress of the programme to upgrade the radiometric monitoring equipment at all sites;
- rationalisation of internal traffic plans to reduce vehicle-pedestrian interference and refurbishment of roadways both inside and outside the plants;
- general arrangement of accesses to work areas, parking areas for operating personnel and changing rooms;
- lateral segregation of the Vicenza scrap yard with perimeter wall on the north side;
- upgrading of electrical equipment, following an update of the risk assessment;
- installation of redundant protections on machinery;
- extraordinary maintenance of fire prevention systems;
- refurbishment of the chemical products storage area in Gerlafingen;
- introducer pipes for some of the hydroelectric power plants.

Event Investigation

Within the Group, both events that have resulted in an injury and near-misses (incidents without consequences for workers) are recorded and analysed using a methodology that enables the identification of root causes (RCA – Root Cause Analysis).

The identification of the causes of events, both direct and indirect, is a fundamental tool for the definition and implementation of appropriate improvement plans in order to prevent the recurrence of such events.

A great deal of importance is also given to the reports received from the departments, which are analysed and handled according to their priority, providing feedback on the actions taken.

SWAT (Safety Walk and Talk)
Interactive Safety Walks (SWAT) are a proactive approach to workplace safety, in which supervisors or managers walk through work areas, observe employees' activities and engage directly with them to discuss safety-related issues.

It is a way to identify potential hazards, ensure compliance with safe working practices and strengthen a culture of safety.

Safety Leadership
AFV Beltrame Group offers safety leadership to its managers and supervisors who are called upon to implement concrete actions to improve the safety conditions of the people for whom they are responsible. In 2024, the three Italian plants served as pilot sites for a Brainfulness project developed in collaboration with the Università Cattolica of Milan. The project focused on analysing workers' predisposition to accidents and provided supervisors with five key aspects to concentrate on in their interactions with employees: Compliance with Rules, Planning, Risk Management, Empathy and Social Integration.

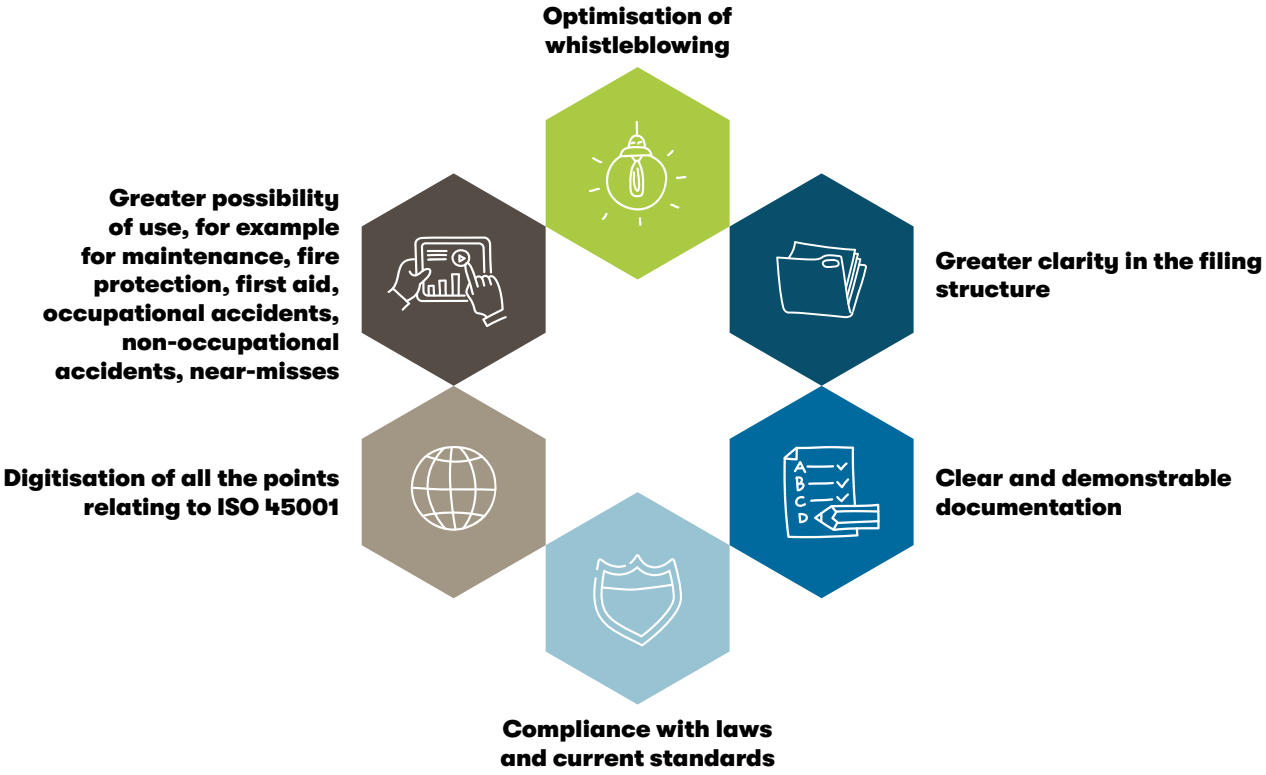
Awareness-Raising Campaigns
An awareness-raising campaign has also begun in the Group's plants with the use of pictures and signs displayed in areas of major transit to the production departments, concerning the five basic rules of safety and the invitation to think before acting ("STOP" rule).

The five rules are:
1. use of PPE (personal protective equipment);
2. compliance with safety procedures and instructions;
3. reporting near-misses, dangerous behaviour and conditions;
4. securing machinery and equipment before maintenance activities, ensuring zero energy state (LOTOTO: Lockout/Tagout/Tryout);
5. compliance with prohibitions (smoking ban, alcohol and drug regulations, restrictions and proper use of mobile phones during work).

In 2024, the AFV Beltrame Group further strengthened its commitment to workplace safety through a programme of initiatives that actively involved its overseas plants as well. At Stahl Gerlafingen and L.M.E., tailored projects were carried out, each following a unique approach yet sharing the common objective of fostering safer, more aware and technologically advanced workplaces.

Working safely for our future

Stahl Gerlafingen continues to use the "Safely" management system for occupational health and safety. This system has once again confirmed numerous advantages such as:



LED LIGHTS

At the Stahl Gerlafingen rolling mills, 290 old lamps were replaced with new LED lights. The aim of the project was to improve safety and comfort in the workplace, increase energy efficiency and reduce maintenance costs. In particular, the new LEDs allow stronger visual feedback for nearby operators.

Zero-Accident Target

Workplace risk prevention must involve everyone at every level. To raise awareness among all employees and beyond, the L.M.E. plant has reaffirmed its health and safety approach, with the goal of achieving "zero incidents". This approach is based on concrete actions rooted in the daily lives of employees and their subcontractors.

The commitment to workplace health and safety encourages continuous improvement based on five key points, affecting the behaviour and involvement of all employees:

- demonstrate involvement and leadership by integrating health and safety into daily and monthly safety meetings;
- strengthen the analysis, prevention and control of risks related to near-misses and accidents;
- employee awareness-raising and training with a focus on changing individual behaviours;
- strengthen preventive actions vis-a-vis subcontractors working on the site;
- bring our facilities and more specifically our machine tools, up to standard.

Quiz

The L.M.E. plant has introduced a weekly safety quiz available on the intranet, with the topic changing each week based on identified hazardous conditions or significant events, such as an injury resulting in lost workdays (LTI).

Reversing Alarms, Gerlafingen, Switzerland

Safety Day

All Group plants held a training and awareness event called SAFETY DAY. The events, attended by almost all employees, consisted of short speeches delivered by internal managers on topics such as safety, energy, sustainability and decarbonisation, followed by various themed stations.

Italy

In July, a Safety Day was organised in the San Didero and Vicenza plants, while in December the same event took place at the San Giovanni site. An opportunity to share ideas, feelings and opinions on highly sensitive topics such as safety. At the Vicenza fair, the guests included: ANMIL, providing testimonials related to workplace injuries; REHAB SOLUTION, focusing on postural well-being; HOSPES, promoting nutritional well-being; and LISA SERVIZI, addressing topics related to safe driving. The event took place in a theatre for the first part, featuring presentations and shared testimonials for all attendees, while the second part of the day included various stands focused on different safety aspects, allowing everyone to explore the topics of greatest interest in more depth.

Safety Day, Fiera di Vicenza, Italy

Switzerland

2024 Safety Day focused on exploring the impacts of climate change on occupational health and safety. Climate change will have significant effects on the world of work, particularly influencing the safety and well-being of workers.
Examples of occupational risks exacerbated by climate change include heat stress, electromagnetic radiation, air pollution, severe industrial accidents, extreme weather events, increased vector-borne diseases and greater exposure to chemicals.
The main topics covered were as follows:

- impacts of climate change on occupational health and safety;
- first aid in case of heart attack symptoms;
- fire emergency: practical demonstrations;
- prevention of slipping, tripping and falling.


Safety Day, plant in Gerlafingen, Switzerland

France

Motto: "Success means teamworking".
The focus was primarily on teamwork to achieve the objectives.
40 teams, representing 40 different countries, competed on topics related to Safety, Environment and Sustainability to win the Winner's Cup. During the event, several activities took place, including:

- chemical risk escape game, featuring elements such as hazard pictograms, safety data sheets, storage rules, PPE and procedures to follow in case of incidents (spills, leaks, etc.);
- QUIZ: about forty questions on various topics such as: LME standards, safety, work at height, handling, eco-gestures, biodiversity and renewable energy;
- speed and agility obstacle course;
- Power Basketball;
- Orienteering;
- Fencing - This combat sport conveys fundamental values and benefits, such as: mental strength, concentration, strategy in making decisions, self-confidence, performance and resistance to physical fatigue. The skills developed in fencing are also valuable at work, where avoiding risks requires being fully present in the "here and now", completely focused on the tasks assigned to us.

Safety Day, Trith Saint Léger plant, France


Safety Day, Trith Saint Léger plant, France

Romania

Călărași

Motto: "Safety is a teamwork" The objective was to renew the concept of the AFV Beltrame Safety Rules; the various activities focused on different aspects such as psychosocial risks, musculoskeletal disorders and first aid, including practical exercises for fractures and cuts.

Târgoviște

Motto: "Together we make work safer!"
The focus was on the importance of using PPE (Personal Protective Equipment); all participants also took part in a safety-themed game.


Safety Day, Călărași plant, Romania

CHAPTER VI
Connection with the Territory

VI.I TERRITORY AND COMMUNITY

Sport has the extraordinary power to bring people together, creating deep and lasting bonds that go far beyond mere physical activity. Within our Group, we see every day how a passion for sport strengthens the sense of belonging, turning colleagues into teammates united by common goals and that wonderful feeling of being part of something bigger. It is precisely this awareness that has driven us, with great enthusiasm, to support various sports associations.

8 DECENT WORK AND ECONOMIC GROWTH

In Italy, our commitment takes shape through support for two prestigious amateur sports clubs proudly bearing the company's name: the historic ASD Beltrame 1989, where our runners train with daily dedication and the dynamic Società Ciclistica AFV Acciaierie Beltrame 1986, whose athletes passionately ride the roads across Italy. 2024 was a particularly significant year for our athletes, who have shown courage and determination by achieving remarkable results in the most prestigious national and international competitions, proudly representing our colours and values at every finish line.

Sport Italy

ASD AFV Beltrame

2024 was a year of growth and success for ASD AFV Beltrame. With a stable group of around 60 athletes, the team has taken part in numerous competitions across the country and, in some cases, achieved excellent results at international events. The season kicked off in January with exciting events for trail running enthusiasts, including participation in the Befana Race in Bressanvido, the Montefortiana, the Red Earth Trail and the Strafexpedition Winter in Asiago, where one of our athletes secured first place in her category. The Giulietta and Romeo Half Marathon in Verona and the AIM Energy Trail saw a high participation and excellent results. In March, our athletes stood out at the Brescia Art Marathon and the Dogi's Half Marathon, braving challenging weather conditions and securing several category podiums. This was followed by further successes in events such as the Ultrabericus, the Stravicenza and the evocative Venice Night Trail, which brought additional satisfaction with a category podium finish. During the summer, the athletes took part in various mountain competitions such as the Corsa del Trenino, the Enego Marcesina and the Potato Run in Brunico, securing numerous podium finishes despite the challenging, training-focused nature of these races. The Bolzarun, the season's flagship event, featured the participation of approximately 30 athletes and earned third place in the AFV Beltrame Trophy. Autumn brought significant results in the half marathons of Vicenza, Brenta and Arzignano, while in October four athletes successfully competed in the Ljubljana Marathon as well as other international races in Antwerp and Parma. The Venice Marathon and the overseas marathons in New York and Nice-Cannes brought to a close an exceptional season, culminating with the remarkable performance of the president at the Valencia Marathon (2h 54m 50s). Beyond the races, 2024 also featured numerous group training sessions, such as the one on Boxing Day at Lake Fimon, as well as participation in charity events, always with a strong team spirit.

Cyclists group

The 2024 cycling season for the AFV Group officially kicked off in March with a pleasant inaugural hill route between Quargnenta and Nogarole Vicentino, specially designed for the start of the season with a total distance of 70 km.
The highlight of the calendar was on 28 April, with participation in the Granfondo Why Sport in Valdagno, now a must-attend event for testing one's fitness in a competitive setting. The more experienced cyclists tackled the challenging long route of 110 km, featuring a positive elevation gain of 2,600 metres.
With the arrival of June, AFV's team crossed Sicily during a scenic stage tour, which included the climb up to the famous Rifugio Sapienza on Mount Etna.

Over the summer months, the Group's cyclists explored a variety of prestigious cycling routes, from the iconic trails of the Asiago Plateau (Lusiana, Foza and Monte Corno) to the legendary climbs of the Dolomites, with special mention of the renowned Sellaronda circuit, linking the Campolongo, Gardena, Sella and Pordoi passes.
The programme also included other notable Alpine climbs, most notably the Manghen Pass, the Rolle Pass and, in South Tyrol, the Penser Joch (Pennes Pass), rounding off a summer full of cycling challenges and rewarding achievements.

ASD Atletica Sangiovannese 1967

AFV Beltrame Group supports ASD Atletica Sangiovannese, founded in 1967, one of the most historic and active sports organisations in the Tuscan region. The club is committed to promoting athletics at both youth and amateur levels, offering personalised training programmes and qualified technical support.
The association organises sports events, tournaments and competitions at both regional and national level, with the aim of promoting the values of sport, such as fair play, discipline and mutual respect. Particular attention is paid to young athletes, with specific programmes dedicated to the development of their physical and mental abilities.

ASD Delfini 2001

This non-profit organisation is exclusively dedicated to supporting and empowering people with disabilities, providing them with physical and psychological assistance through sport and integration with able-bodied individuals.

The organisation carries out educational and rehabilitative activities for children and young people with motor, sensory and psychological impairments caused by congenital or acquired disabilities, offering competitive and recreational sports activities at an amateur level.

It participates in and promotes wheelchair basketball tournaments, events, races and competitions, as well as other sports for people with disabilities, particularly those recognised by the Italian Paralympic Committee, in the province of Vicenza, the Veneto region, Italy and abroad, covering all age groups.

Sport France

"SAH-PH" Club - Handball

Saint-Amand Handball Club, with whom we have a partnership for the third consecutive year. It is an opportunity to share values such as team spirit and challenge. Tickets are distributed at each game to those who request them.

Saulzoir Montrécourt Cycling Club:

A three-year partnership, with a cycling and walking tour starting from L.M.E. scheduled for 15 June. The SAULZOIR MONTRECOURT CYCLING CLUB is a dynamic and inspiring cycling club, dedicated to organising cultural and recreational activities for all cycling enthusiasts. It is a club that welcomes cyclists of all levels, with particular attention to beginners.

Sport Romania

DanubeMan

In promoting sport and an active lifestyle, Donalam supported the triathlon competition "DanubeMan", which brought together over 220 athletes from 7 countries, further cementing its reputation as a leading international sporting event.
Additionally, it once again stood alongside the School Sports Olympics in Călărași, helping to organise a high-quality competition and providing participating students with a memorable experience.

VI.II DONATIONS FOR THE LOCAL AREAS

Throughout 2024, the Group supported various charitable initiatives for local organisations and associations, aimed at promoting social solidarity. Particular attention was given to the cultural and healthcare sectors, with significant commitment to projects supporting childhood.

Italy

Meyer Paediatric Foundation

The Meyer Paediatric Foundation was established to support the communication and fundraising activities of Meyer, the Children's Hospital in Florence. This hospital is a national centre of excellence for paediatrics, thanks to its research, innovative treatment methods and child-friendly care.

The Florence hospital is a healthcare excellence and the foundation supports it through high-value initiatives, further enhancing its technical and scientific profile and increasing its recognition among the public.

There are numerous welcoming projects for children, allowing them to play in a comfortable and colourful environment, take part in educational workshops in the playroom, listen to music with their parents, enjoy activities with clowns and experience pet therapy.

Vicenza for Children

Vicenza for Children is a voluntary association that collaborates with the General Management of Ulss 8 Berica and operates in the Paediatrics, Onco-Haematology Day Hospital and Neonatal Intensive Care Unit departments. Working in synergy with healthcare staff, the association provides emotional and compassionate support to children and their families, also offering financial assistance to those in need and contributing to enhanced comfort by purchasing medicines and specialised medical equipment for hospitals in Vicenza. Additionally, the association undertakes projects to refurbish hospital areas, aiming to create more functional and welcoming environments and improve services for children.

Io sto con Regina Margherita Onlus

The non-profit organisation was founded on 21 July 2008 by the Founding Members Roberta Musso Bona, Maria Cristina Scarafia, Eugenio Bona and Walter Ceresa. It is officially established under Articles 39 and following of the Civil Code as the Committee for the Development of the Children's Hospital of Turin. The hospital notifies the foundation of the most critical and urgent areas for intervention, the technologies to be acquired and the projects to be supported. Once the feasibility of the objective has been assessed, the foundation organises the relevant fundraising activities to secure the necessary funds. The Executive Committee aims to achieve social solidarity objectives by promoting the care and assistance of sick children and providing moral and material support to their families. It also supports research and studies in the field of childhood diseases, organises conferences and congresses and carries out fundraising activities essential to support these initiatives. All activities are carried out by unpaid volunteers.

Società del Quartetto

The Società del Quartetto of Vicenza is a non-profit association that has been organising and promoting concert seasons, festivals and concert events for more than a century. It is also committed to spreading musical knowledge in nursery and primary schools. The Group supports the "Incontri al Quinto Piano" Project, promoted by the association in collaboration with the Vicenza General Hospital. The "Incontri al Quinto Piano" are very informal live performances that bring music to the Oncology ward, offering moments of serenity and hope to patients, their families and medical and healthcare staff.

De Leo Foundation

The De Leo Fundation is a non-profit organisation founded in 2007 by Cristina and Diego De Leo, together with Federica Zoppellaro and Arianna Caldon. It provides practical and psychological support to people who have experienced traumatic bereavement due to road and workplace accidents, suicide, homicide, natural disasters, or human error.

In 2024, in addition to its regular activities, the De Leo Fundation organised the second edition of a National Literary Prize, awarded to a novel published during the year that highlights the positive value of life. The second edition, supported by AFV Beltrame Group, was awarded to Anita Likmeta for the novel "Le favole del comunismo" ("The Tales of Communism"). The award ceremony took place on 19 October in Basilica Palladiana, in Padua.

CSV

The Volunteer Service Centres (CSV) are organisations established to support and enhance the work of associations and volunteers. The CSVs offer a wide range of services free of charge, available to both volunteer organisations listed in the regional registries and those that are not.

They promote a culture of solidarity by supporting the initiatives of associations and encouraging new ones, offering expert advice and assistance, as well as tools for planning, launching and carrying out specific activities. The services provided by the CSVs are organised into four main areas: support and assistance for individuals, the social and healthcare sector, emergency response and civil protection and activities that promote culture and the environment.

Donna chiama Donna

The association Donna chiama Donna is a vital point of reference for women facing situations of distress or vulnerability. Since 2012, it has managed the CeAV - Anti-Violence Centre of Vicenza and since 2018, the one in Arzignano as well.

Its work is based on a collaborative protocol involving the municipal administration, ULSS 8 Berica, law enforcement agencies and numerous local community organisations.

The association offers a wide range of listening and psychological support services, aimed at:

- providing empathetic listening, practical support and appropriate information tailored to each woman's needs;
- fostering awareness of their legal, civil and human rights, promoting self-determination and the empowerment of personal resources;
- providing tools to address and clarify issues of various kinds, whether they are family-related, personal, work-related, or social;
- supporting women who have experienced or are experiencing physical, psychological, economic, or sexual violence, including cases of stalking or domestic abuse;
- providing information about local initiatives, gender-related projects and public and private services, promoting social inclusion and personal autonomy.

ANMIL – National Association for Workers with Work-Related Injuries and Disabilities

Founded in 1943, ANMIL is a longstanding organisation that represents and protects victims of workplace accidents, workers affected by occupational diseases and the families of those who have died at work. Recognised as a Social Promotion Association and Third Sector Entity (APS ETS), the association operates in accordance with the Presidential Decree of 31 March 1979, playing a key institutional role in defending workers' rights.

Since 1999, it has officially represented work-related injury victims on the Steering and Supervisory Council (CIV) of INAIL. ANMIL not only provides personalised social security and welfare support but is also actively involved in promoting accident prevention policies and the professional reintegration of workers affected by disabilities.

The association collaborates with key government institutions, including the Ministry of Labour and Social Policies, the Ministry of Education, University and Research, the Department for Equal Opportunities and INAIL. It also organises awareness campaigns to promote a culture of workplace safety and to spread best practices in accident prevention.

Parents' Committee of Forlì Middle School
Flood in Emilia-Romagna

The Parents' Committee of Forlì Middle School is actively involved in supporting families affected by the flood in Emilia-Romagna through a network of solidarity initiatives and fundraising efforts. The activities promoted by the committee aim to provide tangible support for reconstruction and the return to normal life, with particular focus on the educational and material needs of students and their families.

Educational robotics project
A. Rossi Institute of Vicenza

This project aims to bring young people closer to the world of robotics by giving them the opportunity to learn how to design a fully independent automated system as a team, enabling them to take a leading role in competitions that increasingly involve both national and international participants.

In particular, robotics is rapidly expanding in our community, impacting both the industrial sector and everyday life. Its integration with AI creates a combination that students need to learn about and understand. Moreover, educational robotics has the great advantage of gradually introducing students to the activity by organising them into teams to design, programme and build a finished product capable of performing a specific task. The project is fully developed at school.

Taking part in competitions offers students an important learning opportunity, allowing them to challenge and compare themselves with pupils from other schools in Italy and abroad, particularly in countries where robotics is more developed.

Arkadia Onlus – Day Centre for People with Disabilities in the Valdarno Area

Arkadia Onlus is a day centre dedicated to social inclusion and support for people with disabilities, located in the Valdarno area. The association offers personalised educational programmes, developed through ongoing collaboration between educators, families and the individuals involved. The services offered aim to:

- develop personal and social skills;
- promote the autonomy of participants;
- promote inclusion within the local community through cultural, sporting and recreational activities.

Arkadia's main goal is to move beyond standardised care models by creating growth pathways and active participation based on the specific needs of each individual.

Restoration of the façade of the Teatro Olimpico in Vicenza

The Teatro Olimpico in Vicenza, a masterpiece by Andrea Palladio and a UNESCO World Heritage Site, recently underwent significant restoration funded by a crowdfunding campaign launched by the Accademia Olimpica and the Società del Quartetto di Vicenza, with the support of AFV Beltrame Group.

The initiative, called "Un volto per l'Olimpico" ("A Face for the Olimpico"), successfully achieved its goal of raising the necessary funds for the restoration of the theatre's exterior façades.

The work involved the restoration of damaged plaster, the preservation of wooden and stone materials and the refurbishment of the famous portal designed by Vincenzo Scamozzi.

This restoration not only preserved a monument of priceless historical and artistic value but also represents a significant effort to enhance Italy's cultural heritage.

Exhibition of 3 Masterpieces in Vicenza: Caravaggio, Sassolino, Van Dick

Time: Three Masterpieces in Dialogue at the Basilica Palladiana.

From 16 December 2023 to 4 February 2024, the Basilica Palladiana in Vicenza hosted the exhibition "Three Masterpieces in Vicenza", organised by the Municipality of Vicenza in collaboration with Intesa Sanpaolo.

The project centred around the theme of Time, explored through three works of art that established a symbolic dialogue between different eras:

- Caravaggio's "Saint Jerome" (1606), an exceptional loan from the Galleria Borghese in Rome, which depicts human fragility in the face of divine wisdom;
- "The Four Ages of Man" by Antoon Van Dyck, a masterpiece from the Civic Museums of Vicenza, which compares the stages of human life to the seasons of nature;
- "No Memory Without Loss" by the contemporary Vicentine artist Arcangelo Sassolino, an installation created specifically for the event: a giant rotating disc over three metres in diameter, balanced precariously.

The exhibition was enhanced by a programme of 17 free cultural events that explored the concept of time through various disciplines: photography, philosophy, dance, astrophysics, literature and music. Additionally, four educational workshops for children were offered, organised by Palladio Museum Kids.
The initiative received support from numerous sponsors, including Confindustria Vicenza, Cereal Docks, Gemmo and Melegatti. A significant contribution was also made by AFV Beltrame Group, thereby reaffirming its commitment to supporting high-value cultural projects in the Vicenza area.

AreaArte

AFV Beltrame Group supports AreaArte, a cultural platform dedicated to enhancing the artistic and museum heritage of the Triveneto region.

The initiative aims to promote art exhibitions, cultural events and educational activities, providing local artists with new opportunities for visibility and professional development.

The company's employees can benefit from discounts to attend exhibitions and festivals, thereby promoting personal well-being through access to culture.
The project represents a tangible commitment to revitalising the local cultural system, seen as a tool for both collective and personal growth.

Palio di San Rocco - San Giovanni Valdarno

The Palio di San Rocco is a folkloric event rooted in the medieval history of Figline Valdarno, dating back to 1414.
Originally celebrated during the Feste del Perdono, the race featured the warhorses of the local nobility. After a long hiatus, the event was revived in 1972 to celebrate medieval traditions.

Since 1980, horse races have once again become the heart of the event, reviving the original spirit of the competition. Today, the Palio serves as an opportunity to celebrate the city's cultural heritage, offering performances, historical reenactments and moments of community gathering.

Switzerland

Artistic installation at Biberist

To enhance a new junction at a roundabout in Biberist, a town near our Swiss headquarters, Stahl Gerlafingen has applied for a building permit, proposing an artistic and symbolic installation: a large three-dimensional steel cube.
The artwork, approximately 3.5 metres high and balanced on one of its corners, represents a gesture of industrial identity and aesthetic consideration for the public space.

The project also foresees a second phase after the installation: the cube will be partially enveloped by ivy or other climbing plants, creating a visual dialogue between industry and nature that symbolises the company's dedication to sustainability.

Work commenced in early 2024, subject to any delays arising from potential objections. The initiative is part of Stahl Gerlafingen's broader commitment to the local area, combining functionality, art and environmental responsibility.

Gerlafingen celebrates 200 years of industry and culture with a public artwork.

In the heart of Gerlafingen's Oberfeldpark, art meets industrial heritage. To mark the bicentenary of Stahl Gerlafingen AG in 2023, the municipality launched an international competition for the creation of a sculptural fountain celebrating the dialogue between water and metal, nature and industry, past and future.

The initiative aimed to highlight the deep connection between the community and its steelmaking heritage, while also promoting public art as a means of fostering dialogue between innovation and memory. The new fountain stands as a tangible symbol of Gerlafingen's identity: a place for gathering, play and reflection, able to tell the story of a town that has been transforming scrap into value for two centuries through steel and water.

A symbolic work, created to inspire, engage, reflect and endure, bearing witness to two centuries of steel and creativity.

France

AFPI

L.M.E. is a partner of AFPI, an industrial training centre offering courses in maintenance, electrical engineering, design and industrial production, boiler construction, mechanical machining, QHSE (quality, health, safety and environment) and logistics. The partnership includes hosting apprentices from their training courses, integrating specific programmes within the company.

Réseau Entreprendre

An international network that promotes the creation and growth of new businesses through mentorship by experienced entrepreneurs. This initiative stems from the desire to actively contribute to the growth of local entrepreneurship by offering internal expertise, time and support to those starting new ventures. It is a tangible way to give back to the community, strengthen the economic and social fabric and create new job opportunities.

Aportée d'elles

Since September 2024, L.M.E. has been a member of this association, which supports women in difficulty to advance both personally and professionally. Through sponsorship, it provides listening, time and a network of contacts to help them return to a normal life. Support for "A portée d'elles" is part of broader initiatives aimed at tackling poverty and promoting social inclusion.
This type of support strengthens the company's ties with the local territory and communities, helping to improve the quality of life for vulnerable individuals and promoting their reintegration into society.

Made In Valenciennes

Made in Valenciennes, organised by the Valenciennes Tourist and Convention Office, is an opportunity for local visitors to discover businesses in the area as they open their doors for the occasion.
This event allows us to enhance our company's image, promote our teams and become part of the local ecosystem. This year we are participating for the second time and 144 people are expected.

Courir pour toit

"Courir pour Toit" is a French association committed to helping homeless individuals get off the streets and rebuild a stable life. Among its various initiatives, it organises a charity run of the same name, Courir pour Toit, in which our French branch took part.

"Toit à Moi" stands out for its comprehensive approach:

- Stable housing: it purchases actual flats ("stepping-stone housing") rather than offering only temporary shelters, providing a secure starting point.
- Personalised support: a team of social workers and volunteers provides comprehensive assistance, covering everything from administrative matters and job searching to psychological and recreational support.
- Breaking isolation: it actively works to rebuild social connections through daily shared interactions, combating loneliness.

Romania

Craftsmen of Steel

In Romania, the "Craftsmen of Steel" dual education programme was launched for the second consecutive year at the Târgoviște and Călărași plants. Forty students are enrolled, continuing their training by combining theory and practical experience in our factories.
It is a pleasure to see how seriously these young people prepare themselves, taking the opportunity to learn directly from our specialists.

Lumya Campus

An important collaboration launched in 2024 was the partnership for the construction of the Lumya Campus, the first campus in Romania dedicated to people with autism.
We contributed to the project by supplying the materials needed for the campus infrastructure, thereby helping to create a modern and safe space that will have a tangible impact on the lives of its future users.

Biodiversity

Analysis of the Beleafing Project "Park of Associations"

The "Park of Associations" project, carried out by AFV Acciaierie Beltrame S.p.A. in collaboration with the Municipality of Vicenza and the Centro Servizi per il Volontariato (CSV, Volunteer Service Centre), represents a significant initiative with a dual social and environmental purpose. The project resulted in the creation of an urban park within the municipality of Vicenza through the planting of 1,205 trees, a number symbolically chosen to represent the 1,200 associations active in the Vicenza area.

The initiative is part of a broader effort towards widespread urban forestry, aimed at extending the environmental benefits provided by trees throughout the territory. For the creation of the park, 18 native tree species were selected, chosen in accordance with the Regional Guidelines for the development of lowland forests.
The selection of these species was not random but was based on specific criteria such as their capacity to absorb CO_2, capture fine particulate matter and support pollinating insects.

The choice of native species offers numerous advantages, including reduced maintenance requirements, lower use of pesticides and fertilisers and decreased water consumption. These plants, being native to the area, have already undergone natural selection and are therefore better adapted to the local environmental conditions.

In addition to the trees, 10 species of bee-friendly flowers were also sown in the park, with a total of over 16,000 grams of seeds. This choice has made it possible to create an alternation between wooded areas and grasslands, recreating the typical landscape of the Venetian countryside.
The selected flowers provide a valuable contribution to the health and survival of bees, offering abundant nectar and pollen resources, which are essential for the nutrition of worker bees and the development of larvae.

The layout of the "Park of Associations" was designed according to a specific scheme, alternating mixed rows with rows of shrubs only. The mixed rows consist of modules with a total length of 10 metres, in which 3 tall trees and 8 shrubs are planted, while the shrub-only rows are made up of 18 shrubs planted in groups of 3.

From an environmental impact perspective, the park provides significant benefits. It is estimated that the trees planted can absorb a total of 144,140 kg of CO_2 per year and capture 84.35 kg of fine particulate matter (PM10) annually. These figures highlight the project's significant contribution to mitigating air pollution and combating climate change.
The "Park of Associations" project also contributes to the achievement of three of the seventeen UN Sustainable Development Goals: "Sustainable Cities and Communities", "Climate Action" and "Life on Land". By establishing this green space, the project fosters urban sustainability, helps mitigate the impacts of climate change and enhances biodiversity.

The "Park of Associations" thus stands as a positive example of how urban forestry initiatives can generate multiple benefits, not only environmental but also social. The creation of this park has helped improve air quality, reduce the urban heat island effect, increase biodiversity and create a space that contributes to the physical and mental well-being of residents.

CHAPTER VII
Our Sustainability Achievements

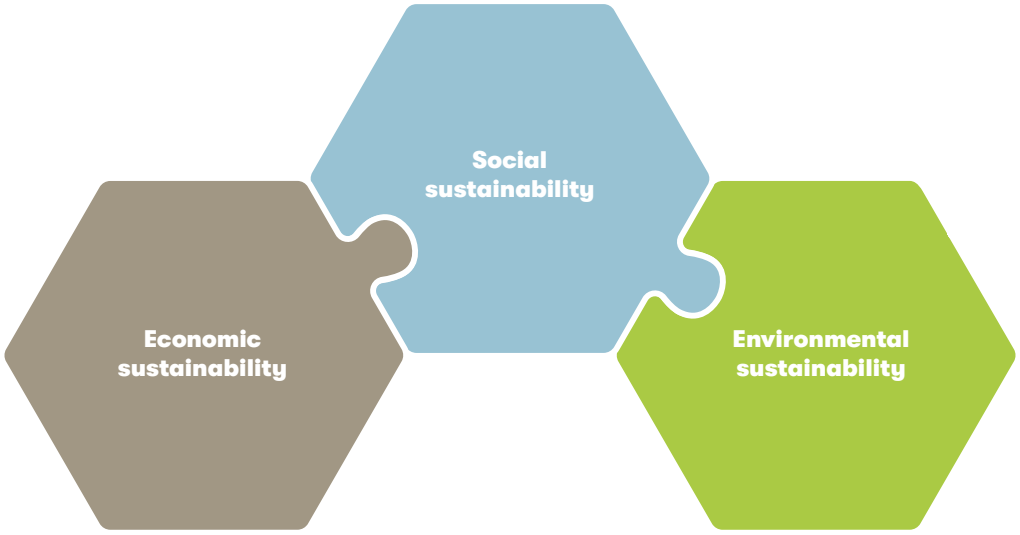
VII.I SUSTAINABILITY PERFORMANCE

This section presents the main indicators, both managerial and thematic, considered priorities for assessing sustainability performance. All the data presented refer to the reporting boundary of AFV Beltrame Group, including the companies AFV Acciaierie Beltrame S.p.A. (sites in Vicenza, San Didero and San Giovanni Valdarno), Laminés Marchands Européens S.A., Donalam S.r.l. (sites in Călărași and Târgoviște), Stahl Gerlafingen A.G. and the hydroelectric power plants. Since the Donalam-Târgoviște site and the hydroelectric power plants have been included in the reporting scope starting from 2024, environmental data are provided for both configurations: one excluding Târgoviște and the power plants and the other including them, to ensure comparability with data from previous years.

These indicators are subsequently labelled as "2024" when they exclude the Târgoviște site and the hydroelectric power plants and as "2024+" when these sites are included within the reporting scope.
A total of 109 indicators have been identified, with trends reported for the three-year period 2022–2024.
In particular, the following were selected:

- 8 economic sustainability indicators;
- 34 social sustainability indicators;
- 67 environmental sustainability indicators.

These indicators are extracted from the numerous data sets collected and analysed for business management purposes. The data collected is periodically updated, analysed and reviewed at specific meetings held at the various Group sites. In relation to the Group's economic and financial performance, please refer to the Consolidated Financial Statements available on the website: www.gruppobeltrame.com.



ECONOMIC SUSTAINABILITY Ensuring economic efficiency and profitability for the company.

GRI 200	No. KPI	INFORMATION	REFERENCE
201-1	2	Economic value	●
205-3	4	Corruption risks	○
206-1	2	Anti-competitive behaviour	○
No. indicators	8		

● References in chapter VII.IV "Economic sustainability indicators".
○ References in the body of the document.

SOCIAL SUSTAINABILITY Ensuring quality of life, safety and services for citizens.

GRI 400	No. KPI	INFORMATION	REFERENCE
401-1	2	Recruitment and turnover	●
401-2	2	Benefits	○
402-1	2	Advance notice	●
403-1	2	Occupational Health and Safety Management System	○
403-2	4	Danger, risks, accidents	○
403-3	1	Occupational medicine	○
403-4	2	Consultation participation	○
403-5	1	Health/safety training	○
403-6	2	Health promotion	○
403-7	1	Impact prevention	○
403-9	7	Accidents	●
404-1	1	Training	●
405-1	2	Diversity	●
406-1	2	Non-discrimination	○
407-1	2	Freedom of association	○
413-1	1	Local communities	○
No. indicators	34		

● References in chapter VII.V "Social sustainability indicators". ○ References in the body of the document.

ENVIRONMENTAL SUSTAINABILITY Ensuring the availability and quality of natural resources.

GRI 300	No. KPI	INFORMATION	REFERENCE
301-1	1	Materials used	●
302-1	7	Energy consumed	●
302-3	4	Energy intensity	●
303-1	4	Water management	○
303-2	1	Management of impacts related to water discharge	○
303-3	4	Water withdrawal	●
304-1	1	Biodiversity	○
305-1	7	Direct GHG emissions	○
305-2	7	Indirect GHG emissions	○
305-3	7	Other greenhouse gas emissions GHG	○
305-4	4	Intensity of greenhouse gas emissions GHG	●
305-7	3	Significant emissions	●
306-1	1	Waste management	○
306-2	3	Impacts related to waste	○
306-3	2	Waste produced	●
306-4	5	Waste recovery	●
306-5	5	Waste disposal	●
308-1	1	Supplier assessment	
No. indicators	67		

● References in chapter VII.VI "Environmental sustainability indicators". ○ References in the body of the document.

VII.II SUMMARY OF 2024 RESULTS AND TARGETS FOR 2025

The activities described in the previous chapters highlight the Group's ongoing commitment to developing concrete actions in support of sustainability, reflecting a clear strategy and continuous improvement in ESG performance.

The year 2024 saw the achievement of many of the set objectives, with generally positive results. Although some areas require further efforts to optimise performance, the Group is determined to consolidate its achievements and continue the ongoing improvement of its sustainability initiatives.

Accident rate | Energy consumption | CO_2 emissions | Water resource management | Waste management

Below is a specific overview of all the KPIs identified for each of the 5 Pillars, with related 2024 Group-wide targets[1] and results[2]:

Pillar	KPI	KPI target description	Unit of measurement	Target 2024	Result 2024
Energy consumption	Energy consumption of the EAF furnaces Weighted average of EAF kiln electricity consumption on the semi-product output of each site.	Reduction of consumption compared to the weighted average for production for the three-year period 2019-2021	kWh/tonne semi-finished products (billets)	363.02	371.22
Energy consumption	Consumption of natural gas rolling mills Weighted average of natural gas consumption of rolling mill furnaces on finished product output of each site.	Reduction of consumption compared to the weighted average for production for the three-year period 2019-2021	Sm^3/tonne finished product	33.00	33.21
Water resource management	Water withdrawal Weighted average of water withdrawals on production of steel produced for steel mills and finished product for rolling mills.	Optimisation of water resource use processes and reduction of water withdrawal	m^3 H_2O/tonne steel produced	1.89	1.67
CO_2 emissions	Emissions of carbon dioxide Weighted average compared to the finished product output of each production site and also considers processing yield.	Reduction of carbon dioxide emissions (Scope 1 and Scope 2, Market Based) in line with the Group's strategic decarbonisation plan for 2030	tCO_2e/tonne finished product	0.223	0.186
Waste management	Recycled waste fraction Ratio of the sum of recycled and valorized waste to the sum of recycled, valorized and disposed waste.	Percentage of waste delivered for recovery operations (including internal recycling)	%	92.3	95.6[3]
Accident rate	Lost Time Injury Frequency Rate (LTIFR) Ratio of the number of injuries to total hours worked during the same period, multiplied by 1,000,000.	Reduction in accident frequency index (with loss of working days)	No./MioH	18	21.8

Notes:
[1] The reported percentage excludes non-recurring waste generated as a result of activities related to extraordinary investments.
[2] The Group-level targets and results have been calculated based on the weighted average of individual plant targets. Only the "Accident rate" target includes the Târgoviște plant.
[3] The Group-wide results were calculated as a weighted average of the individual plant results. Only the "Accident rate" result includes the Târgoviște plant and the hydroelectric power plants.

For 2025 as well, AFV Beltrame Group intends to focus its efforts on pursuing the sustainability improvement objectives based on the 5 identified Pillars and the related KPIs under analysis.
Specifically, the Group has set itself the following targets for 2025:

Pillar	KPI	Unit of measurement	Target 2025
Energy consumption	Energy consumption of the EAF furnaces	kWh/tonne semi-finished product (billets)	367.77
Energy consumption	Consumption of natural gas rolling mills	Sm^3/tonne finished product	31.51
Water resource management	Water withdrawal	m^3 H_2O/tonne steel produced	1.89
CO_2 emissions	Carbon dioxide emissions (Scope 1 and Scope 2 Market Based)	tCO_2e/tonne finished product	0.211
Waste management	Fraction of recycled waste	%	92.7
Accident rate	Lost Time Injury Frequency Rate (LTIFR)	No./MioH	18

The targets set for 2025, especially in the energy sector, are linked to the five-year reduction plan (2022-2026) and are aligned with the Group's budget values.
As for CO_2 emissions, the target is aligned with the Group's 2030 decarbonisation plan.

GRI CONTENT INDEX

Declaration of use:	AFV Beltrame Group submitted a report in accordance with the GRI standards for the period 01/01/2024 - 31/12/2024.
GRI 1 used:	GRI 1: Fundamental Principles - Version 2021
Relevant GRI industry standards:	-

GRI Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
GRI 2: General disclosures 2021	2-1 Organisational details	The structure of AFV Beltrame Group	28-29				-
	2-2 Entities included in the organisation's sustainability reporting	Methodological note	15				-
	2-3 Reporting period, frequency and contact point	Methodological note	14-15				-
	2-4 Restatements of information	Methodological note	14-15				-
	2-5 External assurance	Methodological note; Independent Auditor's Report on the Sustainability Report	14 224-226				-
	2-6 Activities, value chain and other business relationships	History and evolution of AFV Beltrame Group	20-21				-
	2-7 Employees	Creating Value for Stakeholders; The Group's Human Resources. People. Relationships. Value; Social Sustainability Indicators	25 155 215				-
	2-8 Workers who are not employees	Social Sustainability Indicators	215				-
	2-9 Governance structure and composition	Corporate Bodies	27				-
	2-10 Nomination and selection of the highest governance body	Appointment of Directors and Composition of the Board of Directors	30				-
	2-11 Chair of the highest governance body	Appointment of Directors and Composition of the Board of Directors	31				-
	2-12 Role of the highest governance body in overseeing the management of impacts	Organisational Structure for Sustainability	32-34				-
	2-13 Delegation of responsibility for managing impacts	Organisational Structure for Sustainability	32-34				-
	2-14 Role of the highest governance body in sustainability reporting	Organisational Structure for Sustainability	32-34				-
	2-15 Conflicts of interest	The structure of AFV Beltrame Group	32				-
	2-16 Communication of critical concerns	Ethics, Business Integrity and Compliance	42-43				-
	2-17 Collective knowledge of the highest governing body	The structure of AFV Beltrame Group	32-34				-
	2-18 Evaluation of the performance of the highest governance body			2-18 a. - b. - c.	Information not available/ incomplete	AFV Beltrame Group undertakes to provide this information in the medium term	-
	2-19 Remuneration policies	Remuneration Policies	32				-
	2-20 Process to determine remuneration	Remuneration Policies	32				-

GRI Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
GRI 2: General disclosures 2021	2-21 Total annual remuneration report			2-21 a. - b. - c.	Information not available/ incomplete	AFV Beltrame Group is committed to providing this information in the medium term	-
	2-22 Statement on sustainable development strategy	Letter to Stakeholders	8				-
	2-23 Policy commitments	Ethics, Business Integrity and Compliance; Equal Gender Opportunities	42-45 172-173				-
	2-24 Embedding policy commitments	Ethics, Business Integrity and Compliance;	42-45				-
	2-25 Processes to remediate negative impacts	Organisational Structure for Sustainability; Ethics, Business Integrity and Compliance	32 42-43				-
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, Business Integrity and Compliance; Whistleblowing Policy	42-43 45				-
	2-27 Compliance with laws and regulations	Ethics, Business Integrity and Compliance	43				-
	2-28 Membership associations	AFV Beltrame Group's Participation in Trade Associations	162-163				-
	2-29 Approach to stakeholder engagement	Stakeholder Engagement & Strategy; Materiality Analysis	51 52-53				-
	2-30 Collective bargaining agreements	Social Sustainability Indicators	216				-
Material Topics							
GRI 3: Material topics 2021	3-1 Process of determination of material topics	Materiality Analysis	52-63				-
	3-2 List of material topics	Materiality Analysis	64				-
Active and passive corruption							
GRI 3: Material topics 2021	3-3 Management of material topics	Ethics, Business Integrity and Compliance; Anti-Corruption Policy	42-43 43				-
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption Policy	43				-
Supplier relationship management, including payment practices							
GRI 3: Material topics 2021	3-3 Management of material topics	Ethics, Business Integrity and Compliance; Code of ethics	42-43 43				-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that have been selected using environmental criteria	Sustainable supply chain management and procurement policy	68-69				-

GRI Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Climate change adaptation and mitigation							
GRI 3: Material topics 2021	3-3 Management of material topics	AFV Beltrame Group's Commitment to Responsible Environmental Management; The QHSE Integrated Management System; Decarbonisation and Climate Change; Chalibria - Carbon Neutral Steel	78 79-80 95-121 124-134				-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Decarbonisation and Climate Change	102-108				-
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	Decarbonisation and Climate Change	102; 108-110				-
	305-3 Other indirect (Scope 3) GHG emissions	Decarbonisation and Climate Change	102; 111				-
	305-4 GHG emission intensity	Environmental Sustainability Indicators	221				-
Energy							
GRI 3: Material topics 2021	3-3 Management of material topics	Energy for the Group	82-93				-
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Environmental Sustainability Indicators	220				-
	302-3 Energy intensity	Environmental Sustainability Indicators	220				-
Pollution of air							
GRI 3: Material topics 2021	3-3 Management of material topics	Policy and Regulatory Risk; AFV Beltrame Group's Commitment to Responsible Environmental Management; Atmospheric Emission Management;	35-41 78 94				-
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulphur oxides (SOX) and other significant air emissions	Environmental Sustainability Indicators	221				-
Waters							
GRI 3: Material topics 2021	3-3 Management of material topics	Policy and Regulatory Risk; AFV Beltrame Group's Commitment to Responsible Environmental Management; Water resource management;	35-41 78 136-137				-
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Water resource management;	136-137				-
	303-2 Management of water discharge-related impacts	Water resource management;	136-137				-
	303-3 Water withdrawal	Environmental Sustainability Indicators	221				-

GRI Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Use of resources (inflows of resources, including use and outflows of resources related to products and services)							
GRI 3: Material topics 2021	3-3 Management of material topics	Policy and Regulatory Risk; AFV Beltrame Group's Commitment to Responsible Environmental Management; Raw Materials, Consumables and Waste	35-41 78 138-140				-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental Sustainability Indicators	220				-
Waste							
GRI 3: Material topics 2021	3-3 Management of material topics	Policy and Regulatory Risk; AFV Beltrame Group's Commitment to Responsible Environmental Management; Raw Materials, Consumables and Waste	35-41 78 138-140				-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Raw Materials, Consumables and Waste	138-140				-
	306-2 Management of significant waste-related impacts	Raw Materials, Consumables and Waste	138-140				-
	306-3 Waste generated	Environmental Sustainability Indicators	221				-
	306-4 Waste diverted from disposal	Environmental Sustainability Indicators	222				-
	306-5 Waste directed to disposal	Environmental Sustainability Indicators	222				-
Impacts on the extension and condition of ecosystems							
GRI 3: Material topics 2021	3-3 Management of material topics	AFV Beltrame Group's Commitment to Responsible Environmental Management;	78				-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased or managed that are located in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Biodiversity in the Company	146-151				-
Working conditions							
GRI 3: Material topics 2021	3-3 Management of material topics	The Group's Human Resources. People. Relationships. Value; Trends in Employment Levels; Employee Health and Safety;	154 156 176-185				-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Sustainability Indicators	216				-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration of Human Resources	157				-
GRI 402: Labor management and labor relations 2016	402-1 Minimum notice periods regarding operational changes	Social Sustainability Indicators	216				-

GRI Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Working conditions							
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	The QHSE Integrated Management System	79-80				-
	403-2 Hazard identification, risk assessment and incident investigation	Employee Health and Safety	176-185				-
	403-3 Occupational health services	Employee Health and Safety	176-185				-
	403-4 Worker participation, consultation and communication on occupational health and safety communication	Employee Health and Safety	176-185				-
	403-5 Worker training on occupational health and safety	Employee Health and Safety	176-185				-
	403-6 Promotion of worker health	Employee Health and Safety	176-185				-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety	176-185				-
	403-9 Work-related injuries	Social Sustainability Indicators	217	403-9 b	Data on hours worked by outside workers are not available	AFV Beltrame Group is committed to providing this information in the medium term	-
Equal treatment and opportunities for all							
GRI 3: Material topics 2021	3-3 Management of material topics	The Group's Human Resources. People. Relationships. Value; Training and Events with a View to Corporate Commitment	154 158-159				-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Creating Value for Stakeholders; Social Sustainability Indicators	24 218				-
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in governance bodies and among employees	Social organs; Social Sustainability Indicators	27 218				-
GRI 406: Non-discrimination 2016	406-1 Discrimination incidents and corrective measures taken	Gender Equal Opportunity	172				-
Economic, social and cultural rights of communities							
GRI 3: Material topics 2021	3-3 Management of material topics	The connection with the territory	188-201				-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	Donations for the Local Areas	192-201				-

GRI Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Material issues not associated with GRI indicators							
Corporate culture							
GRI 3: Material topics 2021	3-3 Management of material topics	Ethics, business integrity and compliance; Code of Ethics	42-43 43				-
Pollution of living organisms and food resources							
GRI 3: Material topics 2021	3-3 Management of material topics	Policy and Regulatory Risk; AFV Beltrame Group's Commitment to Responsible Environmental Management;	35-41 78				-
Pollution from radioactive sources (substances of very high concern)							
GRI 3: Material topics 2021	3-3 Management of material topics	Policy and Regulatory Risk; AFV Beltrame Group's Commitment to Responsible Environmental Management; Radiometric controls	35-41 78 141				-
Confidentiality (other work-related rights)							
GRI 3: Material topics 2021	3-3 Management of material topics	Training and cybersecurity	165-169				-
GRI indicators reported not associated with material issues							
Anti-competitive behavior							
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive anti-trust activities and monopolistic practices	Anti-Corruption Policy	44				-
Economic performance							
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Indicators of economic sustainability	214				-
Freedom of association and collective bargaining							
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Industrial Relations	160				-

ECONOMIC SUSTAINABILITY INDICATORS

The economic value generated by the Group and subsequently distributed to stakeholders is presented in the following statement of value generated, retained and subsequently distributed. This value is determined by the economic value generated during the reporting period through the sale of services and products, as well as other income (such as financial income and other revenues), net of depreciation and impairments and by the value redistributed, in various forms, to the Group's stakeholders. This value was determined based on the items of the income statement format used in the Group's consolidated financial statements as at 31 December 2024.

EVG&D Form Items (€/1,000)[1)]	2024
Value generated	1,564,317
Revenues	1,564,465
Financial income and expenses	-148
Distributed value	1,585,842
Operating expenses	1,377,677
Salaries and employee benefits	180,616
Payments to capital providers	23,995
Dividends distributed to shareholders	-
Payments to Public Administration	3,356
Investments in the community	199
Retained value	-21,525

Notes:
[1)] The values shown in the table are expressed in thousands of euros.

VII.V SOCIAL SUSTAINABILITY INDICATORS

The indicators labelled "2024" exclude the Târgoviște site and the hydroelectric power plants.
The indicators labelled "2024+" include the Târgoviște site and the hydroelectric power plants.

GRI 2-7 Information on employees and other workers [1)]

		2022			2023			2024+		
Total employees		**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**
Total number of employees	No.	2,131	197	**2,328**	2,136	193	**2,329**	2,268	265	**2,533**
Total employees broken down by type of contract and gender		**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**
Permanent contract (Perm)	No.	2,067	187	**2,254**	2,078	184	**2,262**	2,216	250	**2,466**
Fixed term (Fixed)	No.	64	10	**74**	58	9	**67**	52	15	**67**
Total employees broken down by contractual working hours and gender		**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**
Full-time	No.	2,106	166	**2,272**	2,116	168	**2,284**	2,250	238	**2,488**
Part-time	No.	25	31	**56**	20	25	**45**	18	27	**45**
Total employees by type of contract and geographical area		**Perm.**	**Fixed**	**Tot.**	**Perm.**	**Fixed**	**Tot.**	**Perm.**	**Fixed**	**Tot.**
Italy	No.	858	5	**863**	914	8	**922**	917	11	**928**
Romania	No.	337	0	**337**	286	0	**286**	577	24	**601**
Switzerland	No.	563	0	**563**	565	2	**567**	492	7	**499**
France	No.	496	69	**565**	497	57	**554**	480	25	**505**
Total employees broken down by contractual working hours and geographical area		**Full-time**	**Part-time**	**Tot.**	**Full-time**	**Part-time**	**Tot.**	**Full-time**	**Part-time**	**Tot.**
Italy	No.	838	25	**863**	903	19	**922**	909	19	**928**
Romania	No.	336	1	**337**	285	1	**286**	595	6	**601**
Switzerland	No.	534	29	**563**	544	23	**567**	481	18	**499**
France	No.	564	1	**565**	552	2	**554**	503	2	**505**

GRI 2-8 Information on employees and other workers [2)]

		2022			2023			2024+		
External workers		**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**	**Men**	**Women**	**Tot.**
Interns	No.	25	6	**31**	4	7	**11**	18	7	**25**
Temporary workers	No.	94	5	**99**	41	1	**42**	38	0	**38**
Total	**No.**	**119**	**11**	**130**	**45**	**8**	**53**	**56**	**7**	**63**

Note:
[1)] The Group includes non-guaranteed hourly employees.
[2)] This means workers who are not employees and whose tasks are controlled by the organisation.

GRI 402-1 Minimum notice period for operational changes: The minimum notice period is determined by the applicable National Collective Labour Agreement (CCNL).

GRI 2-30 Collective bargaining agreements: 100% of employees are covered by collective bargaining agreements applicable in the various countries where AFV Beltrame Group operates.

Number of employees covered by national collective agreement		2022			2023			2024+		
		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Executives	No.	40	5	**45**	43	7	**50**	45	14	**59**
Middle managers and white collars	No.	402	160	**562**	394	158	**552**	440	184	**624**
Blue collars	No.	1,688	33	**1,721**	1,699	28	**1,727**	1,783	67	**1,850**
Total	**No.**	**2,130**	**198**	**2,328**	**2,136**	**193**	**2,329**	**2,268**	**265**	**2,533**

GRI 401-1 New employee hires and employee turnover

New hires during the reporting period, broken down by age group and gender of the worker		2022				2023				2024+			
		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Men	No.	110	150	44	**304**	100	112	21	**233**	87	105	22	214
Women	No.	23	20	4	**47**	14	9	6	**29**	10	13	5	28
Total	**No.**	**133**	**170**	**48**	**351**	**114**	**121**	**27**	**262**	**97**	**118**	**27**	**242**
Men	%	37.7	12.7	6.7	**14.3**	35.1	9.4	3.2	**10.9**	31.4	8.8	2.8	9.4
Women	%	51.1	17.9	10.0	**23.9**	35.9	8.3	13.3	**15**	27.0	9.2	5.7	10.6
Total Rate	**%**	**39.5**	**13.1**	**6.9**	**15.1**	**35.2**	**9.3**	**3.8**	**11.2**	**30.9**	**8.8**	**3.1**	**9.6**

Termination of employment contracts during the reporting period, broken down by age group and gender of the worker		2022				2023				2024+			
		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Men	No.	71	90	89	**250**	68	95	94	**257**	98	209	202	**509**
Women	No.	6	17	8	**31**	12	19	3	**34**	15	29	39	**83**
Total	**No.**	**77**	**107**	**97**	**281**	**80**	**114**	**97**	**291**	**113**	**238**	**241**	**592**
Men	%	24.3	7.6	13.6	**11.7**	23.9	8	14.2	**12**	35.4	17.5	25.4	**22.4**
Women	%	13.3	15.2	20.0	**15.7**	30.8	17.4	6.7	**17.6**	40.5	20.6	44.8	**31.3**
Total Rate	**%**	**22.9**	**8.3**	**13.9**	**12.1**	**24.7**	**8.8**	**13.8**	**12.5**	**36.0**	**17.8**	**27.3**	**23.4**

Total number of turnover in the reporting period, by geographical area		2022		2023		2024+	
		Employees hired	Employees exited	Employees hired	Employees exited	Employees hired	Employees exited
Italy	No.	85	61	89	60	92	86
Romania	No.	69	70	24	75	47	286
Switzerland	No.	110	99	107	103	86	154
France	No.	87	51	42	53	17	66
Total	**No.**	**351**	**281**	**262**	**291**	**242**	**592**

GRI 403-9 Work-related injuries[2)]

Accidents - employees		2022	2023	2024+
Fatal accidents	No.	0	0	0
Accidents at work with serious consequences (excluding deaths)	No.	1	2	0
Total recordable injuries (LTI + MI)	No.	138	102	126

Accidents - other workers		2022	2023	2024+
Fatal accidents	No.	2	0	0
Accidents at work with serious consequences (excluding deaths)	No.	0	0	0
Total recordable injuries (LTI + MI)	No.	17	14	15

Main causes of accidents - employees		2022	2023	2024+
Stumbles and slips	No.	13	26	19
Collisions and crushing	No.	69	37	66
Cuts (wounds)	No.	8	10	13
Other	No.	48	29	28

Main causes of accidents - other workers		2022	2023	2024+
Stumbles and slips	No.	4	2	7
Collisions and crushing	No.	10	7	3
Cuts (wounds)	No.	0	1	1
Other	No.	3	4	4

Total hours worked by employees		2022	2023	2024+
Total	hours	**4,060,437**	**5,184,493**	**4,807,870**

Safety indices - employees		2022	2023	2024+
Fatal accident rate	(°)	-	-	-
Rate of injury with serious consequences (excluding deaths)	(°)	0.25	0.39	-
Total rate of recordable injuries (LTI + MI) (TIFR)	(°)	33.99	19.67	26.45
Total lost time injury rate (LTIFR)	(°)	21.18	15.04	21.8

Notes:

[2)] INJURIES:
- Injuries to contracted employees are also included.
- The item "Total Recordable Injuries (LTI+MI)" includes work-related injuries resulting in more than one day of absence from work (LTI) and medical treatments (MI).
- Work-related commuting injuries are included only when transportation has been arranged by the organisation.
- Serious injuries refer to injuries that have resulted in more than 180 days of absence.

OTHER WORKERS:
- Workers of the main subcontractors present at the Group's sites in Italy and abroad.

ACCIDENT RATE:
- (°) The rate is calculated by dividing the number of injuries by the total hours worked during the same period, multiplied by 1,000,000.

GRI 404-1 Average annual training hours per employee

Average training hours per capita		2022 Men (per capita)	2022 Women (per capita)	2022 Tot. (per capita)	2023 Men (per capita)	2023 Women (per capita)	2023 Tot. (per capita)	2024+ Men (per capita)	2024+ Women (per capita)	2024+ Tot. (per capita)
Executives	hours	24	25	**24**	22	16	**21**	19	20	**19**
Middle managers and white collars	hours	37	29	**35**	34	29	**32**	24	22	**23**
Blue collars	hours	40	27	**40**	30	38	**30**	26	36	**26**
Total average	**hours**	**39**	**28**	**39**	**31**	**30**	**31**	**25**	**25**	**25**

Hours of training per year by type			2022		2023		2024+	
Safety and Environment	hours	%	37,816	42	36,208	51	43,537	68%
Information technology	hours	%	3,108	3	2,914	4	2,483	4%
Languages	hours	%	2,099	2	1,376	2	646	1%
Industrial	hours	%	24,431	27	15,749	22	7,773	12%
Opex	hours	%	2,489	3	506	1	371	1%
Specific for department	hours	%	6,192	7	3,718	5	5,863	9%
Transversal skills	hours	%	4,295	5	3,934	6	1,708	3%
Other training courses	hours	%	9,202	10	6,758	9	2,107	3%
Total average	**hours**	**%**	**89,631**	**100**	**71,162**	**100**	**64,488**	**100**

GRI 405-1 Diversity in governance bodies and employees

Total employees broken down by job classification and gender		2022 Men	2022 Women	2022 Tot.	2023 Men	2023 Women	2023 Tot.	2024+ Men	2024+ Women	2024+ Tot.
Executives	%	1.7	0.2	**1.9**	1.8	0.3	**2.1**	1.8	0.6	**2.3**
Middle managers and white collars	%	17.3	6.9	**24.1**	16.9	6.8	**23.7**	17.4	7.3	**24.6**
Blue collars	%	72.5	1.4	**74.0**	72.9	1.2	**74.2**	70.4	2.6	**73.0**
Total	**%**	**91.5**	**8.5**	**100**	**91.7**	**8.3**	**100**	**89.5**	**10.5**	**100**

Total employees broken down by job classification and age		2022 <30	2022 30-50	2022 >50	2022 Tot.	2023 <30	2023 30-50	2023 >50	2023 Tot.	2024+ <30	2024+ 30-50	2024+ >50	2024+ Tot.
Executives	%	0	0.8	1.2	**1.9**	0.0	1.1	1.1	**2.1**	0.0	1.1	1.2	**2.3**
Middle managers and white collars	%	2.7	14.6	6.8	**24.1**	2.4	14.0	7.3	**23.7**	2.3	14.5	7.9	**24.6**
Blue collars	%	11.7	40.2	22.0	**74.0**	11.6	40.7	21.9	**74.2**	10.1	37.1	25.8	**73.0**
Total	**%**	**14.4**	**55.7**	**29.9**	**100**	**13.9**	**55.8**	**30.3**	**100**	**12.4**	**52.8**	**34.8**	**100**

Total employees broken down by gender and age		2022 <30	2022 30-50	2022 >50	2022 Tot.	2023 <30	2023 30-50	2023 >50	2023 Tot.	2024+ <30	2024+ 30-50	2024+ >50	2024+ Tot.
Men	%	12.5	50.8	28.2	**91.5**	12.2	51.1	28.3	**91.7**	10.9	47.2	31.4	**89.5**
Women	%	1.9	4.8	1.7	**8.5**	1.7	4.7	1.9	**8.3**	1.5	5.6	3.4	**10.5**
Total	**%**	**14.5**	**55.6**	**29.9**	**100**	**13.9**	**55.8**	**30.3**	**100**	**12.4**	**52.8**	**34.8**	**100**

Total vulnerable employees broken down by job classification and gender		2022 Men	2022 Women	2022 Tot.	2023 Men	2023 Women	2023 Tot.	2024+ Men	2024+ Women	2024+ Tot.
Executives	%	0.0	0.0	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Middle managers and white collars	%	0.2	0.0	**0.2**	0.1	0.1	**0.2**	0.3	0.4	**0.7**
Blue collars	%	0.6	0.0	**0.6**	0.7	0.0	**0.7**	1.1	0.0	**1.1**
Total	**%**	**0.8**	**0.0**	**0.8**	**0.8**	**0.1**	**0.9**	**1.5**	**0.4**	**1.9**

Parental leave		2022			2023			2024+		
		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Total number of employees who were entitled to parental leave	No.	786	81	**867**	835	90	**925**	837	98	**935**
Total number of employees who have taken parental leave	No.	3	7	**10**	11	7	**18**	14	12	**26**
Number of whom returned to work during the reporting period after parental leave	No.	3	3	**6**	11	3	**14**	13	6	**19**
Number of whom still on parental leave at the end of the reporting period	No.	0	4	**4**	0	4	**4**	1	6	**7**
Total number of employees who returned to work after taking parental leave and remained with the organisation for the 12 months following their return	No.	1	1	**2**	3	2	**5**	10	4	**14**

VII.VI ENVIRONMENTAL SUSTAINABILITY INDICATORS

The indicators labelled "2024" exclude the Târgoviște site and the hydroelectric power plants.
The indicators labelled "2024+" include the Târgoviște site and the hydroelectric power plants.

GRI 301-1 Materials Used [1]

Breakdown of materials		2022	2023	2024	2024+
Raw materials (scrap and pig iron)	t	2,371,091	2,236,957	2,381,813	2,381,813
Ferroalloys	t	31,925	31,143	34,144	34,144
Fluxes	t	135,838	137,254	144,541	144,541
Electrodes	t	2,734	2,431	2,510	2,510
Oxygen	1,000 m^3	83,202	80,594	82,408	82,408

Subdivision of fluxes		2022	2023	2024	2024+
Calcium	%	71.1	67.9	69.9%	69.9%
Fluidifiers	%	4.6	3.9	4.3%	4.3%
Coals	%	24.2	28.2	25.8%	25.8%

GRI 302- 1: Energy consumption within the organisation [2]

Energy consumption by fuel type		2022	2023	2024	2024+
Natural gas	GJ	3,466,349	3,277,306	3,251,117	3,410,996
Diesel	GJ	52,619	53,311	51,930	53,673
LPG	GJ	1,116	1,204	1,262	1,262
Petrol	GJ	1,971	2,420	2,664	3,340
Electricity purchased	GJ	4,280,951	4,097,557	4,372,648	4,451,725
Total consumption	**GJ**	**7,803,006**	**7,431,797**	**7,679,622**	**7,920,997**
of which from renewable energy sources	GJ	1,304,365	1,103,944	1,842,733	1,861,719
of which from non-renewable energy sources	GJ	6,498,641	6,327,853	5,836,889	6,059,277

GRI 302-3: Energy intensity

Specific energy consumption per tonne of steel produced [3]		2022	2023	2024	2024+
Natural gas for productive uses	m^3/t finished product	49.61	48.65	46.46	46.12
Electricity purchased	kWh/t finished product	601.42	599.05	632.34	608.42
Natural gas rolling mills	m^3/t finished product	34.98	35.26	33.21	33.60
Electricity for EAF furnaces	kWh/t semi-finished product	364.25	367.11	371.22	371.22

Notes:

[1] The materials listed in Table 301-1 are non-renewable. The difference between the "2024" and "2024+" data lies in the inclusion of data related to the production of rolled profiles, while the other parameters refer to the steelworks at the Târgoviște site, which is currently inactive.

[2] The following conversion factors were used to calculate energy consumption in GJ:
- Natural gas: equal to 35.584 GJ/1,000 sm3 (source ISPRA 2024);
- Diesel: equal to 42.873 GJ/t (source ISPRA 2024);
- LPG: equal to 45.858 GJ/t (source ISPRA 2024);
- Petrol: equal to 43.128 GJ/t (source ISPRA 2024);
- Electricity: International System equal to 0.0036 GJ/kWh.

[3] Finished product = Rolled Profiles; Semi-finished product = Billets.

GRI 303-3: Water withdrawal [4]

Source referring to all areas		2022	2023	2024	2024 area with water stress	2024+	2024+ area with water stress
Surface water	Megalitres	2,346	2,511	2,054	655	2,054	655
Groundwater	Megalitres	2,392	2,309	2,218	122	2,800	122
Sea water	Megalitres	0	0	0	0	0	0
Water produced	Megalitres	0	0	0	0	0	0
Third-party water	Megalitres	68	70	57	20	58	20
Total water withdrawal	**Megalitres**	**4,806**	**4,891**	**4,329**	**797**	**4,911**	**797**

Specific industrial water consumption per tonne of steel produced [5]		2022	2023	2024	2024+
Water withdrawal	m^3/t	1.69	1.80	1.67	1.80

GRI 305-4 GHG emissions intensity [6]

Specific CO_2 emission per tonne of finished produc		2022	2023	2024
Direct CO_2e emissions (Scope 1) [7]	tCO_2e/t	0.15	0.15	0.14
Indirect CO_2e emissions (Scope 2 - *Market Based*)	tCO_2e/t	0.07	0.08	0.04
Indirect CO_2e emissions (Scope 2 - *Location Based*)	tCO_2e/t	0.09	0.10	0.09
CO_2e emissions (Scope 1 + Scope 2 - *Market Based*)	tCO_2e/t	0.23	0.23	0.19
Indirect CO_2e emissions Scope 3	tCO_2e/t	0.33	0.34	0.33

GRI 305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions

Emissions		2022	2023	2024	2024+
NO_x	Value kg	442,664	333,185	345,518	364,494
SO_x [8]	Value kg	86,082	124,160	117,714	119,165
Particulate matter (PM)	Value kg	14,953	17,039	16,184	17,189

GRI 306-3 Waste generated [9]

Total weight of waste produced			2022		2023		2024		2024+	
Hazardous	t	%	43,133	8	40,344	8	41,751	6	41,842	6
Non-hazardous	t	%	488,488	92	481,155	92	665,375	94	686,041	94
Total	**t**	**%**	**531,621**	**100**	**521,499**	**100**	**707,126**	**100**	**727,883**	**100**

GRI 306-3 Waste generated [9] - Reduced volumes of the nonrecurring portion associated with extraordinary investments

Total weight of waste produced			2022		2023		2024		2024+	
Hazardous	t	%	43,133	8	40,344	8	41,751	6	41,842	6
Non-hazardous	t	%	488,488	92	481,155	92	628,033	94	648,698	94
Total	**t**	**%**	**531,621**	**100**	**521,499**	**100**	**669,784**	**100**	**690,541**	**100**

Notes:

[4] With regard to water withdrawal in areas subject to water stress, AFV Beltrame Group has used the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to identify potentially at-risk areas. According to this analysis, the company sites and plants located in water-stressed areas are: San Giovanni Valdarno and Trith-Saint-Léger. The WRI tool is available online at: https://www.wri.org/our-work/project/aqueduct. For the analysis, the results shown in the "Stress" column were taken into consideration. Areas subject to water stress are defined as those with an "Extremely High" level of risk. All water withdrawn is freshwater (≤1,000 mg/L of total dissolved solids).

[5] Excluding the San Giovanni Valdarno site and the hydroelectric plants.

[6] The indicators are calculated as a weighted average with respect to each production site's finished product production and also considers processing yield.

[7] The 2024 data for Scope 1 also includes direct emissions from mobile combustion.

[8] Excluding the San Giovanni Valdarno site and hydroelectric power plants.

[9] Major process waste categories include EAF furnace slag, LF furnace slag, flue gas treatment dust, and rolling mill scale.

GRI 306-4 Waste diverted from disposal [10)]

Total weight of waste diverted from disposal			2022		2023		2024		2024+	
Hazardous	t	%	39,826	7	38,384	8	40,376	6	40,440	6
Non-hazardous	t	%	494,486	93	440,586	92	604,255	94	635,285	94
Total	**t**	**%**	**534,312**	**100**	**478,970**	**100**	**644,631**	**100**	**675,724**	**100**

Waste non destined for disposal by type of recovery operation			2022		2023		2024		2024+	
Total hazardous waste	**t**	**%**	**39,826**	**7**	**38,384**	**8**	**40,376**	**6**	**40,439**	**6**
Preparation for reuse	t	%	4	0	0	0	0	0	0	0
Recycling	t	%	10,255	2	8,616	2	19,679	3	19,735	3
Other recovery operations	t	%	29,567	5	29,768	6	20,697	3	20,704	3
Total non-hazardous waste	**t**	**%**	**494,486**	**93**	**440,586**	**92**	**604,255**	**94**	**635,285**	**94**
Preparation for reuse	t	%	48	0	20,671	4	1,501	0	1,501	0
Recycling	t	%	194,418	37	160,254	34	154,893	24	157,327	23
Other recovery operations	t	%	300,020	56	259,661	54	447,861	70	476,457	71
Grand total	**t**	**%**	**534,312**	**100**	**478,970**	**100**	**644,631**	**100**	**675,724**	**100**

GRI 306-4 Waste diverted from disposal [10)] - Reduced volumes of the non-recurring portion associated with extraordinary investments

Total weight of waste diverted from disposal			2022		2023		2024		2024+	
Hazardous	t	%	39,826	7	38,384	8	40,376	6	40,440	6
Non-hazardous	t	%	494,486	93	440,586	92	599,855	94	630,886	94
Total	**t**	**%**	**534,312**	**100**	**478,970**	**100**	**640,231**	**100**	**671,325**	**100**

Waste non destined for disposal by type of recovery operation			2022		2023		2024		2024+	
Total hazardous waste	**t**	**%**	**39,826**	**7**	**38,384**	**8**	**40,376**	**6**	**40,439**	**6**
Preparation for reuse	t	%	4	0	0	0	0	0	0	0
Recycling	t	%	10,255	2	8,616	2	19,679	3	19,735	3
Other recovery operations	t	%	29,567	5	29,768	6	20,697	3	20,704	3
Total non-hazardous waste	**t**	**%**	**494,486**	**93**	**440,586**	**92**	**599,855**	**94**	**630,886**	**94**
Preparation for reuse	t	%	48	0	20,671	4	1,501	0	1,501	0
Recycling	t	%	194,418	37	160,254	34	154,893	24	157,327	23
Other recovery operations	t	%	300,020	56	259,661	54	443,462	70	472,058	70
Grand total	**t**	**%**	**534,312**	**100**	**478,970**	**100**	**640,231**	**100**	**671,325**	**100**

GRI 306-5 Waste directed to disposal [11)]

Total weight of waste directed to disposal			2022		2023		2024		2024+	
Hazardous	t	%	3,306	7	1,956	5	1,375	2	1,401	2
Non-hazardous	t	%	42,897	93	38,862	95	60,902	98	60,982	98
Total	**t**	**%**	**46,203**	**100**	**40,818**	**100**	**62,277**	**100**	**62,383**	**100**

Waste sent for disposal through disposal operations			2022		2023		2024		2024+	
Total hazardous waste	**t**	**%**	**3,306**	**7**	**1,956**	**5**	**1,375**	**2**	**1,401**	**2**
Incineration (with energy recovery)	t	%	156	0	150	0	227	0	227	0
Incineration (without energy recovery)	t	%	54	0	62	0	0	0	0	0
Landfill	t	%	1,570	4	735	2	126	0	148	0
Other disposal operations	t	%	1,526	3	1,009	3	1,022	2	1,027	2
Total non-hazardous waste	**t**	**%**	**42,897**	**93**	**38,862**	**95**	**60,902**	**98**	**60,982**	**98**
Incineration (with energy recovery)	t	%	670	1	636	2	393	1	393	1
Incineration (without energy recovery)	t	%	0	0	0	0	0	0	0	0
Landfill	t	%	41,464	90	37,759	92	60,395	97	60,476	97
Other disposal operations	t	%	763	2	467	1	113	0	113	0
Grand total	**t**	**%**	**46,203**	**100**	**40,818**	**100**	**62,277**	**100**	**62,383**	**100**

Notes:
[10)] Approximately 25% of non-hazardous waste was sent to on-site recovery operations during 2024.
[11)] All waste was disposed of outside the Group's facilities.

GRI 306-5 Waste directed to disposal [11] - Non-recurring volumes related to extraordinary investments

Total weight of waste directed to disposal			2022		2023		2024		2024+	
Hazardous	t	%	3,306	7	1,956	5	1,375	5	1,401	5
Non-hazardous	t	%	42,897	93	38,862	95	27,958	95	28,039	95
Total	**t**	**%**	**46,203**	**100**	**40,818**	**100**	**29,333**	**100**	**29,440**	**100**

Waste sent for disposal through disposal operations			2022		2023		2024		2024+	
Total hazardous waste	**t**	**%**	**3,306**	**7**	**1,956**	**5**	**1,375**	**5**	**1,401**	**5**
Incineration (with energy recovery)	t	%	156	0	150	0	227	0	227	0
Incineration (without energy recovery)	t	%	54	0	62	0	0	0	0	0
Landfill	t	%	1,570	4	735	2	126	0	148	0
Other disposal operations	t	%	1,526	3	1,009	3	1,022	2	1,027	2
Total non-hazardous waste	**t**	**%**	**42,897**	**93**	**38,862**	**95**	**27,958**	**95**	**28,039**	**95**
Incineration (with energy recovery)	t	%	670	1	636	2	393	1	393	1
Incineration (without energy recovery)	t	%	0	0	0	0	0	0	0	0
Landfill	t	%	41,464	90	37,759	92	27,452	44	27,533	44
Other disposal operations	t	%	763	2	467	1	113	0	113	0
Grand total	**t**	**%**	**46,203**	**100**	**40,818**	**100**	**29,333**	**100**	**29,440**	**100**

PRODUCTION

Productions		2022	2023	2024	2024+
Semi-finished products - billets	t	2,122,923	2,000,008	2,138,104	2,138,104
Rolled profiles	t	1,977,230	1,900,029	1,920,840	2,032,461

TRANSPORT

Data relating to transport: Scrap purchasing		2022	2023	2024	2024+
By truck	%	67	69	71	71
By train	%	31	18	14	14
By ship	%	2	13	15	15
Total	**%**	**100**	**100**	**100**	**100**

Data relating to transport: Shipping of finished products		2022	2023	2024	2024+
By truck	%	58	60	70	71
By train	%	27	23	15	14
By ship	%	4	5	3	3
Intermodal	%	11	12	**12**	12
Total	**%**	**100**	**100**	**100**	**100**

The 2024 transport data were processed using an optimised version of the internal Database (Atlante), which, thanks to improved data quality, allows for a more precise mapping of the different modes of transport.

Note:
[11] All waste was disposed of outside the Group's facilities.

Deloitte & Touche S.p.A.
Via N. Tommaseo, 78/C int. 3
35131 Padova
Italia

Tel: +39 049 7927911
Fax: +39 049 7927979
www.deloitte.it

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, 2024.

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* (hereinafter "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 quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) 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 firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 Statement, with reference to the methods of analysis and understanding of the context, identification, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;

2. comparison between the economic and financial data and information included in the paragraph "VII.IV Economic sustainability indicators" of the Sustainability Report with those included in the Group's Financial Statements as of December 31, 2024;

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.

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

- at Group level:

  - 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;

  - 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;

Deloitte.

- for AFV Acciaierie Beltrame S.p.A., that we selected based on its activities, its contribution to the performance indicators at the consolidated level and their location, we carried out site visits, during which we have met their 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, 2024, is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padua, Italy
July 31, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

AFV Acciaierie Beltrame S.p.A.
Legal and administrative headquarters: Viale della Scienza, 81
36100 Vicenza - Italy
Vicenza Company Register and VAT No. 13017310155
Administrative and Economic Index of Vicenza No. 292852
EEC Identification Code IT 13017310155
Share Capital € 113,190,480.00, fully paid up
info.it@beltrame-group.com
www.gruppobeltrame.com

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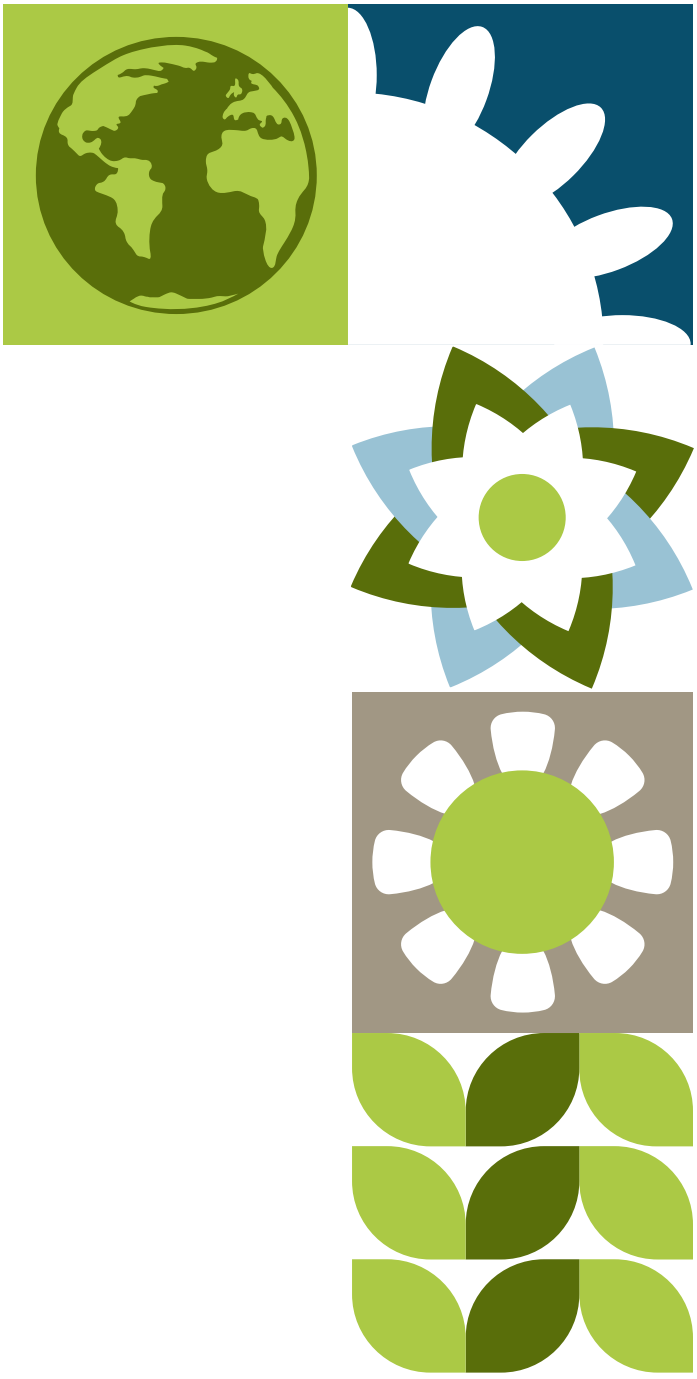

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