

Sustainability Report

FINANCIAL YEAR 2025



AFV BELTRAME GROUP

AFV Beltrame Group

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Speaking about sustainability means, above all, having the courage to undertake an honest self-assessment: of what we produce, how we produce it, and the impacts that result. The pages that follow stem from this perspective - not to celebrate achievements, but to provide a clear account of where we stand, to acknowledge how much ground still lies ahead, and to reaffirm, through data, the direction we have chosen to pursue.

INDEX

Letter to Stakeholders _____	07
Sustainability as a strategic business driver _____	08
Methodological note _____	10

01

AFV BELTRAME GROUP: GENERAL INFORMATION

1.1 Highlights FY 2025 vs 2024 _____	16
1.2 AFV Beltrame Group: history and evolution _____	18
1.3 Mission & vision _____	19
1.4 AFV Beltrame Group structure _____	20
1.5 Corporate governance bodies _____	24
1.6 Production _____	25
1.7 Products and reference markets _____	26
1.8 Integrated QHSEE Management System _____	27
1.9 Value chain _____	28
1.10 Regulatory framework _____	30
1.11 Commitment to responsible management _____	34

02

AFV BELTRAME GROUP STRATEGY

2.1 Sustainability pillars _____	38
2.2 Materiality assessment _____	39
2.2.1 Analysis of the context in which the Group operates _____	40
2.2.2 Identification and assessment of impacts _____	41
2.2.3 Identification and assessment of risks and opportunities _____	42
2.2.4 Definition of relevant Impacts, risks and opportunities (IRO) and material topics _____	43
2.3 Scorecard _____	50

03

ENVIRONMENTAL DISCLOSURE

3.1 Energy for the Group _____	54
3.1.1 Renewable energy _____	56
3.2 Decarbonization and climate change _____	59
3.2.1 Context _____	59
3.2.2 Emissions from production processes _____	61
3.2.3 Scope 1 and 2 reduction actions _____	67
3.2.4 Incentivised finance _____	72
3.2.5 Scope 3 reduction actions _____	73
3.2.6 CO ₂ reduction targets _____	78
3.2.7 Climate change adaptation and operational resilience _____	80
3.2.8 Chalibria - Carbon Neutral Steel _____	82
3.3 Pollution _____	85
3.3.1 Air pollution _____	85
3.3.2 Management of radiometric aspects _____	85
3.4 Water resource management _____	87
3.5 Biodiversity and Ecosystems _____	88
3.6 Circular Economy _____	92
3.6.1 Raw and Auxiliary Materials _____	92
3.6.2 Waste _____	93
3.6.3 By-product Valorisation _____	94
3.7 Environmental Product Declarations _____	95

04

SOCIAL DISCLOSURE

4.1	Workforce	100
4.1.1	Attracting and developing young talent	102
4.1.2	Diversity, inclusion and female participation	102
4.2	Industrial Relations	104
4.3	Contractual Conditions and Remuneration	105
4.4	Welfare	107
4.5	Training	108
4.5.1	Cybersecurity Training	110
4.5.2	Health & Safety Training	110
4.6	Occupational Health and Safety	112
4.7	Relationship with the Local Community	118

05

GOVERNANCE DISCLOSURE

5.1	Corporate culture and anti-corruption	124
5.2	Supplier relationship management	128
5.3	Cybersecurity	128

06

OUR SUSTAINABILITY PERFORMANCE

6.1	Sustainability performance	132
6.2	Economic sustainability indicators	134
6.3	Environmental sustainability indicators	135
6.4	Social sustainability indicators	138
6.5	GRI content index	144

INDEPENDENT AUDITOR'S REPORT	152
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Plant of Vicenza, Italy

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There are paths defined not solely by their results, but by the steadfastness with which they are followed through time. Sustainability, for us, means exactly this: a purposeful trajectory - one built on strategic industrial choices, concrete investments, and the full acceptance of accountability along the entire value chain.

LETTER TO STAKEHOLDERS

Dear stakeholders,

Each year, when we pause to collect our results and share them, we find ourselves facing a question that matters more than any single figure: are we moving in the right direction? This Sustainability Report is born from that question. It is not a document of representation, but an act of genuine responsibility - towards our readers, towards those who work with us every day, and towards ourselves. 2025 was not an easy year. Geopolitical instability, volatility in energy markets and increasingly intense regulatory pressure tested the entire European steel industry. In this context, we chose not to slow down. We continued to invest, to decide and to build - convinced that sustainability is not something to be managed only in favourable times, but the load-bearing structure that holds firm even when conditions become difficult.

In this reporting year, we completed a highly significant step: the Double Materiality Assessment. This structured process enabled us to evaluate, in an integrated manner, the impacts we generate on the environment and on people and, at the same time, the risks and opportunities that ESG factors reflect on our business. It was a journey of listening, dialogue and rigour - one that strengthened the robustness of our decision-making framework and the quality of our governance.

On the decarbonization front, our Scope 1 and Scope 2 specific CO₂ emissions remain consistent with the 2030 plan and with the 2050 targets certified in accordance with the Global Steel Climate Council standard. These figures are not the result of accounting operations, but of concrete industrial choices: production efficiency, digitalization, and the sourcing of renewable energy. Within this framework, our hydroelectric assets in Piedmont and Veneto continue to play a far from marginal role, covering a significant share of the Italian plants' energy needs. Together with photovoltaic installations for self-consumption and our participation in the Energy Release 2.0 mechanism, they represent more than a technical contribution: they are the signal of an industrial model that has integrated the energy transition into its competitiveness logic.

Chalibria, our carbon neutral steel - now certified under ISO 14068-1 - is the most visible expression of this approach. In 2025, it exceeded 10% of the Group's total sales, recording +18% versus 2024. This is not a result to be taken for granted in a market where sustainability is often claimed more than demonstrated. It means our customers recognise it, measure it and choose it. Circularity remains at the heart of our production model: more than 95% of materials come from recovery cycles, and 96% of waste was sent for recycling or recovery. These are not final, fixed milestones; rather, we challenge ourselves to keep improving them.

Finally, people. Alongside the environmental dimension, responsibility towards our employees remains central. Even in a year marked by reorganization measures in some parts of the Group, we continued to invest in training, safety and welfare - promoting a culture of prevention, professional growth and transparency. The reduction in the injury frequency rate and the increase in training hours are not abstract indicators: they reflect the quality of daily attention with which thousands of colleagues work, every day, in environments we strive to make ever safer and more respectful of people. The road towards a sustainable European steel industry is still long. But we are convinced we can travel it with the right tools, with the necessary strength, and with the clarity of those who know that true value is built over time.

To you - customers, partners, institutions, local communities and colleagues - who accompany us along this path with attention, we extend our most sincere thanks. This shared dialogue is not an appendix to our work: it is one of its most valuable sources. Keep challenging us, asking us to account, and pushing us to do better. It is the most useful contribution you can make - and it remains the form of trust that commits us the most.

Antonio Beltrame
Chairman and Chief Executive Officer



Alain Creteur
Managing Director and CEO, Stahl Gerlafingen



Raffaele Ruella
Managing Director and Group CFO



SUSTAINABILITY AS A STRATEGIC BUSINESS DRIVER

In a global landscape shaped by a rapid energy transition, rising social awareness and increasingly stringent regulatory pressure, sustainability has become an essential factor for companies' competitiveness and resilience. AFV Beltrame Group has chosen to turn this challenge into a strategic and value-creation opportunity by integrating ESG (Environmental, Social, Governance) principles into its business model. During 2025, this commitment further evolved through the completion of the Double Materiality assessment. By engaging stakeholders, the Group assessed not only the impacts generated externally (inside-out), but also the risks and opportunities that sustainability topics reflect on the organization (outside-in). This process led to the definition and approval of the list of material IROs (Impacts, Risks and Opportunities). In this context, the Group maintains and consolidates its approach to sustainability, based on five fundamental pillars, by integrating them into a Group Scorecard. This newly introduced tool enables monitoring of the historical pillars alongside new social and governance KPIs.

Sustainability governance within the Group is entrusted to a multi-level structure that ensures coherence between strategic vision and day-to-day operations. The Sustainability Steering Committee, composed of senior figures from the main corporate functions, defines guidelines and monitors the implementation of related policies. At local level, Country Sustainability Committees ensure the application of strategies across the various plants, while the Head of Sustainability Projects provides the link between governance and the operational structure. This set-up ensures effective oversight of ESG topics and promotes a broadly embedded sustainability culture.

Strategic investments and economic benefits

Investments in sustainability generate cross-cutting benefits, combining economic efficiency, competitiveness, health and safety, and innovation. Energy represents the Group's second industrial cost after ferrous scrap; for this reason, a structured approach has been adopted to coordinate several efficiency initiatives and the development of renewable sources, including:

- revamping reheating furnaces, adopting burners for ladle heating and drying, and optimisation measures for EAF furnaces;
- consolidating production from hydroelectric plants and photovoltaic installations;
- using digital technologies to monitor and optimise energy consumption in real time.

These projects have reduced specific energy consumption per tonne of steel produced, lowering both CO₂ emissions and operating costs. Along this path, the Group reinforces its management transparency by maintaining ISO 50001-certified systems at its plants. As confirmed by the value-chain analysis, the Group's business model is intrinsically circular, based on the use of ferrous scrap as the main raw material,

delivering significant savings in natural resources and energy. The commitment also extends to by-product valorisation: black slag, transformed into the certified products BELTRECO and RUVIDO, is used in the construction and infrastructure sectors. From a circular economy perspective, the Group develops strategies to optimise the efficiency of water circuits and to promote the reuse of water in production processes, reducing withdrawals of primary resources. Water remains a foundational and strategic element for hydroelectric production - an integrated business successfully developed within the Group.

With regard to occupational health and safety, the Group works continuously to increase awareness and strengthen safety culture at all levels, giving priority to communication and sharing of different safety aspects, and promoting safe behaviours. In particular, targeted structural investments were implemented, alongside constant and widespread monitoring activities, which triggered so-called "crash programmes" at certain Group plants.

Sustainable innovation:

Chalibria and the Global Steel Climate Council

On the path towards an increasingly responsible steel industry, AFV Beltrame Group continues to implement its decarbonization plan. This commitment - based on developing projects to reduce CO₂ emissions - is the foundational premise of Chalibria, the first carbon neutral steel certified in the European long products market.

Chalibria is certified for Scope 1, 2 and 3 (upstream) emissions under a "cradle-to-gate" criterion. In addition to maintaining compliance with the international ISO 14064-1 standard, in 2025 the Group took a decisive step by migrating from PAS 2060 to the new international standard ISO 14068-1, the most stringent global standard for carbon neutrality management.

Residual emissions - those not yet eliminable through internal investment projects - are offset through the purchase of carbon credits generated by projects that remove or reduce atmospheric CO₂ outside the organizational boundary. This approach allows the Group to respond with maximum transparency to the market's and European regulation's increasingly demanding requirements. The resilience of Chalibria sales, in a complex and uncertain market context, confirms its robustness and commercial appreciation. The strategic value of Chalibria has also been recognised institutionally: the Group has received numerous awards, in Italy and abroad, for this project, demonstrating its ability to combine sustainability and competitiveness. The Group strengthened its environmental management oversight by extending ISO 14001 environmental certification to all steelmaking sites, ensuring systemic control of impacts.

In parallel, AFV Beltrame Group joined the Global Steel Climate Council (GSCC), an international organization promoting sustainable practices in the steel industry and defining a global standard for low-emission steel production based on scientific and transparent criteria. The Group obtained certification of compliance with the GSCC standard, becoming the first European steelmaker to achieve this milestone.

GSCC certification attests the validity of the Group's carbon footprint and its medium-to long-term science-based emissions reduction targets (SBET), in line with the Paris Agreement. This recognition strengthens the credibility of the Group's decarbonization strategy, opening up new opportunities in international markets that are more sensitive to ESG criteria.

Competitive benefits

Integrating sustainability into the business model generates positive impacts across several strategic areas. From a commercial perspective, obtaining Environmental Product Declarations (EPD) and, during 2025, publishing FDES (Fiches de Déclaration Environnementale et Sanitaire) - specific to the French market - enables AFV Beltrame Group to serve customers operating in regulated markets or participating in public tenders, where specific participation requirements apply and which the Group is able to meet.

In Switzerland, low-emission steel produced at the Gerlafingen plant, reported in the KBOB register (Coordination Conference of the Construction and Real Estate Bodies of Public Building Owners), already fully meets public procurement requirements. Moreover, the availability of a carbon neutral product, Chalibria, allows the Group to offer a value-added solution to the most advanced customers, anticipating future regulatory and/or market developments. This strengthens the Group's positioning as a preferred supplier and fosters partnership agreements with customers who, in some cases, also participate in purchasing groups focused on sustainability topics.

With respect to regulatory risk, AFV Beltrame Group's proactive approach to sustainability has also delivered significant benefits in terms of risk mitigation and competitive positioning in view of future environmental regulations. Early implementation of low-impact technologies and processes allowed the Group to be already compliant with EU regulations under introduction, avoiding emergency investments. In particular, the Clean Industrial Deal proposes a revision in 2026 of the Public Procurement Framework, which could provide for the use of low-emission steel in public tenders, with important advantages for producers active in this area.

On the other hand, participation in the EU ETS (Emission Trading System) enabled AFV Beltrame Group to benefit from free allocations of emission allowances thanks to environmental performance above sector benchmarks, generating an advantage over competitors operating less efficient plants.

With the entry into force of the CBAM (Carbon Border Adjustment Mechanism), the company relies on a structured system to monitor obligations and measure impacts.

From a financial standpoint, transparency in sustainability reporting - certified by external auditors - together with the effectiveness of environmental monitoring systems, positioned the Group favourably for access to subsidised financial instruments, including financing at preferential terms from financial institutions.

In the HR domain, alongside attention to health and safety at work, the Group invests in continuous training and digitalization, contributing to employees' professional development and retention.

Lastly, the strong local roots and support for local initiatives reinforce corporate reputation, strengthen relationships with institutions and local stakeholders, and increase the Group's attractiveness to new talent - ever more attentive to the social and ethical impact of organizations.



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, pursuant to Legislative Decree 125/2024 and with reference to the reporting year covered by this report, to publish sustainability reporting, it nevertheless chose to prepare this Sustainability Report on a voluntary basis in order to increase transparency towards stakeholders and to communicate its strategy and related performance with respect to ESG (Environmental, Social, Governance) criteria and principles. The Report is published on an annual basis.

The document was also subject to a limited assurance engagement (in accordance with ISAE 3000 Revised) performed by the external audit firm Deloitte & Touche S.p.A. The assurance was conducted in line with the procedures described 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 - by progressively integrating it into its governance and across the entire value chain.

Sustainability, together with ESG principles, is now a cornerstone of corporate management, with the aim of contributing concretely to sustainable development, business continuity and resilience. To ensure effective operational integration, the Group has defined a structured system of clear and measurable Key Performance Indicators (KPIs), represented through a dashboard and a sustainability scorecard, with specific targets assigned across corporate functions under a consolidated systemic process capable of guiding strategic and operational decisions.

The Group's sustainability policy develops along two main directions: the sustainable optimisation of production processes and the strengthening of dialogue and value generation for all stakeholders, internal and external.

Preparation of the Report and reference standards

The Sustainability and Environment Department coordinated the preparation of the 2025 Sustainability Report, involving, on a cross-functional basis, the entire organizational structure of the Group companies included in the reporting scope - each equipped with its own operational sustainability committee (Country Sustainability Committee¹). The Report contents were prepared, under the "in accordance" option, in compliance with the 2021 "GRI Sustainability Reporting Standards". Any re-statements of data due to improved calculation methodologies are specifically indicated in the document.

Purpose of the document

The 2025 Sustainability Report is the tool through which AFV Beltrame Group communicates annually the results achieved along its sustainability journey to its reference stakeholders. The document adopts a Group-level reporting approach and also describes data relating to the companies included within the reporting scope of the Group's consolidated financial statements. Detailed information on consolidation scope and the reporting period is provided in the section "Reporting scope and period covered."

Definition and approval of the document

The reporting methodology under the "in accordance" option of the GRI Standards was confirmed by the Sustainability Steering Committee², to which preliminary results of the process were presented in an initial version and subsequently shared with the Parent Company's Board of Directors. This document was then definitively approved by the Board of Directors on 29 April 2026.

Notes:

- ¹ Country Sustainability Committee: local operational committees that promote and support sustainability-related projects, also monitoring their progress; they involve other corporate functions in data collection for the preparation of the sustainability report.
- ² Sustainability Steering Committee (SSC): strategic committee responsible for the development of the corporate sustainability strategy, the definition and support of improvement projects and activities, and the identification of priority areas.



Reporting scope and period covered

AFV Beltrame Group operates at European level through direct subsidiaries and an articulated network of distributors, investee companies, agents and proprietary 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 (Călărași and Târgoviște), as well as 12 renewable energy generation plants located in Italy (across 10 sites between Piedmont and Veneto).

This Sustainability Report refers to fiscal year 2025 (1 January - 31 December) and, where available, includes a comparison with 2023 and 2024 data. Publication is planned for the second quarter of 2026.

The scope of economic-financial information coincides with that of the Group's consolidated financial statements as at 31/12/2025; by contrast, the scope of sustainability matters includes the following companies:

- AFV Acciaierie Beltrame S.p.A., headquartered in Vicenza, is the parent company;
- AFV Beltrame S.p.A. German Branch, a secondary office of the parent company operating in Germany. As of this year, both social aspects (GRI 400) and environmental aspects (GRI 300) have been reported and included in the parent company's data;
- Laminés Marchands Européens S.A., French subsidiary headquartered in Trith-Saint-Léger, part of AFV Beltrame Group since 1994;
- Stahl Gerlafingen A.G., Swiss subsidiary headquartered in Gerlafingen, part of AFV Beltrame Group since 2006;
- Donalam S.r.l., Romanian subsidiary headquartered in Călărași, part of AFV Beltrame Group since 2007. In particular, data for the company are available without exceptions for the Călărași plant. As regards the Târgoviște plant - acquired in March 2022 and currently still partially operational, as activities are limited to hot rolling - reporting scope has been extended (starting from the 2024 Sustainability Report) also to social (GRI 400) and environmental aspects (GRI 300). The calculation of greenhouse gas emissions (GRI 305) for the Târgoviște plant is excluded, as it is not included in the decarbonization plan presented and approved by the Group.

The reporting scope for sustainability matters does not include the following companies:

- AFV Beltrame S.r.l., as an inactive company headquartered in Romania;
- Alternative Energy Innovation S.r.l., not significant in terms of contribution to the sustainability indicators;
- Donalam Siderprodukte A.G., not significant in terms of contribution to the sustainability indicators;
- Ferriera Sider Scal S.r.l., as it is under liquidation;
- Laminaires du Ruau S.A., whose activity is suspended;
- Sipro Beltrame A.G., not significant in terms of contribution to the sustainability indicators.

Any differences versus the reporting scope specified above, or clarifications on calculation methods, are provided in the relevant sections of the document.

Material issues covered in the report

The AFV Beltrame Group adopts a rigorous approach to sustainability reporting, in line with the requirements set out in the GRI Standards. These standards require the report to provide information on so-called material issues, i.e. those aspects that reflect significant current or potential economic, environmental and social impacts (positive or negative), including human rights. The principle of materiality is central to ensuring that stakeholders receive a transparent, consistent and comprehensive 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 involved the application of international and sector-specific guidelines, with the active participation of the Sustainability Steering Committee and the heads of key corporate functions at both central and local levels.

In 2024, the Group updated its approach, conducting a new impact materiality analysis in line with the CSRD Directive, involving key internal stakeholders in the initial phase. In 2025, AFV Beltrame Group completed its double materiality analysis, incorporating the risks and opportunities that ESG issues present to the organization.

The material topics covered by sustainability reporting are:

Material topic	Topic
Climate change adaptation	Climate change
Energy	Climate change
Climate change mitigation	Climate change
Air pollution	Pollution
Substances of very high concern	Pollution
Water	Water and marine resources
Impacts on the extent and condition of ecosystems	Biodiversity and ecosystems
Resource use (resource inflows, including resource use, and resource outflows related to products and services)	Circular economy
Waste	Circular economy
Working conditions	Own workforce
Equal treatment and opportunities for all	Own workforce
Other labour-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
Cyber security (Entity specific)	Business conduct

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Plant of Vicenza, Italy





CHAPTER 1

HISTORY

STRUCTURE

GOVERNANCE



AFV BELTRAME GROUP

1.1 HIGHLIGHTS FY 2025 VS 2024

Highlights: AFV Beltrame Group's 2025

<p>1</p> <p>STEEL PRODUCTION 2024: 2,138,104 tonnes 2025: 2,272,961 tonnes</p>	<p>2</p> <p>ECONOMIC VALUE GENERATED 2024: 1,564,317 €/000 2025: 1,658,802 €/000</p>
<p>3</p> <p>SHAREHOLDERS' EQUITY 2024: 558,273 €/000 2025: 542,586 €/000</p>	<p>4</p> <p>NET PROFIT 2024: (129,633) €/000 2025: (14,639) €/000</p>
<p>5</p> <p>TECHNOLOGY INVESTMENTS 2024: 98,072 €/000 2025: 110,094 €/000</p>	<p>6</p> <p>NUMBER OF EMPLOYEES 2024: 2,533 2025: 2,307</p>



Every company, regardless of its size or production context, operates within an increasingly globalised network, which it both impacts and is impacted by. The resources it uses, especially natural ones, belong to a single environment that everyone must strive to safeguard. To conduct business sustainably, companies must find innovative solutions that enable

them to analyze, understand, and respond to the complexity of their operating context. Furthermore, they must build a structured and ongoing relationship with their stakeholders. Only in this way can they move along a trajectory that combines economic growth, social development, and the preservation of natural capital.



7

PERMANENT CONTRACTS

2024: 97.3%
2025: 97.1%

8

TRAINING HOURS

2024: 64,488
2025: 71,050

9

LOST TIME INJURY FREQUENCY RATE (LTIFR)

2024: 21.8
2025: 17.5

10

ELECTRICITY CONSUMPTION

2024: 1,236,590 MWh
2025: 1,302,153 MWh

11

GHG EMISSION INTENSITY*

2024: 0.516 tCO₂e (Scope 1+2+3)
2025: 0.494 tCO₂e (Scope 1+2+3)

12

WASTE SENT FOR RECOVERY

2024: 94%
2025: 96%

2024: 0.186 tCO₂e (Scope 1+2)
2025: 0.172 tCO₂e (Scope 1+2)

* Weighted average based on the production of finished goods at each production site, except Târgoviște, and also takes into account the processing yield. Scope 2 calculated using a Market-Based approach.

To succeed in this objective, it is essential to adopt a systemic, inclusive, and transparent approach, and to improve the ability to measure business decisions by analyzing all (economic and non-economic) impacts in the short, medium, and long term. Maintaining a constant, constructive, and needs-focused dialogue with stakeholders is therefore fundamental,

laying the foundations for a lasting relationship of trust and active engagement. Stakeholders represent a wide range of interests: establishing and maintaining stable and lasting relationships in accordance with the principles of transparency, fairness, clarity, and completeness of information is crucial for the creation of shared, long-term value.

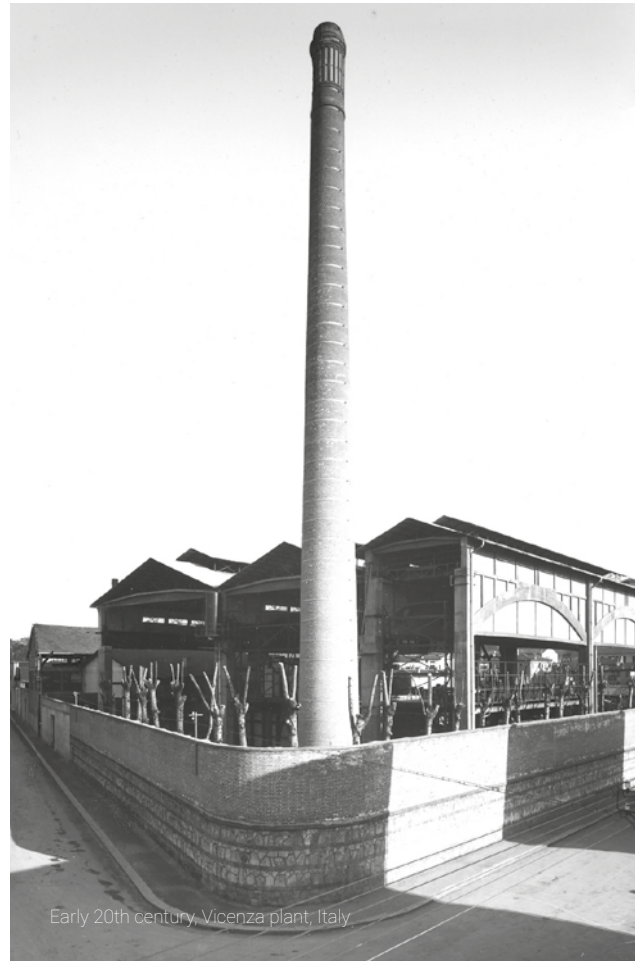
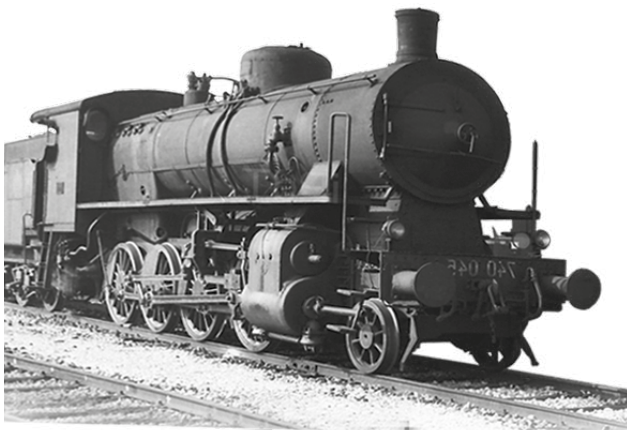
1.2 THE HISTORY AND EVOLUTION OF AFV BELTRAME GROUP

The historical and industrial evolution of AFV Acciaierie Beltrame S.p.A. is a significant example of entrepreneurial development in the Italian and European steel sector. Founded in 1896, the company has demonstrated a strong ability to adapt to economic, technological, and industrial changes, progressively building a leadership position through organic growth, continuous investments, and strategic acquisitions.

The company's origins date back to the early phase of Italian industrialization, when Antonio Beltrame started a business focused on mechanical repairs and carpentry. From the outset, technological evolution was a distinctive feature: by the first decade of the twentieth century, the company had expanded and diversified its production, including steam engines, compressors, pumps, and specialized industrial plants, and introduced innovative manganese cast iron melting techniques. A key milestone was reached in 1920 with the commissioning of a rolling mill for reinforced concrete bars, followed in 1926-1927 by the installation of the steelworks.

During this period, energy autonomy became central to the industrial growth strategy and was addressed through vertical integration, leading to the acquisition of hydroelectric concessions on the Bacchiglione River (Vicenza province) and the construction of related electricity distribution infrastructure.

Technological modernization continued in 1939 with the installation of a 20-ton Martin Siemens furnace powered by coal gas. The post-war period marked the start of a new phase of reconstruction and expansion, characterized by the introduction of increasingly advanced technologies: in 1951, a 10-ton electric furnace was installed, followed by significant upgrades in the 1960s and 1970s.



Early 20th century, Vicenza plant, Italy

The Group's industrial development strategy has consolidated over time along a trajectory of continuous technological innovation and process optimization. During the 1970s and 1980s, the company implemented increasingly sophisticated plants, culminating in the installation of a 120-ton electric melting furnace and the complete modernization of continuous casting systems, strengthening its position as a national leader in merchant bar production.

The Group's internationalization began in the 1970s with the creation of strategic commercial partnerships in key European markets and accelerated in the 1990s with the acquisition of Laminés Marchands Européens Group, doubling production volumes and enabling more efficient geographic rationalization.

In the new millennium, growth continued through further strategic acquisitions: Siderurgica Ferrero in 2002, Stahl Gerlafingen A.G. in 2006, and entry into the Romanian market with the Călărași plant in 2007 and Târgoviște in 2022. The latter acquisition is accompanied by a multi-year investment plan aimed at progressively restoring production capacity, including the steelworks.

The acquisition of Idroelettriche Riunite S.p.A. in 2023 confirms the Group's focus on energy and environmental sustainability. With a consolidated industrial presence in several European countries, the Group has progressively integrated environmental sustainability and social responsibility objectives into its business strategies, promoting circular economy projects and implementing a comprehensive decarbonization plan.

The launch of Chalibria, certified carbon-neutral steel, marks a further step in the Group's journey towards sustainable innovation and the ecological transition of the steel sector. This century-long evolution demonstrates AFV Beltrame Group's ability to combine industrial continuity, technological progress, and environmental responsibility, positioning itself as a leading player in the European steel industry.

1.3 MISSION & VISION

Mission

The Group's mission focuses on the production of merchant bars, beams, rebar, and special steels for multiple applications, including construction, structural uses, shipbuilding, earth-moving machinery, oil & gas, energy, and automotive. The Group develops its business in close relation to the well-being of its people, promoting continuous improvement of synergies between sustainable productivity, social innovation, and collective value creation. This commitment is realized through targeted investments, structured training programs, and the adoption of best practices at all organizational levels.

Vision

We create a company where business development, attention to people, and sustainable productivity converge in an integrated and virtuous ecosystem. We operate with the aim of building a future in which economic growth is always accompanied by respect for human well-being and environmental responsibility.



Early 20th century, Vicenza plant, Italy

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With over 2,300 employees, 11 rolling mills, and 4 electric arc furnaces (the Târgoviște plant is being modernized), the Group serves around 40 countries in Europe and the Mediterranean basin.

1.4 STRUCTURE OF AFV BELTRAME GROUP

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

PARENT COMPANY:
AFV Acciaierie Beltrame S.p.A.
 headquartered and with a steel plant 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 S.p.A. German Branch¹⁾.

CONSOLIDATED SUBSIDIARIES²⁾: (included in the consolidated financial statements)

- 80.23%**
Laminés Marchands Européens S.A.S.
 based in Trith Saint Léger, France
- 98.33%**
Donalam S.r.l.
 based in Călărași and plants in Călărași and Târgoviște, Romania
- 86.47%**
Stahl Gerlafingen A.G.
 based in Gerlafingen, Switzerland
- 50%**
Sipro Beltrame A.G.
 based in Zurigo, Switzerland
- 75%**
 which consolidates **Donalam Siderprodukte A.G.**
 based in Zurigo, Switzerland
- 50%**
Alternative Energy Innovation S.r.l.
 based in San Giovanni Lupatoto (VR), Italy

Notes:

¹⁾ Social and environmental data relating to the parent company, AFV Acciaierie Beltrame S.p.A., are available for the steelmaking and renewable energy production sites, including AFV Beltrame S.p.A. German Branch.
²⁾ The following subsidiaries controlled by AFV Acciaierie Beltrame S.p.A. are also based in Europe, although they are not included in the consolidated financial statements:

- AFV Beltrame S.r.l., a non-operational company headquartered in Romania;
- Ferriera Sider Scal S.r.l., a single-member company in liquidation, headquartered in Vicenza.

Appointment of Directors and Composition of the Board of Directors

As provided for in the Articles of Association, the Company is governed by a Board of Directors composed of a minimum of three and a maximum of nine members, including both executive and non-executive directors.

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

Pursuant to the Articles of Association, directors may serve for a maximum term of three years, with the possibility of re-appointment. The current Board of Directors comprises seven members, appointed by the Shareholders' Meeting on 2 May 2023, and will remain in office for a three-year term (until the approval of the 2025 financial statements).

The assessment relating to the selection of Board members, for both executive and non-executive roles, is carried out by the shareholders' meeting, taking into account shareholders' perspectives, gender diversity, independence, and professional expertise, with the aim of ensuring the greatest possible breadth and complementarity of competencies within the Company's highest governing body.

The composition of the Board reflects the presence of both executive and non-executive members with diverse professional backgrounds, representing shareholders, management, and external expertise.

The Chair of the Board of Directors is entrusted with managerial powers for the administration of the Company and also serves as Chief Executive Officer; the Chair is not classified as a senior manager of the organization.

In order to prevent potential conflicts of interest, where such situations may arise, the Chair and members of the Board of Directors abstain from voting rights within the Board.

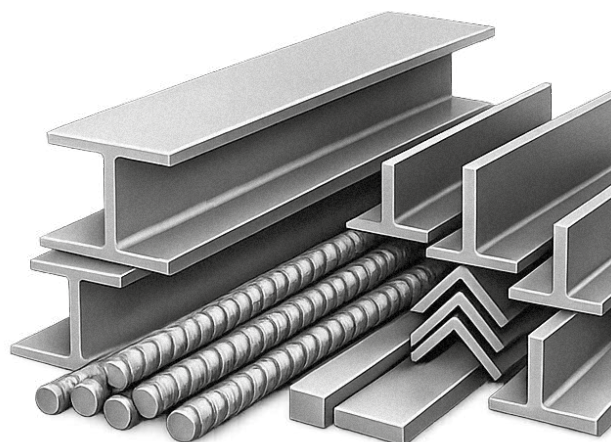
In particular, with regard to sustainability, the Board of Directors is responsible for the following activities:

- approving and monitoring the progress of the sustainability strategy;
- approving and overseeing the management of material impacts, risks and opportunities, as well as the sustainability report.



Given the dynamic context in which the Company operates, any training activities on sustainability-related topics for members of the Board of Directors are organised on the basis of specific needs.

The activities carried out during 2025 in relation to the approval of the results of the double materiality analysis provided an opportunity for the entire Board of Directors of the Parent Company to be updated on sustainability topics and ESG criteria, in line with regulatory developments and best practices.



Note:

The Board is always informed of any critical issues reported through the whistleblowing channel. No issues were reported to the Board in 2025.

Conflict of interest management

Conflict of interest management is aligned with Article 2391 of the Italian Civil Code. In the case of resolutions concerning transactions in which a Board member has an interest, the reasons and benefits must be adequately justified by the Board. Any conflicts are disclosed to relevant stakeholders. This legal provision is consistent with the Group's general principle of transparency and core values.

Remuneration policies

Remuneration for the Board of Directors is determined by the Shareholders' Meeting at the time of appointment. The Board may also set remuneration for members with specific roles. As a non-listed company, there is no remuneration committee, nor does the Group use external consultants. For all other Group roles, a specific remuneration policy is in place, consisting of a fixed and a variable component, communicated at the beginning of the year and reported at year-end with objective indicators, two of which are economic and one related to social sustainability.

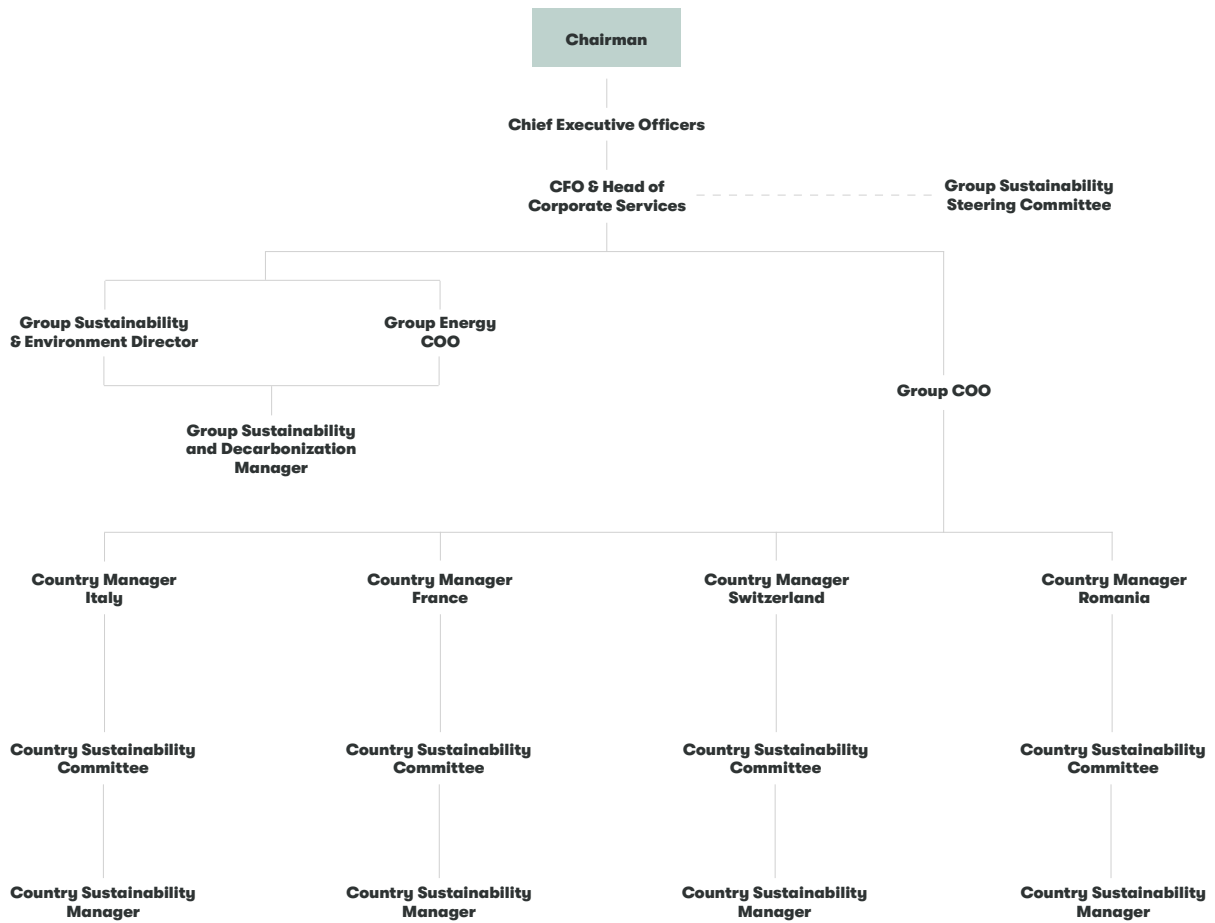
Sustainability organizational structure

AFV Beltrame Group recognizes the importance of integrating economic, environmental, and social impact management into its strategy and operations. While operating outside a formal ESG Corporate Governance system, the Group has established a dedicated sustainability organizational structure to centrally define strategic guidelines and locally coordinate projects, constantly monitoring generated impacts. The approval of material topics is the responsibility of the Board.

The CFO & Head of Corporate Services Managing Director also serves as Head of Sustainability Project, ensuring a direct and continuous link between the administrative body and the operational sustainability structure. The Board is responsible for defining, reviewing, and approving the purpose, mission, vision, and integrated sustainability strategy, based on material topics identified through stakeholder engagement.

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

Below is an overview of the organizational structure for sustainability, together with a description of the main roles:



- CFO & Head of Corporate Services Managing Director (Head of Sustainability Project)**
An executive member of the Board of Directors, responsible for leading the definition and implementation of the Group's sustainability strategy, in collaboration with the key corporate functions. Oversees the integration of ESG topics into business processes and periodically reports to the Board of Directors on the progress of initiatives and the achievement of objectives.
Actively participates in the development and updating of the double materiality analysis and the identification of material Impacts, Risks and Opportunities (IROs), and assumes responsibility for the sustainability reporting process, ensuring its consistency, completeness, and alignment with applicable regulations and reference standards.
- Group COO**
Coordinates and supervises the Country Managers across the various companies, ensuring operational alignment at Group level, and actively participates in Sustainability Committees.
- Group Sustainability & Environment Director**
Responsible for coordinating Group-wide activities related to the sustainability strategy, translating the objectives defined by the Group Sustainability Steering Committee into concrete actions and projects.
- Group Energy COO**
Within the sustainability organization and with specific reference to the decarbonization strategy, defines the carbon management strategy, targets, and related actions.
- Group Sustainability and Decarbonization Manager**
Coordinates the operational implementation of sustainability and decarbonization projects at Group level, managing internal resources and collaborating with corporate functions. Oversees the monitoring of ESG initiatives, including related system certifications (ISO 14064-1 and ISO 14068-1) and product certifications (EPD), and contributes to data collection and non-financial reporting.
- Country Sustainability Managers**
Present in all countries, they coordinate the Country Sustainability Committees. They collect data, prepare dashboards and KPIs, validate projects from a sustainability perspective, and monitor their progress.

The Group has established specific committees at both central and country level:

- Group Sustainability Steering Committee**
Strategic committee responsible for developing the corporate sustainability strategy, defining and supporting improvement projects and activities, and identifying priority areas. The following individuals sit on this committee:

 - CFO & Head of Corporate Services Managing Director (Head of Sustainability Project);
 - Group Chief HR & HS Officer;
 - Group COO;
 - Country Manager Italy;
 - Country Manager France;
 - Country Manager Switzerland;
 - Country Manager Romania;
 - Group Sustainability Director;
 - Group Energy COO;
 - Group Continuous Improvement Manager.
- Country Sustainability Committee**
Present in all countries, this operational committee is led by the Country Sustainability Manager with the sponsorship of the Country Manager. Main tasks include:

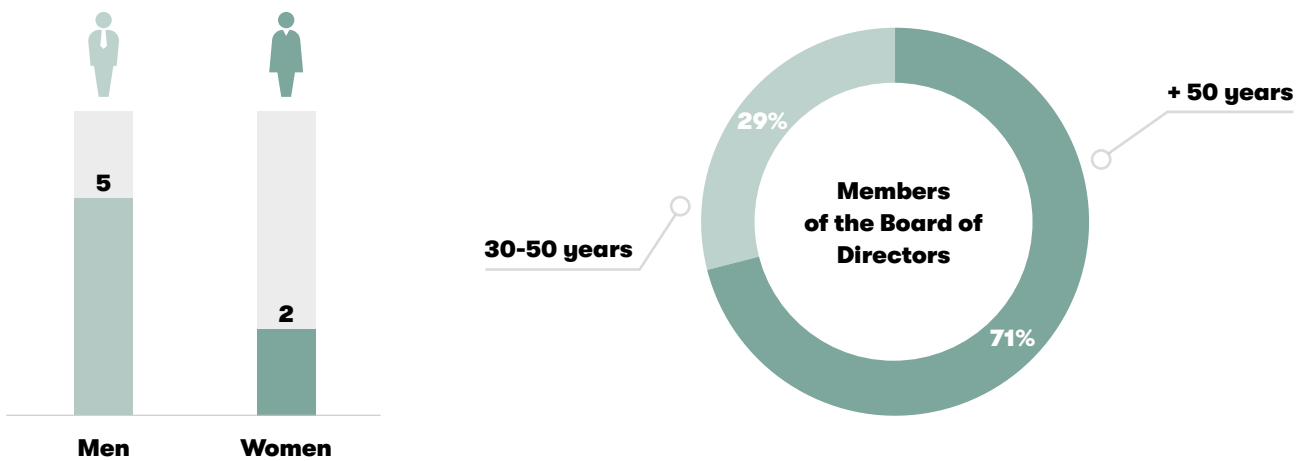
 - ensuring the sustainability strategy is embedded in processes and operations;
 - assessing KPI progress;
 - monitoring project advancement;
 - scouting new ideas and projects;
 - overseeing the search for contributions and funding.

This structure enables the Group to constantly monitor progress in its Sustainability strategy and related impacts, both positive and negative, through defined dashboards and KPIs. The management approach is bottom-up, with Country Sustainability Managers monitoring KPIs at the country level, reporting to their Country Sustainability Committee, which in turn reports to the Group Sustainability Manager and/or Group Decarbonization Manager. These updates are then reported to the Sustainability Steering Committee during periodic meetings, which is ultimately responsible for communication with the highest governing body.

1.5 CORPORATE BODIES

Board of Directors	Board of Statutory Auditors
<p>Antonio Beltrame President and Chief Executive Officer</p>	<p>Andrea Valmarana Chairman</p>
<p>Patrizia Beltrame Deputy Chairperson and Managing Director</p>	<p>Primo Ceppellini Standing auditor</p>
<p>Barbara Beltrame Giacomello Deputy Chairperson and Managing Director</p>	<p>Dario Semenzato Standing auditor</p>
<p>Alain Creteur Chief Executive Officer</p>	
<p>Raffaele Ruella¹⁾ Chief Executive Officer</p>	
<p>Carlo Beltrame Board Member</p>	
<p>Carlo Carraro Board Member</p>	

The Board of Directors consists of 7 members: 5 men (71%) and 2 women (29%). 29% are aged between 30 and 50, and 71% are over 50.



Note:

¹⁾ He also holds the position of Head of Sustainability Projects, the responsibilities of which are outlined above.

1.6 PRODUCTION

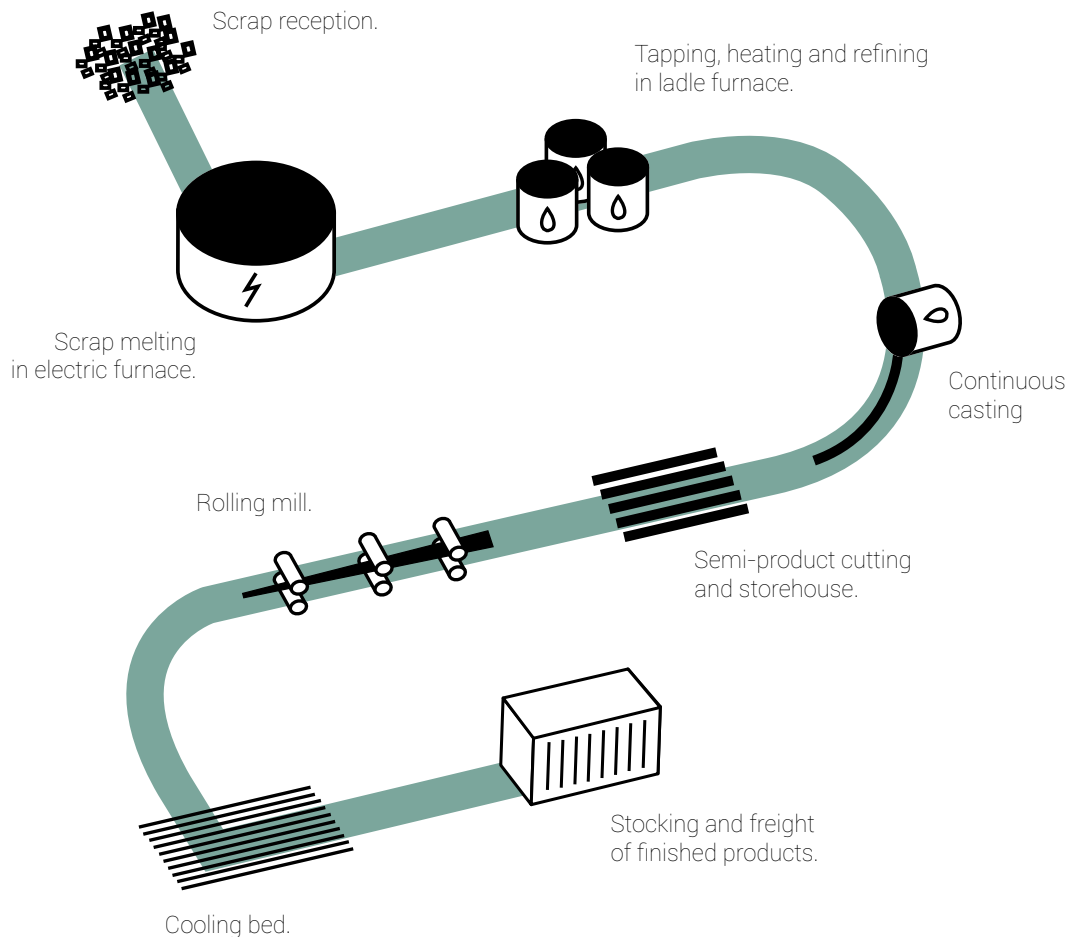
The first phase of the production process involves melting iron scrap in the electric arc furnace (EAF) at approximately 1,600°C. This operation is performed using the electric arc from graphite electrodes inserted into the furnace.

Once melting is complete and chemical and temperature analyses are performed, the unrefined liquid steel is tapped through an opening at the bottom of the furnace into a ladle and transferred to the ladle furnace for alloying and refining, achieving the desired steel quality and removing typical impurities.

The ladle containing the liquid steel is then taken to the con-

tinuous casting machine, where the steel is poured into a refractory-lined tundish feeding several solidification lines to produce billets (square or rectangular steel bars, 4-12 meters long), which are cut to size by oxy-cutting. The hot billet can be immediately used for rolling or cooled and stored.

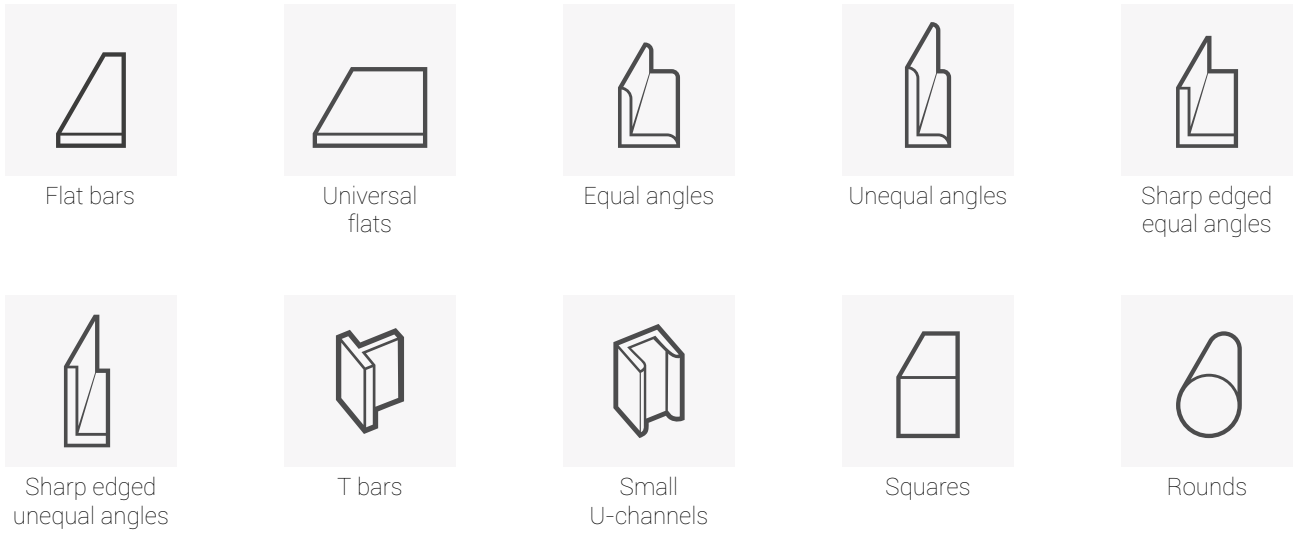
The final phase, rolling, takes place in the rolling mill, where the semi-finished product is reheated to about 1,050°C, plastically deformed through successive passes between pairs of rolls to achieve the desired section, and then cut by a flying shear before entering the cooling bed at about 950°C and finally stored.



1.7 PRODUCTS AND REFERENCE MARKETS

The following sections are manufactured at the Group's plants:

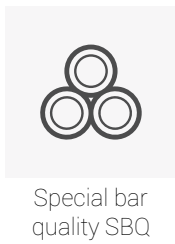
Merchant bars



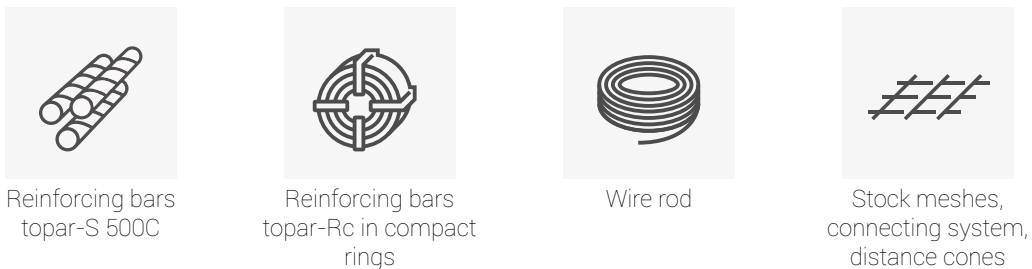
Beams



Special steel



Reinforcing steel



1.8 INTEGRATED QHSEE MANAGEMENT SYSTEM

The Group has adopted an integrated management system to ensure the principles of the Code of Ethics and policies on quality, health and safety, environment, and energy (QHSEE).

The system facilitates the identification, registration, and evaluation of results, with the aim of driving continuous improvement.

Certification by a third-party body is a consistent step in implementing a management system, providing accredited and independent recognition of the Group's commitment. Group-wide standards adopted:

- ISO 9001:2015 - Quality management systems;
- ISO 14001:2015 - Environmental management systems;
- ISO 45001:2018 - Occupational health and safety management systems.

With reference to ISO 50001:2018 - Energy Management Systems, this standard has been adopted by all the Group's Italian plants as well as by the LME site. The achievement of these certifications has enabled a progressive improvement in performance, facilitating performance measurement and ensuring effective control over business processes. The table below outlines the status of the certifications obtained by the Group's plants as at the end of the 2025 financial year.

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 Giovanni 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)	✓	✓	✓	–
		Quality management systems	Environmental management systems	Occupational health and safety management systems	Energy Management Systems

In 2025, the Group:

- renewed environmental (ISO 14001), safety (ISO 45001), and quality (ISO 9001) certifications at Târgoviște and Stahl Gerlafingen;
- confirmed environmental management system certification (ISO 14001) at all sites, now extended to San Giovanni Valdarno;
- confirmed safety management system certification (ISO 45001) at all sites;
- extended quality management system certification (ISO 9001) to all sites;
- confirmed energy management system certification (ISO 50001) for the three Italian sites and compliance at Trith Saint Léger;
- conducted preparatory analysis for extending environmental, safety, and quality certifications to hydroelectric plants in Piedmont and Veneto (certification visit scheduled for 2026);
- renewed environmental (ISO 14001) and safety (ISO 45001) certifications for the Călărași site.

The standards referenced are based on a High Level Structure (HLS) framework and are integrated into a single management system.

This approach entails conducting an analysis of the context in which the companies operate, as well as assessing the needs and expectations of interested parties. In this respect, it shares similarities with the sustainability approach defined through ESG (Environmental, Social and Governance) considerations. The primary purpose of this approach is to identify and understand the most significant factors that may influence how the company addresses its responsibilities in the field of health and safety.

The resulting assessment of risks and opportunities is the tool adopted by the Group to guide its efforts - both at a strategic and operational level - in implementing and continually improving the health and safety management system.

The standard also makes a clear reference to the importance of management awareness and leadership capability, and strongly promotes worker consultation and participation in matters related to the health and safety management system. The Group has implemented this through ongoing engagement with trade union organizations and workers' safety representatives.

1.9 VALUE CHAIN

AFV Beltrame Group's value chain is structured to reflect an integrated and circular industrial model, where steel production via electric arc furnace (EAF) and energy management are complementary and interconnected, jointly contributing to the Group's economic competitiveness and sustainability strategy.

Upstream value chain

The procurement phase mainly concerns ferrous scrap, raw materials and auxiliary materials (including ferroalloys, electrodes, refractories and technical gases) as well as the energy carriers required for the operation of the plants. Scrap is the Group's primary input material and is sourced predominantly from local suppliers, and in any case from European suppliers, in the countries where the Group operates. This underpins the Group's steelmaking model based on circular economy principles and on the recovery of end of life materials, thereby reducing reliance on virgin resources.

Energy sourcing plays a strategic role along the value chain. In addition to grid supply, the Group has progressively developed a portfolio of renewable energy sources, including through direct investments in hydroelectric and photovoltaic assets, with the aim of reducing exposure to price volatility and limiting indirect greenhouse gas emissions.

Own operations

Own operations cover the full steel production cycle via the electric arc furnace (EAF) route, from scrap preparation through melting, refining, continuous casting and rolling. This energy intensive process enables the valorisation of recycled materials and generates by-products and slags that are largely recovered and reintroduced into production cycles or placed on secondary markets (e.g., infrastructure applications), thereby strengthening internal circularity.

Energy generation and energy management provide further support to the industrial model. The integration between steelmaking and energy activities enables the use of renewable energy in support of production processes, reducing reliance on external sources and contributing both to the containment of operating costs and to the reduction of the Group's carbon footprint. This integration strengthens the resilience of own operations and enhances operational continuity in a context characterised by significant uncertainty in energy markets.

Downstream value chain

The Group's products are primarily destined for the infrastructure, construction and mechanical engineering sectors and are distributed through a network of steel product distributors and traders, or directly to end users. The products are intended for durable and recyclable applications: this enables steel recovery at end of life and its reintroduction into the production cycle, making a significant contribution to the circular economy.

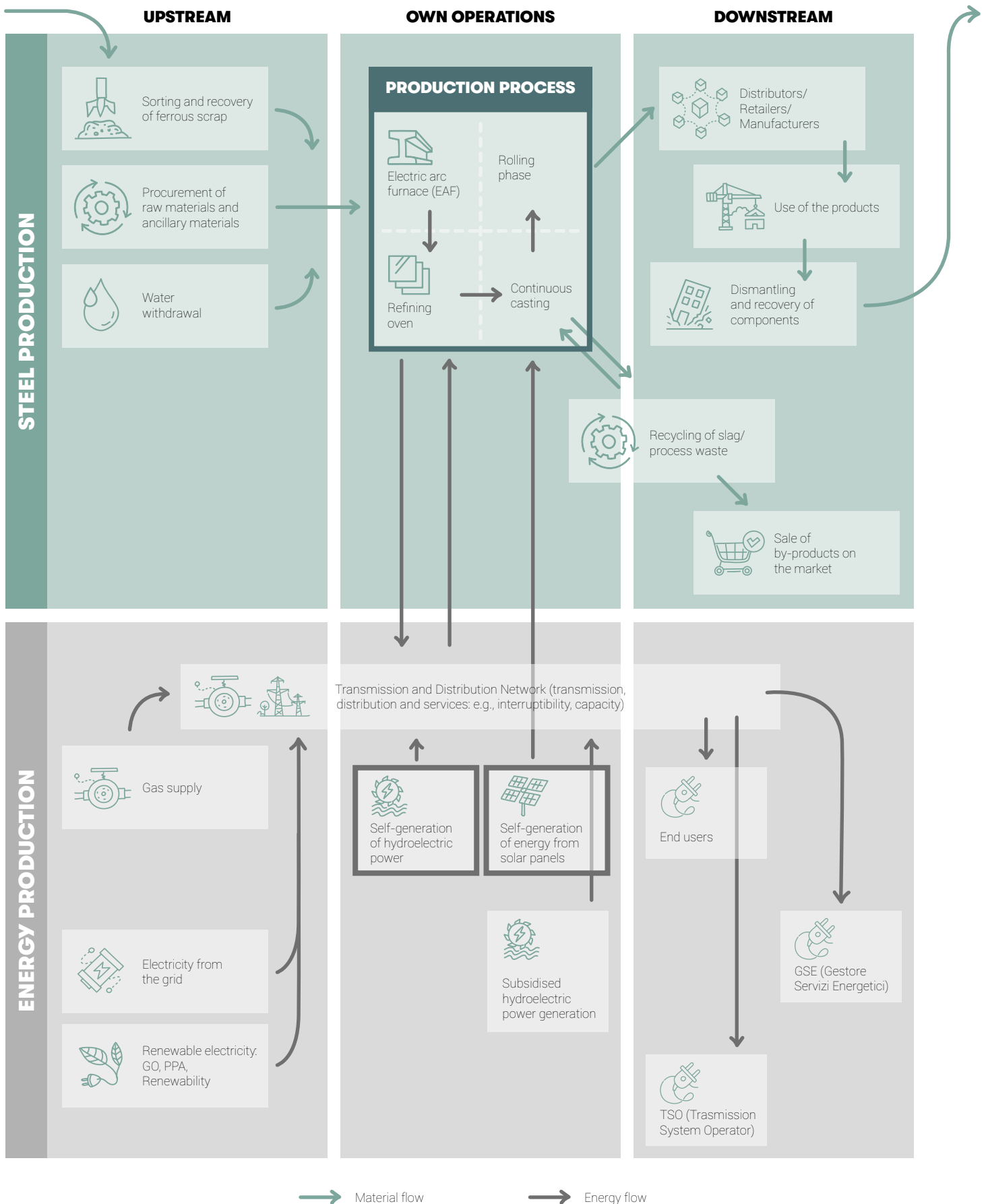
The downstream phase also includes the management and valorisation of by-products from the steelmaking process, such as slags, which can be reused in other industrial processes, contributing to an extended circular economy along the value chain.

The value chain analysis represents a core element for the assessment of the Group's impacts, risks and opportunities (IROs), also integrating inputs collected through stakeholder engagement. The integration between steel production from scrap and energy generation from renewable sources creates a circular relationship between the different industrial activities: energy supports production processes with lower carbon intensity, while the efficiency of the steelmaking cycle enables improved valorisation of energy resources.



Value Chain Mapping

Summary of key activities along the value chain



1.10 REGULATORY FRAMEWORK

The identification and management of risks are central elements in the Group's path towards integrating ESG criteria into AFV Beltrame Group's activities and ensuring sustainable business management. In this context, particular attention is devoted to monitoring the evolution of the regulatory landscape, which is considered a relevant factor both from a compliance perspective and in terms of potential operational and strategic impacts.

In line with the principles set out in its Code of Ethics, the Group operates in compliance with the laws and regulations in force in the countries where it is present. To this end, the

relevant corporate functions carry out ongoing analysis and monitoring of national and European regulations - currently undergoing rapid and profound change - assessing the potential impacts on the Group both in relation to reporting requirements and to effects on the business and industrial strategy.

The infographic below summarizes the European regulatory framework relevant to sustainability and reporting, showing how the main European Union initiatives are part of a structured and interconnected ecosystem, with significant impacts on industrial companies and, in particular, on the steel sector.

The EU Regulatory Ecosystem for Sustainability



Transparency & Reporting	Classification & Finance	Climate Conduct & Action	Cross-cutting instruments	Sectoral policies - Steel focus
CSRD (Dir. UE 2022/2464)	EU TAXONOMY (Reg. UE 2020/862)	"FIT FOR 55" PACKAGE	ESG RATING REGULATION (Reg. UE 2024/3005)	European Steel and Metal Action Plan
Standardised reporting	Eco-friendly activities	-55% emissions by 2030	Green Claims Directive	Green Steel
Double Materiality	6 Environmental Objectives and DNSH	EU ETS & ETS2	Critical Raw Materials Act (CRMA)	Industrial Accelerator Act (IAA)
CSDDD (Dir. UE 2024/1760)	SFDR (Reg. UE 2019/2088)	CBAM (Reg. UE 2023/956)	Eco-design Regulation for sustainable products (ESPR)	Safeguard measures
ESRS (12 Standard E, S, G)				

FOCUS: "OMNIBUS" PACKAGE

CSRD amendments

- > 1,000 employees and > €450 M
- Postponement of Waves 2-3 (FY 2027)

CSDDD amendments

- > 5,000 employees and > €1.5 billion
- First application in 2029

The European regulatory architecture has marked an epoch-defining turning point for the ecological and industrial transition: a complex governance system designed to profoundly reshape the continent's production and environmental paradigms. The genesis of this articulated regulatory framework is rooted in the growing global climate alarm and in the awareness that the European Union must position itself at the forefront of the fight against climate change.

In recent years, the European Union's regulatory evolution in the field of environmental sustainability has accelerated significantly, driven by initiatives such as the European Green Deal and the related legislative packages.

CSRD

In recent years, sustainability reporting in Europe has undergone a significant transformation, moving from a system based on voluntary standards and heterogeneous initiatives to a single, binding regulatory framework.

This shift is driven by the Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464) and the European Sustainability Reporting Standards (ESRS), adopted through Commission Delegated Regulation (EU) 2023/2772.

The CSRD requires companies to develop an integrated reporting system capable of linking governance, strategy, risk management, and ESG indicators, extending the analysis across the entire value chain. The Directive replaced the previous NFRD, substantially expanding the number of companies subject to reporting obligations and introducing a phased implementation structured into four "waves":

- [Wave 1](#): undertakings already subject to the NFRD;
- [Wave 2](#): other large EU undertakings;
- [Wave 3](#): listed SMEs;
- [Wave 4](#): non EU undertakings with a significant presence in the European Union.

The CSRD has established four core pillars of the new reporting system:

- double materiality, combining the assessment of the company's impacts on the environment and people ("inside out" perspective) with the analysis of financially material ESG risks and opportunities ("outside in" perspective);
- mandatory standards (ESRS), replacing previous voluntary frameworks with a single European standard developed by EFRAG and aligned with the objectives of the European Green Deal;
- external assurance, introducing a requirement for limited assurance over sustainability information, integrated within the financial reporting package;
- value chain coverage, including, where relevant, upstream and downstream activities and relationships connected to the company's operations.

For wave 2 undertakings, the original CSRD timeline would have required the start of the new reporting as early as the 2025 financial year, leaving very limited time to adapt governance, processes, information systems, and internal controls.

The European Commission adopted the so-called "Stop the clock Directive" (Directive (EU) 2025/794), in force since 17 April 2025. This measure postponed the application deadlines:

- for wave 2 undertakings, the first CSRD reporting has been deferred to FY 2027 financial statements;
- for listed SMEs (wave 3), to FY 2028 financial statements;
- obligations for wave 1 undertakings remain unchanged.

In Italy, the postponement was implemented through Law No. 118 of 8 August 2025, converting Decree-Law No. 95/2025 (the "Decree-Law") into law, thereby aligning the national timetable with the new European deadlines. For wave 2 undertakings, this deferral has opened a two year preparation window, which can be used to strengthen sustainability governance, structure the double materiality process, address ESG data and information gaps, and define a roadmap for progressive regulatory alignment.

Beyond the Stop the clock measure, the Commission has launched a broader review of the CSRD/ESRS framework, known as "Omnibus I", along two main lines of action:

- review of applicability thresholds, limiting CSRD obligations to undertakings with more than 1,000 employees and EUR 450 million in net turnover, thereby significantly reducing the number of entities in scope;
- simplification of the ESRS, through the postponement or cancellation of sector specific standards and the reduction in both the volume and complexity of required disclosures.

On the Commission's mandate, EFRAG subsequently developed a revised version of the standards ("simplified ESRS"), delivering its technical advice in 2025.

Key changes include:

- a reduction of more than 60% of mandatory datapoints, with the removal of voluntary disclosures;
- a simplified double materiality process, focused on methodological clarity and the usefulness of information;
- greater flexibility in the use of estimates and assumptions for the analysis of impacts, risks, and opportunities across the value chain.

The European Commission is expected to adopt, by mid-2026, a new Delegated Act incorporating EFRAG's proposals and aligning the revision of the ESRS with the amendments to the CSRD introduced by the Omnibus package.

CPR and ESPR

Construction Products Regulation and Ecodesign for Sustainable Products Regulation

The entry into force of the new Construction Products Regulation (CPR - Regulation (EU) 2024/3110) and the Ecodesign for Sustainable Products Regulation (ESPR - Regulation (EU) 2024/1781) marks a structural shift in product rules, moving beyond an approach based exclusively on technical performance.

For steel products such as structural sections, merchant bars and reinforcing steel (rebar), regulatory compliance now extends to environmental sustainability, circularity and digitalization, which become integral to the very concept of a construction product. The new Regulations require a higher and more structured level of transparency across the product's entire life cycle.

One of the key innovations introduced by the CPR is the Declaration of Performance and Conformity (DoPC), which replaces the previous Declaration of Performance (DoP) and significantly expands its content.

The DoPC makes environmental information mandatory, requiring the disclosure of indicators calculated on a Life Cycle Assessment (LCA) basis, including Global Warming Potential (GWP), i.e. the product's carbon footprint. These data must be determined in accordance with harmonised methodologies (e.g., EN 15804+A2), turning what has so far been voluntary information (such as an EPD) into a regulatory compliance requirement. The CPR also introduces circularity related requirements, such as the declaration of recycled content and information on the product's durability, reusability and end of life recyclability.

Alongside this approach, the ESPR will extend ecodesign requirements to steel as well, as an intermediate material identified as a priority. Future delegated acts by the European Commission may establish:

- mandatory minimum levels of recycled content for specific steel product categories;
- requirements on the intrinsic durability of the material;
- restrictions on the use of substances of concern, with impacts on procurement processes and quality management.

The common thread of this evolved regulatory framework is the active management of greenhouse gas emissions, in particular GWP. This approach may be further formalised through ISO 14068-1 certification, which provides a structured reference for managing and demonstrating climate neutrality.

A cross cutting enabler for both Regulations is the Digital Product Passport (DPP), which will serve as the shared digital infrastructure for the traceability of environmental and supply chain data. The DPP will enable the dynamic updating of LCA information and foster interoperability between the CPR framework (construction products) and the ESPR framework (materials), with potential synergies also in relation to other regulatory obligations, such as CBAM, and to voluntary standards.

The implementation timelines of the two Regulations are not aligned. Although the CPR entered into force in July 2024, the obligation to adopt the new DoPC will become effective only upon the publication of the new harmonised standards (hEN). Until then, the harmonised standards currently in force for steel will continue to apply.

By contrast, the ESPR follows a more stringent timeline. Steel is classified as a priority material under the ESPR Work Plan 2025–2027, with the adoption of delegated acts expected between 2026 and 2028. ESPR requirements - including the DPP and potential constraints on recycled content - will become mandatory upon the entry into force of the relevant delegated acts, potentially before the new CPR is fully applicable. This scenario requires steel companies to anticipate compliance with the new regulatory requirements, accelerating the structuring of data collection and reporting systems in order to be ready for the forthcoming regulatory deadlines.

Green Steel

The definition of low emission steel is now a regulatory priority for the European Union, as it supports the achievement of European Green Deal objectives and the creation of credible markets for sustainable products, while preventing greenwashing.

The topic is particularly relevant in a sector characterised by the coexistence of two main production routes with structurally different emissions profiles:

- the primary route (BF BOF), based on the use of iron ore and coal;
- the secondary route (EAF), which relies predominantly on recycled ferrous scrap and electricity.

In the ongoing discussions between European institutions and industrial stakeholders - also within the framework of the Action Plan for Steel and Metals and upcoming legislative initiatives (including the Industrial Accelerator Act) - the debate focuses on criteria for the classification and labelling of steel, particularly on product carbon intensity and the role of scrap in its calculation.

One initial approach, supported mainly by producers operating the primary route, proposes a definition of "green steel" that takes into account decarbonization efforts relative to a process baseline, introducing corrective mechanisms such as the so called scrap sliding scale. Under this approach, higher emissions thresholds are allowed depending on the percentage of scrap used. An alternative approach is promoted by electric arc furnace (EAF) producers and is reflected internationally by the Global Steel Climate Council (GSCC), which proposes a standard based exclusively on the product's actual climate performance.

The key principles underpinning this approach are:

- the centrality of the product's absolute carbon footprint, expressed as CO₂ per tonne of steel, as an objective and comparable metric;
- technological neutrality, as the assessment concerns the final emissions outcome rather than the type of production process;
- the recognition of circularity, avoiding mechanisms that could penalise production routes already characterised by low emissions.

The standard promoted by the GSCC is based on two main requirements:

- CASEI (Carbon Steel Emissions Intensity), which measures the intensity of CO₂ equivalent emissions per tonne of steel, including direct emissions (Scope 1) and indirect emissions from electricity (Scope 2);
- SBET (Science Based Emissions Target), which requires companies to adopt medium to long term emissions reduction targets aligned with limiting global warming to 1.5°C, ensuring consistency between product performance and the transition strategy.

In the European institutional dialogue, EAF producers have proposed a two tier model, structured as follows:

- a product label, based exclusively on the carbon footprint per tonne of steel, without reference to scrap content, in order to transparently reward the product with the lowest climate impact;
- a separate assessment of decarbonization efforts, linked to different production processes, to be used for allocating incentives and public support instruments—without influencing the final market for products.

This approach is consistent with the direction set out by the European Parliament in its Resolution of 19 June 2025, which highlighted that environmental labels should reflect the product's carbon performance rather than the characteristics of the production process.

Safeguard measures

Safeguard Measures are a trade defence instrument adopted by the European Union to protect EU industry from sudden and significant surges in imports that may disrupt the economic balance of entire industrial sectors. These measures are not intended as permanent protectionism; rather, they are designed to enable a gradual adjustment to international trade dynamics.

In the steel sector, the European Union introduced safeguard measures following the tariff increases imposed by the United States on steel imports from May 2018, which triggered trade

diversion towards the EU market. The EU measures set quantitative limits on imports in order to contain the inflow of non EU products.

The definitive measures, which entered into force on 2 February 2019 with an initial expiry in June 2021, have been subject to annual reviews leading to adjustments in quota management. The United Kingdom's withdrawal from the European Union also required a revision of the territorial scope of the safeguards and a reduction in the tariff rate quotas as from 1 January 2021.

The regime was subsequently extended until 30 June 2024 (Regulation (EU) 2021/1029) and then until 30 June 2026 (Regulation (EU) 2024/1782). The expiry of the current Safeguard Measures would expose the European steel industry to the effects of structural global overcapacity, which continues to persist and to negatively affect the balance of international trade.

Against this backdrop, on 27 January 2026, the European Parliament's Committee on International Trade adopted its position on a draft regulation aimed at addressing the impact of global steel overproduction on the EU market. The approved text provides for:

- a significant reduction in import quotas, set at 18.3 million tonnes per year, corresponding to a 47% decrease compared to 2024 levels;
- the application of a 50% duty on imports exceeding the quota and on steel products not covered by the quota regime;
- strengthened requirements for traceability of the origin of imported steel products, with greater clarity on the documentary evidence required from importers.

The Committee on International Trade has therefore launched negotiations with the Council, with the aim of reaching an agreement on the final version of the regulation during the spring.

FIT FOR 55

The "Fit for 55" package, presented by the European Commission on 14 July 2021, aims to translate the ambitions of the European Green Deal into legislation and consists of a set of proposals to revise the EU climate framework.

The package has been the subject of multiple negotiations, resulting in provisional agreements that have not yet been definitively adopted.

The primary objective of "Fit for 55" is to accelerate the decarbonization of European companies, with a 2030 target of reducing emissions by 55%, or even 62%, compared with 1990 levels. Key elements of the package include the revision of the EU Emissions Trading System (EU ETS) and the implications of the Carbon Border Adjustment Mechanism (CBAM).

1.11 COMMITMENT TO RESPONSIBLE MANAGEMENT

The steel industry is a cornerstone of economic and industrial development. At the same time, it operates in a context marked by profound environmental, social and economic transformations, as well as significant regulatory developments, which require a responsible, structured and long term approach.

The Group is aware of the impacts, risks and opportunities generated by its activities across the entire value chain, and considers sustainable development and continuous improvement to be essential drivers of lasting value creation for all stakeholders.

In this context, sustainability is integrated into corporate management through a systemic vision encompassing the environmental, social and governance (ESG) dimensions, in line with the values set out in the Code of Ethics and with the principles of corporate responsibility.

This approach is reflected in the adoption of organizational and decision making models aimed at environmental protection; the health and safety of people; respect for human rights; the enhancement of human capital; and a governance

framework grounded in fairness, transparency and integrity.

The Group adopts a structured management system that includes periodic assessments of the internal and external context, the analysis of impacts, risks and opportunities related to its activities - both from an "inside out" and an "outside in" perspective - and the ongoing engagement of relevant stakeholders. This analysis provides the basis for defining and updating strategies, policies and actions intended to mitigate risks, strengthen the resilience of the business model, and seize sustainable development opportunities.

ESG performance is monitored through specific indicators and dedicated control tools, consolidated within the sustainability dashboard. This enables periodic assessment of the effectiveness of the actions implemented against targets and supports the continuous improvement process.

The sections that follow provide a structured overview of the Group's activities in relation to environmental, social and governance topics, illustrating the organization's tangible contribution to the pursuit of sustainable, inclusive and responsible economic development over the long term.



Plant of Trith-Saint-Léger, France

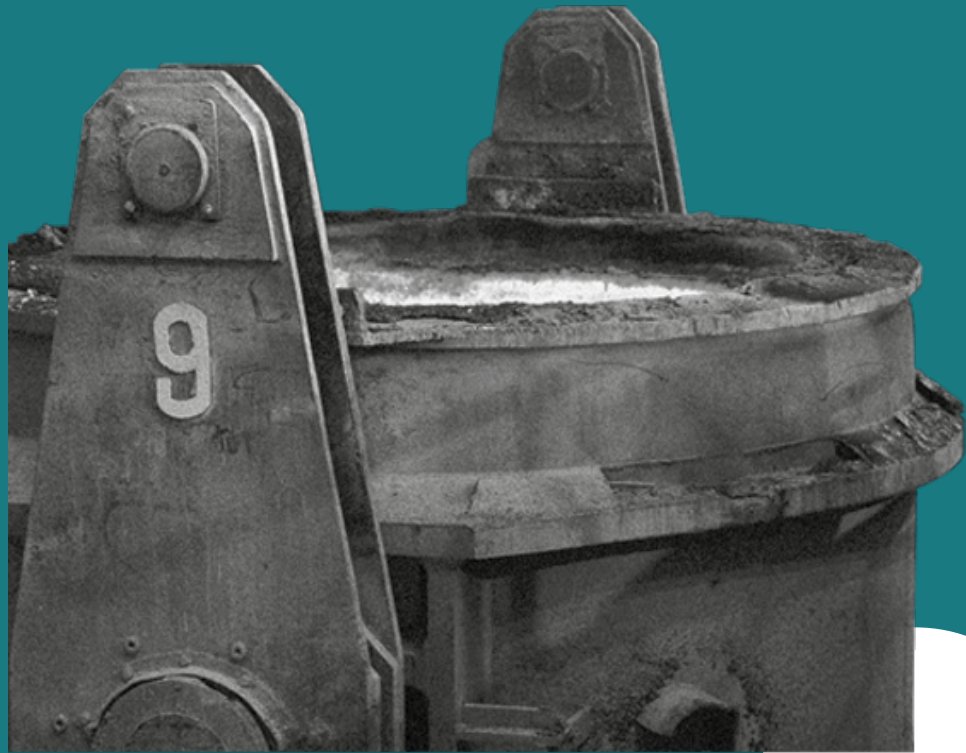


Plant of Vicenza, Italy



AFV BELTRAME GROUP STRATEGY

CHAPTER 2



APPROACH

METHODOLOGY

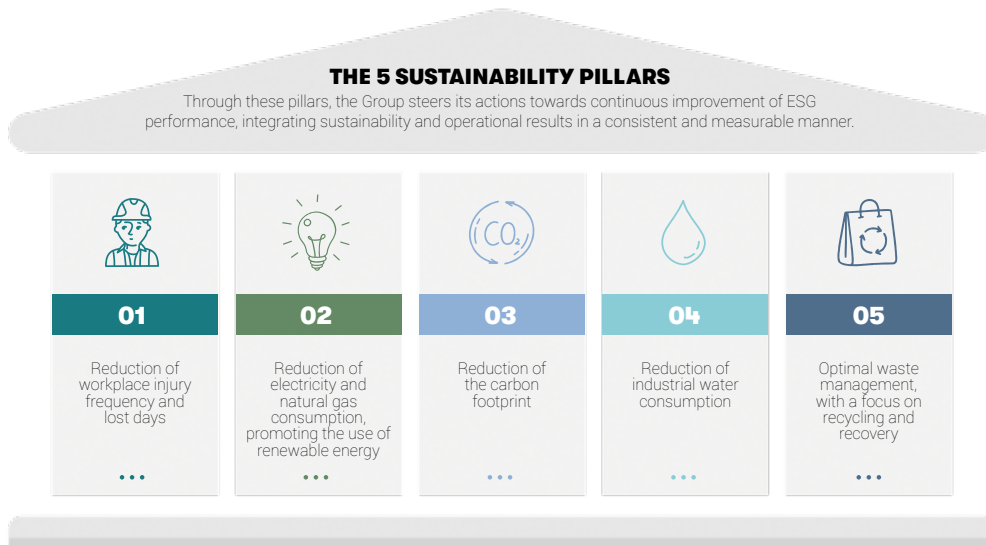
MATERIALITY

2.1 PILLARS OF SUSTAINABILITY

What does sustainability mean for AFV Beltrame Group?

For AFV Beltrame Group, sustainability is a core element of its business model. The Group adopts an integrated ESG approach, balancing environmental protection, people development and the creation of value for all stakeholders. To ensure that these principles are fully embedded in strategic decisions and operational activities, a dedicated sustainability structure has been established.

This structure has defined a development pathway based on five fundamental pillars, which guide the Group's commitment through initiatives aimed at improving performance, supported by clear indicators and transparent, ambitious targets. The priority areas of action, identified as the pillars of sustainability, are as follows:



Reduction of workplace injury frequency and lost days

Within AFV Beltrame Group, sustainability also encompasses employee wellbeing and safety. The objective is to reduce workplace injury frequency by promoting a safe and healthy working environment. Reducing lost days is a direct indicator of the commitment to injury prevention and the promotion of occupational health.

Reduction of the carbon footprint

AFV Beltrame Group has made the reduction of its carbon footprint a key priority. This includes not only limiting direct emissions (Scope 1), but also addressing indirect emissions arising from purchased energy (Scope 2). The adoption of low-carbon technologies and investment in sustainable energy sources are integral parts of this strategy. The Group is also committed to reducing Scope 3 emissions through supply-chain and logistics optimisation, stakeholder engagement and the innovative use of secondary materials.

Reduction of electricity and natural gas consumption, 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 designed to optimise energy efficiency in production processes. At the same time, the Group promotes the adoption of renewable or non-fossil energy sources, thereby helping to mitigate the use of non-renewable resources.

Reduction of industrial water consumption

The commitment to sustainability also extends to the responsible management of water resources. AFV Beltrame Group works continuously 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.

Optimal waste management, with a focus on recycling and recovery

The Group promotes responsible waste management, as well as recycling and recovery of materials, thereby reducing the environmental impact associated with disposal. Treating waste as a resource is an integral part of the Group's sustainability approach.

2.2 MATERIALITY ASSESSMENT

In line with the commitments set out in the 2024 Sustainability Report, AFV Beltrame Group continued its alignment pathway with the European Sustainability Reporting Standards (ESRS) currently in force, introduced by Directive (EU) 2022/2464, the Corporate Sustainability Reporting Directive (CSRD), to which the Group will be subject starting from financial year 2027. The Directive establishes an organic and structured framework for sustainability reporting, requiring companies to identify, assess and systematically represent their impacts, risks and opportunities across environmental, social and governance matters, strengthening transparency and accountability towards stakeholders.

Within this context, the Group developed and consolidated a Double Materiality assessment pathway, designed to manage ESG topics relevant both for the business and for the external context in an integrated manner. In line with the principle of continuous improvement, the materiality assessment carried out in prior years was updated and refined by integrating the Impact Materiality assessment performed in 2024 with the Financial Materiality dimension. The latter enabled the Group to evaluate the extent to which ESG risks and opportunities may affect the business model, growth prospects, financial performance, and the Group's financial position, while supporting value creation over the medium to long term.



The adopted process represents a significant evolution in AFV Beltrame Group's sustainability journey, as it makes it possible to consider jointly (i) the effects of corporate activities on the environment and people and (ii) the impact that external ESG factors can have on economic and financial performance and on medium-to-long-term value creation.

The Double Materiality assessment was developed taking into account the methodological guidance published by EFRAG, which provides operational directions on context analysis, identification and assessment of impacts, risks and opportunities, and engagement of relevant stakeholders. Through this approach, the Group conducted a structured and documented assessment of the most significant ESG topics, with a view to progressively aligning with the requirements set out by the ESRS.

The implementation of the Double Materiality assessment followed a methodological pathway structured into the following operational phases:

2.2.1 Context analysis of the environment in which the Group operates

AFV Beltrame carried out an analysis of its sustainability context - both internal and external - with the aim of identifying the main ESG trends relevant to the steel industry and to its business model.

In this framework, a benchmarking analysis was performed against key market peers to identify the most recurring and priority sustainability topics at sector level. This exercise enabled the Group to contextualise its strategic choices, highlighting areas of common focus across the industry and emerging themes with potential competitive, operational and reputational implications.

In parallel, the Group developed an initial mapping of its value chain, considering material and energy flows across the entire supply chain - from procurement through product distribution and material recovery.

The analysis covered both upstream and downstream key relationships (including suppliers, customers and strategic partners) and the activities attributable to the Group's own operations. This in-depth work helped identify value-chain areas characterised by higher concentrations of impacts, risks and opportunities, providing an information baseline for subsequent materiality evaluations.

The context analysis was further complemented by reviewing key publications from industry associations, including Federacciai, EUROFER, the Global Steel Climate Council (GSCC) and the World Steel Association, as well as internationally recognised standards and frameworks such as Standard & Poor's Sustainability Yearbook and the SASB Standards. The analysis also considered the most relevant regulatory developments for the steel sector - particularly the Carbon Border Adjustment Mechanism (CBAM), the EU Emissions Trading System (ETS), the Industrial Emissions Directive (IED) and the Critical Raw Materials Act (CRMA) - in order to assess potential strategic and operational implications for the Group.

This approach allowed the Group to define the scope of potentially relevant ESG topics and to consistently steer the identification of the impacts, risks and opportunities analysed.

In line with ESRS 1 requirements, the Group recognises the central role of stakeholders in defining sustainability priorities and in creating value over the medium to long term. Accordingly, in 2025 the stakeholder mapping process was updated and structured into two categories:

"engaged" stakeholders, i.e., parties that are or may be influenced by the Group's activities and value-chain relationships, with positive or negative impacts;

"users of sustainability statements", i.e., users of financial and non-financial information, including financiers, business partners, trade unions, civil society organizations, public entities, analysts and representatives of academia.

The mapping enabled the identification of the Group's main stakeholder categories and the selection of those most relevant to involve in the impact assessment process for the Double Materiality analysis.



2.2.2 Identification and assessment of impacts

Based on the outcomes of the context analysis, the Group has established a process aimed at identifying the main impacts generated by its activities and by its business relationships along the value chain, with reference to the environmental, social (including human rights) and governance dimensions.

Impact identification was conducted using as a reference the list of sustainability topics, sub-topics and sub-sub-topics set out in Application Requirement 16 of ESRS 1, included in Annex I to the CSRD, in order to ensure methodological consistency and alignment with regulatory requirements.

For each impact, the following were defined:

- the nature of the impact, distinguishing between positive and negative impacts, and between actual and potential impacts;
- the time horizon over which the impact may materialise, classified as short term (within 12 months), medium term (within five years) and long term (beyond five years).

Impacts already identified in the previous exercise were reviewed and updated as part of a continuous improvement approach, incorporating evidence arising from the context analysis, benchmarking activities, and a review of the relevant literature and sector sources.

Subsequently, the identified impacts were assessed through an internal stakeholder engagement process. Activities were coordinated by the dedicated sustainability working group and involved the heads of the various corporate functions, who provided their quantitative assessments through individual questionnaires, in line with their respective areas of competence and responsibilities.

In line with the commitments set out in the 2024 Sustainability Report, for the 2025 reporting year the Group also expanded the impact materiality assessment through an external stakeholder engagement initiative aimed at collecting assessments from the Group's key stakeholders.

In this context, the scope of engagement was extended to five environmental managers from foreign subsidiaries, in order to obtain a more granular assessment of the identified environmental impacts, given their relevance to the Group's production activities.

The impact assessment also involved upstream and downstream stakeholders through online questionnaires, with the objective of validating and complementing the preliminary assessments expressed by management.

Overall, the process involved 73 stakeholders representing different components of the value chain, including: 31 suppliers from different procurement categories, for the as-

essment of impacts related to the upstream value chain; 19 customers for the assessment of impacts related to the downstream value chain; and 18 employee representatives (RSU and local RSL) from the Vicenza, San Didero and San Giovanni Valdarno sites, with reference to impacts relating to the workforce, local communities and governance.

Impacts were assessed using a 1 to 4 scale, based on metrics defined by the Group:

- Severity
determined by the combination of the following factors:
 - Magnitude: the level of intensity or severity of the impact;
 - Scope: the extent of the impact across own operations and/or along the value chain;
 - Irremediability (for negative impacts only): the degree of difficulty in reversing or compensating for the harm caused.
- Likelihood
i.e. the probability that the impact will materialise (for potential impacts only).

The assessments collected from internal and external stakeholders were analysed and consolidated. The overall materiality score was calculated as the product of severity and likelihood (with severity prevailing in the case of impacts related to human rights), thereby providing a quantitative basis for ranking impacts by relevance and for defining the materiality threshold.



2.2.3 Identification and assessment of risks and opportunities

In line with its CSRD compliance roadmap, the Group has defined a new process for mapping and identifying environmental, social and governance (ESG) risks and opportunities connected to its own operations and to the value chain, while also setting out the methodological framework and reference scheme for their assessment and prioritisation.

In particular, the identification of ESG risks began with the mapping of sustainability-related risks already included in the risk management systems of the individual Group companies. These inputs were duly reconciled with the sustainability matters set out in the ESRS and supplemented in light of the outcomes of the context analysis and the most recent regulatory developments in the field.

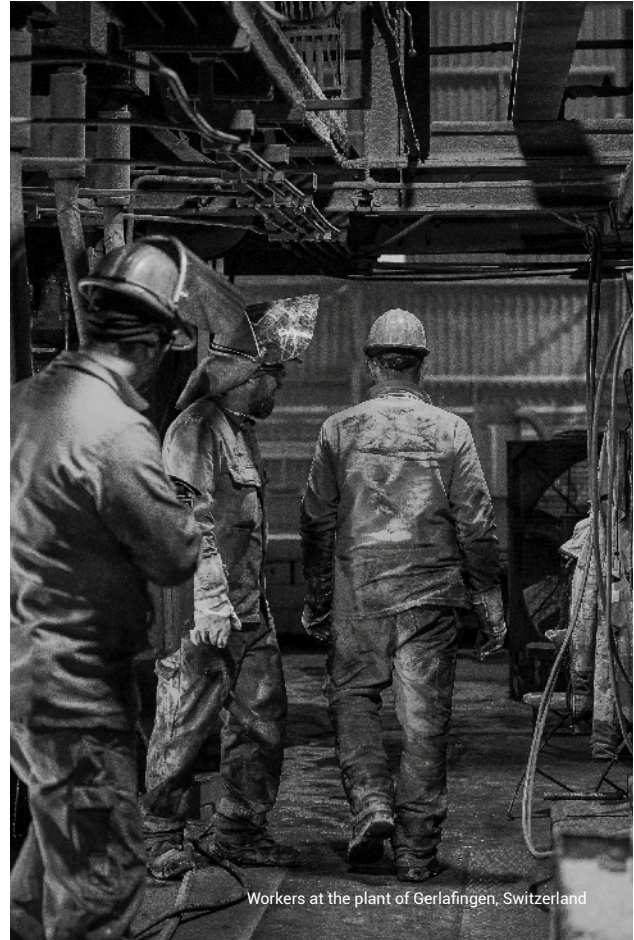
The scope was further expanded through additional analyses, including the identification of risks potentially arising from the impacts emerging from the Impact Materiality Assessment, as well as risks associated with potential dependencies on natural and human resources. A preliminary assessment was also carried out of the exposure of production sites to physical risks related to climate change, such as floods, droughts and extreme weather events.

This work enabled the definition of a "long list" of sustainability risks, forming the Group-level ESG Risk Universe and providing the reference basis for the subsequent financial materiality assessment.

In parallel, the main ESG opportunities were identified on the basis of an analysis of strategic initiatives either underway or planned - particularly in the areas of decarbonization and circular economy - and were subsequently reconciled with the topics, sub-topics and sub-sub-topics set out in the ESRS.

The assessment of ESG risks and opportunities was carried out using a methodology defined centrally at Group level, in order to ensure methodological consistency and comparability of results. In particular, the sustainability working group, in collaboration with the Finance function, defined an assessment model based on two main parameters:

- the magnitude of the expected financial effect on the Group;
- the likelihood of occurrence in the short, medium or long term.



Workers at the plant of Gerlafingen, Switzerland

The definition of the rating scales and of the relevance threshold for the magnitude of financial effects was based on an analysis of the main consolidated financial statement figures, considered from both a quantitative and a qualitative perspective. This analysis made it possible to determine the Group's Risk Appetite and Risk Tolerance, which were used as a reference for defining the criteria for assessing ESG risks and opportunities.

The assessments were initially subject to a preliminary review by the core sustainability working group and the Finance function, in order to verify their consistency and relevance in relation to the Group's economic, financial and equity position. Subsequently, each ESG risk and opportunity was assessed by the relevant management (Risk Owner) through dedicated questionnaires.

At the end of the Financial Materiality process, the assessments provided by individual Risk Owners were aggregated and analysed to define the ranking of risks and opportunities, supporting the identification of financially material matters for the Group.

The overall materiality score for each risk/opportunity was determined as the product of the magnitude of the financial effect and the related likelihood of occurrence, thereby providing a robust quantitative basis for ranking by relevance and for defining the materiality threshold.

2.2.4 Definition of the relevant Impacts, Risks and Opportunities (IROs) and material matters

To determine the material Impacts, Risks and Opportunities (IROs) to be reported in the Sustainability Report, a single materiality threshold was applied to both the Impact Materiality and Financial Materiality assessments. This approach was adopted to ensure an appropriate balance between completeness and selectivity, thereby prioritising only those impacts, risks and opportunities that have a demonstrable influence on business decisions and on the Group's sustainability strategy.

The threshold was defined based on the distribution of the scores resulting from the assessment carried out by internal and external stakeholders. Following this process, the Group identified 33 material impacts, 11 material risks and 2 material opportunities, each of which is mapped to the ESRS topics and sub-topics set out under the CSRD framework.

Below is the list of ESRS topics and sub-topics assessed as material from an impacts, risks and opportunities perspective:

- climate change adaptation;
- energy;
- climate change mitigation;
- air pollution;
- substances of very high concern (SVHCs);
- water;
- impacts on the extent and condition of ecosystems;
- resource use (resource inflows, including resource use, and resource outflows related to products and services);
- waste;
- working conditions (own workforce);
- equal treatment and opportunities for all (own workforce);
- 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;
- corporate culture;
- active and passive corruption;
- supplier relationship management, including payment practices;
- Entity-specific - Cybersecurity.

In addition to the ESRS matters explicitly required by the legislation, the Group has identified an entity-specific sub-topic relating to cybersecurity. Although this area is not mapped within the sub-topics proposed by the ESRS Standards, it has been deemed strategically relevant for the Group in light of the increasing exposure to digital risks and the need to ensure operational continuity, data protection and the resilience of information systems.

Compared with the materiality assessment carried out for the previous Sustainability Report, "pollution of living organisms and food resources" no longer emerged as a material matter, while an entity-specific matter was introduced.

The Sustainability Steering Committee also played a key role in facilitating dialogue with the Board of Directors, ensuring alignment on the assessment methodology adopted, the outcomes achieved across the various stages of the process, and consistency with the Group's strategic pillars.

The Board of Directors approved the material matters on 19 December 2025. The Sustainable Development Goals of the United Nations 2030 Agenda (the "SDGs") constitute an action plan for people, the planet and prosperity. The 169 targets underpinning the 17 goals are universal in scope and involve all countries as well as the different components of society, including public and private enterprises.

AFV Beltrame Group makes a tangible contribution to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda by integrating environmental, social and economic dimensions into its corporate strategy. This commitment translates into actions and projects spanning key areas such as Good 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).



The list below sets out the impacts identified as relevant following the materiality assessment process, together with the related links to the SDGs and to the matters on which the Group focuses its actions. A "reading guide" to the contents of the tables is provided hereafter.

Topic

The first field of the table indicates the topic to which the Impact, Risk and Opportunity (IRO) relates. The topic may concern sustainability matters and may fall within environmental, social, human rights or anti-corruption (active and passive) areas. Topics and sub-topics (table title) have been defined drawing on the CSRD Directive.

Sub-topic

This field indicates, where available, the sub-topic to which the IRO refers. Sub-topics have also been defined drawing on the CSRD Directive.

IRO name - IRO description

These fields include the title and description of the material Impacts, Risks and Opportunities (IROs) identified as a result of the assessment activity for the purposes of sustainability reporting. IROs describe the undertaking's contribution - positive or negative - to sustainable development.








Positive/Negative - Actual/Potential - Time horizon

These fields provide information on the nature of the impact, distinguishing between:

- positive (+) or negative (-) impact;
- actual or potential impact;
- short term (<1 year), medium term (1-5 years) and long term (>5 years).

Scope

This field describes the outcome of the assessment relating to the scope of the impact, which may be:

-  IRO attributable solely to the Group's own operations.
-  IRO attributable to activities, resources and relationships upstream and downstream in the value chain.
-  IRO attributable to the Group's own operations as well as to activities, resources and relationships upstream and downstream in the value chain.
-  IRO attributable to the Group's own operations as well as to activities, resources and relationships upstream in the value chain.
-  IRO attributable to the Group's own operations as well as to activities, resources and relationships downstream in the value chain.
-  IRO attributable to activities, resources and relationships upstream in the value chain.
-  IRO attributable to activities, resources and relationships downstream in the value chain.

For reporting purposes, where an IRO relates to both the Group's own operations and the value chain, this document reports it exclusively in relation to the Group's own operations.

Sustainability Pillars

This section indicates any linkage of the IRO to one of the so called "sustainability pillars" described in Section 2.1 and reported below:



Reduction of the workplace injury rate and of lost workdays.



Reduction of electricity and natural gas consumption, promoting the use of renewable energy sources.



Reduction of the organization's carbon footprint.



Reduction of industrial water consumption.



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

Climate change

AFV Beltrame Group is actively engaged in developing projects and solutions to reduce its contribution to greenhouse gas (GHG) emissions, including across the value chain, by continuously investing in actions aimed at improving the efficiency of production processes and the related energy consumption. With specific reference to energy use, in order to remain aligned with its medium-and long-term decarbonization objectives, consistent with international targets, the Group will continue along the path undertaken by fostering additional renewable electricity generation capacity and/or entering into specific supply agreements.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
Adaptation to climate change	-	I	Increase in emissions due to adaptation to new temperatures	A significant increase in energy consumption, leading to higher greenhouse gas emissions, due to the adoption and use of technologies or infrastructure designed to tackle climate change, such as the upgrading of cooling towers to address cooling challenges caused by rising outdoor temperatures.	-	Potential	Long term		
	-	R	Damage to assets caused by extreme weather events	Extreme weather events, whether acute or chronic - such as heatwaves, droughts, wildfires, floods or landslides - can compromise the functionality and integrity of production facilities and infrastructure, leading to the disruption of operational activities and incurring significant costs for the restoration of damaged assets.	/	/	Medium term		
	-	R	Investments driven by innovation and the optimisation of production processes	Changes to the regulatory framework on climate change, particularly with regard to the introduction of stricter decarbonization targets for the steel industry, could lead to an increase in the investment and operating costs required to innovate and optimise production facilities and processes.	/	/	Medium term		
	-	O	Sale of carbon-neutral steel	Increased sales and market share thanks to the availability of carbon-neutral steels (such as Chahlibria), meeting the growing demands of customers who are increasingly mindful of sustainability issues.	/	/	Medium term		
Energy	-	I	Electricity consumption from non-renewable sources	The consumption of electricity generated from fossil fuels results in CO ₂ emissions associated with the production of that energy, thereby contributing to climate change.	-	Actual	n/a		
	-	R	Fluctuations in energy prices	Fluctuations in electricity and gas prices can lead to an increase in the operating costs of energy procurement, resulting in a decline in profitability.	/	/	Short term		
	-	R	Fluctuations in energy supply	Possible restrictions on the supply of electricity and gas, due to geopolitical instability in the supply regions, may lead to interruptions in the Group's production, resulting in a decline in turnover.	/	/	Medium term		
Climate change mitigation	-	I	Direct emissions from production processes	Contribution to climate change resulting from emissions generated during the various stages of the steel production process.	-	Actual	n/a		
	-	I	Emissions generation across the value chain	Generation of indirect CO ₂ emissions 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.	-	Actual	n/a		
	-	R	Loss of competitiveness for CBAM	As the CBAM mechanism applies only to European companies importing into the EU, it carries a risk of reduced competitiveness in non-EU markets, where foreign competitors, not subject to emissions costs, can offer products with higher margins, as well as a risk from direct competitors who do not need to import materials and components from abroad thanks to fully in-house production.	/	/	Medium term		
	-	R	Reduction in free ETS allowances	The Group's Italian, Romanian and French plants, which are subject to the European Union Emissions Trading Scheme (EU ETS), will see a gradual reduction in free allowances over the coming years, leading to an increase in operating costs.	/	/	Long term		
	-	O	Access to green finance	Investments in decarbonising the Group's operations and value chain - for example, by replacing plant or using secondary reducing agents - can facilitate access to European funding and funds dedicated to the green transition.	/	/	Medium term		

Pollution

AFV Beltrame Group manages pollutant emissions arising from its industrial activities with the aim of reducing impacts on the environment and human health. The Group implements measures to limit emissions of particulate matter, SO_x, NO_x and VOCs, thereby mitigating the deterioration of air quality and the phenomenon of acid rain. Specific initiatives are planned to reduce airborne dust pollution from mineral powders and to ensure the safe management of radioactive materials, preventing the release of toxic substances into the environment. In addition, AFV Beltrame Group applies operational practices designed to prevent soil and water contamination by heavy metals and other pollutants.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/Potential	Time horizon	Scope	Sustainability Pillars
Air pollution	-	I	Emissions of pollutants into the atmosphere	Deterioration in air quality caused, for example, by emissions of SO _x , NO _x , fine particulate matter, metals and volatile organic compounds (VOCs) generated by industrial plants involved in steel production.	-	Actual	/		
	-	I	Emissions of pollutants into the air by suppliers	Emissions of air pollutants, such as NO _x , SO _x and fine particulate matter, generated by the production activities of the Group's suppliers, including the extraction of purchased raw materials.	-	Actual	/		
Substances of very high concern	-	I	Incoming radioactive material	The handling or smelting of radioactive materials present in scrap metal purchased for steel production can lead to the release of hazardous particles into the environment, thereby contaminating it.	-	Potential	Short term		
	-	R	Decontamination costs	The accidental smelting of scrap metal containing radioactive material, resulting in the radiological contamination of the plant, can lead to significant decontamination costs and the suspension of production activities, resulting in a drop in turnover.	/	/	Medium term		

Water and marine resources

AFV Beltrame Group addresses the challenges related to the consumption and management of water resources, mindful of the significant impact its activities may have on aquatic environments and natural resources. The Group closely monitors water use at its sites - primarily employed for plant cooling - and is committed to reducing withdrawals in areas already affected by water stress. Through advanced technological solutions and water reuse practices, AFV Beltrame Group aims to minimise the impacts associated with its water consumption and to ensure responsible water stewardship, thereby contributing to the environmental sustainability of the areas in which it operates.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/Potential	Time horizon	Scope	Sustainability Pillars
Waters	Water consumption	I	Water consumption at company premises	Steel production requires large quantities of water, which is mainly used to cool the plant. This high water consumption places significant pressure on water resources, particularly in regions already experiencing water stress.	-	Actual	/		
	Water consumption	I	Water consumption in the supply chain	The steel supply chain, which includes the extraction of raw materials, involves significant water consumption, placing pressure on water resources, particularly in regions already experiencing water stress.	-	Actual	/		
	Water abstraction	R	Water shortages and operational disruptions	A shortage of water available for withdrawal and use in production processes, as well as for electricity generation, can lead to operational disruptions, resulting in reduced productivity and a consequent drop in turnover.	/	/	Medium term		

Biodiversity and ecosystems

AFV Beltrame Group safeguards biodiversity and local ecosystems by limiting the impact of its activities on soil and natural habitats. Aware of the risks associated with soil sealing resulting from industrial infrastructure, the Group adopts solutions and sustainable management practices to mitigate adverse effects and preserve the surrounding environment.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
Impacts on the extent and condition of ecosystems	Soil sealing	I	Waterproofing of areas	Steelworks infrastructure, such as large paved areas, industrial buildings and material storage areas, contributes to soil sealing, limiting the soil's ability to absorb rainwater.	-	Potential	Short term		

Circular economy

Our steel products are manufactured from scrap metal and can be recycled indefinitely while retaining their original properties. AFV Beltrame Group promotes the circular economy by recovering metallic materials and plastic polymers in its electric arc furnaces, optimising resource use and thereby reducing demand for virgin raw materials as well as waste generation. In addition, steelmaking by-products, such as slag, are valorised for reuse in other industrial processes.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
Inflows of resources, including the use of resources	-	I	Purchase and use of secondary materials	By using scrap metal and recycled materials, the Group makes a significant contribution to the circular economy, transforming waste into a valuable resource.	+	Actual	/		
	-	I	Use of coal	The use of and dependence on non-renewable resources, such as coal, runs counter to the principles of the circular economy, as it relies on materials that cannot be regenerated.	-	Actual	/		
	-	R	Costs associated with purchasing low-quality scrap	The purchase and use of poor-quality scrap compromises the operational efficiency of production processes, leading to higher operating costs due to increased energy consumption and a rise in production waste.	/	/	Long term		
	-	R	Limited availability of raw materials	Production stoppages caused by delays in the supply of high-quality raw and auxiliary materials - due to their limited availability on the market and logistical delays - can lead to delays in deliveries to customers, resulting in a reduction in turnover.	/	/	Long term		
Cash outflows relating to products and services	-	I	Recyclability of steel	Steel products are designed to be recycled countless times without losing their intrinsic properties, making a significant contribution to the circular economy and ensuring they have a long service life.	+	Actual	/		
Waste	-	I	Inefficient waste management	Inefficient management and improper handling of waste can lead to an overload on waste disposal facilities and the saturation of landfill sites, potentially resulting in the unsuitable temporary storage of waste, which in turn creates the risk that this waste may release pollutants over time, such as heavy metals and toxic compounds.	-	Potential	Short term		
	-	I	Utilisation of by-products	By-products of steelmaking processes, such as slag, can be repurposed as resources for use in other industrial processes, thereby contributing to the circular economy.	+	Actual	/		

Own workforce

AFV Beltrame Group is committed to ensuring the health, safety and wellbeing of its people, promoting a strong health and safety culture through continuous training and the adoption of safe workplace practices. The Group focuses on reducing the risks of occupational injuries and work-related illnesses, also supported by management systems certified by an independent third party. In addition, AFV Beltrame Group promotes inclusive decision-making and social dialogue with employee representatives, fostering stable working conditions, including through collective bargaining agreements. The Group also supports employee wellbeing by offering corporate welfare programmes and continuous learning opportunities to enhance skills, thereby strengthening motivation and job satisfaction. AFV Beltrame Group is committed to ensuring gender equality across roles and actively promotes the attraction of young talent to enhance diversity and innovation. The Group also recognises the importance of work–life balance and is committed to organizational practices that support employees' wellbeing.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
Other employment-related rights	Confidentiality	I	Promoting a culture of cybersecurity	Promoting a culture of cybersecurity within the Group, through ongoing training, enhances employees' ability to recognise and deal with cyber threats, thereby safeguarding their privacy.	+	Actual	/		
Working conditions	Collective bargaining, including the proportion of workers covered by collective agreements	I	Coverage of employees under collective agreements	Guaranteeing employees' pay, job security and employment benefits through the application of collective agreements and favourable contractual terms.	+	Actual	/		
	Health and safety	I	Promoting a culture of health and safety	Promoting a culture of health and safety through the implementation of a certified management system and training programmes designed to raise staff awareness and encourage the adoption of safe behaviour in the workplace.	+	Actual	/		
	Health and safety	I	Accidents at work	Unsafe working conditions contribute to the occurrence of workplace accidents at the Group's sites and to the development of occupational illnesses, which can have serious consequences for the health, safety and continued employment of the workers concerned.	-	Actual	/		
	Social dialogue	I	Inclusive decision-making	Effective social dialogue promotes negotiation, consultation and the exchange of information between workers' representatives, employers and, where necessary, government authorities, enabling workers to voice their needs and contribute to the shaping of policies affecting their working conditions.	+	Actual	/		
	Secure employment	I	Retention of skilled workers	Retaining highly skilled workers through a competitive package of welfare benefits, training and remuneration.	+	Actual	/		
	Work-life balance	I	Reduced work-life balance for employees	Heavy workloads and shift work (including night shifts) can limit the free time available to employees, making it difficult to balance work commitments with their private lives.	-	Potential	Short term		
	Work-life balance	I	Employee benefits	Supporting employees' work-life balance through a corporate welfare scheme, including health promotion services, flexible working arrangements and practical support with day-to-day tasks.	+	Actual	/		
	Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value	I	Limited access for women, particularly in management roles	The under-representation of women in the steel industry in technical or managerial roles reduces diversity within the company, particularly in decision-making processes, and limits its potential for innovation.	-	Actual	/	
Training and skills development		I	Staff training and skills development	Updating employees' professional skills through continuous professional development programmes, which include technical, general and bespoke courses tailored to each employee.	+	Actual	/		
Diversity		I	Restrictions on distribution by age group	The difficulty in attracting young talent, including recent university graduates and school leavers, limits the diversity of the workforce and the influx of new skills that are essential for driving innovation and competitiveness in the market.	-	Potential	Short term		

Workers in the value chain

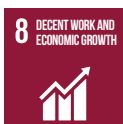
AFV Beltrame Group is aware of the risks that may arise among value chain actors, in particular those related to inadequate working conditions and a lack of equal opportunities. For this reason, the Group promotes responsible practices among its partners in order to help ensure fair and safe working environments. In this context, through the ongoing sharing of good practices and fundamental ethical principles, the Group encourages the development of long-term collaborations and solid, enduring relationships of trust, with the aim of fostering a responsible and sustainable supply chain that understands and respects human rights and safeguards the individual freedoms of its workers.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
Working conditions	Health and safety	I	Workplace accidents in the value chain	The adoption of unethical practices by suppliers and business partners who fail to ensure adequate safety conditions in the workplace exposes workers to greater risks, leading to an increase in the number of accidents and cases of occupational illness.	-	Actual	Short term		
Equal treatment and equal opportunities for all	Training and skills development	I	Training partnerships with clients and partners	Joint training with business partners on production techniques, quality standards and new technologies (such as green products) enhances the skills of our clients' workforce, making it more qualified and competitive.	+	Actual	Short term		

Affected communities

AFV Beltrame Group supports the development of local communities in the areas where it operates through donations and contributions to local entities and associations. Charitable initiatives primarily focus on socio-cultural projects, with the aim of creating a positive and lasting impact within communities, while also fostering social inclusion.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
The economic, social and cultural rights of communities	Water and sanitation services	I	Groundwater pollution	Accidental spills of pollutants from the Group's sites can contaminate surface water and groundwater, rendering the water unfit for consumption by neighbouring communities.	-	Potential	Short term		
	Impacts on the local area	I	Support for local development	Support for local community development in the areas surrounding the Group's facilities, through grants and donations to local organizations and associations, as well as through various charitable initiatives, thereby promoting social inclusion.	+	Actual	/		

Business conduct

AFV Belframe Group promotes ethical and transparent business conduct, ensuring integrity and accountability in the achievement of its business objectives.

Relationships with stakeholders - both internal (e.g., employees) and external (e.g., suppliers, customers and local communities) - are grounded in the principles and ethical standards of conduct set out in the Group's Code of Ethics and in the specific policies adopted to govern relevant matters such as anti-corruption, antitrust compliance, respect for human rights and whistleblowing.



Topic	Sub-topic	IRO	IRO name	IRO description	-/+	Actual/ Potential	Time horizon	Scope	Sustainability Pillars
Active and passive bribery	Prevention and detection, including training	I	Promoting a culture of transparency	Strengthening corporate governance in relation to corruption by adopting an anti-corruption policy and providing anti-corruption training to all staff.	+	Actual	/		
Corporate culture	-	I	An ethical and positive working environment	Creating a positive environment by promoting a corporate culture based on principles of ethics and integrity, underpinned by the dissemination of the Code of Ethics and effectively implemented by the company's governance structure in the management of relations with all stakeholders.	+	Actual	/		
Management of supplier relations, including payment practices	-	I	Support for local suppliers	Sourcing resources through a local supply chain supports the development of the regional economy, helping local businesses to grow and creating jobs in the area.	+	Actual	/		
Entity specific	Cybersecurity	R	Risk of cyberattacks	A cyberattack - such as credential theft, a virus, phishing or hacking - can lead to the leakage of the Group's confidential data, resulting in a loss of competitive advantage if the attack causes the company's ERP systems, which are essential to its operations, to be shut down.	/	/	Short term		

2.3 SCORECARD

Following the methodological approach described in the previous chapters, the Group monitors its ESG performance in a structured manner through a system of key performance indicators (KPIs), defined in line with the material topics identified and with the five Sustainability Pillars.

In this context, the Group has developed a Scorecard, which provides a concise and integrated overview of the main KPIs monitored at Group level. For each indicator, the Scorecard sets out the results achieved in 2025, a comparison against the defined targets, and the short- and medium-term objectives, with the aim of providing an overall view of performance trends.

The Scorecard is a cross-cutting analytical tool that enables an assessment of the level of alignment with the objectives set, highlighting progress made and the main areas for improvement. This approach supports the Group in steering actions and strengthening its sustainable development journey in line with the identified priorities.

The objectives defined are consistent with the Group's plans and with the development directions across the various ESG areas, contributing to the achievement of medium-to long-term targets and to the consolidation of performance over time.



Topic	KPI	U.M.	Sustainability Pillars	Target for 2025	Final accounts for 2025	Target for 2026	Medium-term target (2030)
E	Energy consumption of EAF furnaces (Weighted average of the electricity consumption of EAF furnaces for the production of semi-finished products at each site)	kWh/ton of semi-finished product	Energy	<=367.77	370.58	368.75	-
E	Procurement of renewable energy through self-generation, PPAs and guarantees of origin	%	Energy	-	57% (AFV) 37% (DON) 100% (STG)	-	40% of total AFV and DON
E	Gas consumption in rolling mills (Weighted average of natural gas consumption by rolling mill furnaces relative to finished product output at each site)	Sm ³ /ton finished product	Energy	<=31.51	34.22	32.53	-
E	Specific emissions from Scope 1, 2 (Market-Based) and 3¹⁾ (Weighted average relative to finished product output at each production site, excluding Târgoviște, and also taking into account processing yield)	tCO ₂ eq/ton finished product	CO ₂	<=0.52	0.494	0.507	0.46; 0.12 (2050)
E	Specific emissions from Scope 1 and 2 (Market-Based)¹⁾ (Weighted average based on the output of finished products at each production site, excluding Târgoviște, and also taking into account processing yield)	tCO ₂ eq/ton finished product	CO ₂	<=0.211	0.172	0.198	0.148
E	Water consumption (Weighted average of water consumption for steel production at steelworks and finished products at rolling mills)	m ³ /ton manufactured steel	Water	<=1.89	0.85	1.89	1.5
E	Proportion of recovered waste (calculated as the sum of recycled/recovered waste divided by the sum of recycled/recovered and disposed-of waste)	%	Waste	>=92.7	96.2	93.1	94.3
S	New hires aged under 30²⁾ (% of new hires aged under 30 out of the total number of new hires)	%	-	-	43.5%	-	45%
S	New female additions²⁾ (Percentage of female hires out of the total number of hires)	%	-	-	12.6%	-	15%
S	New female blue-collar hires (% of female blue-collar hires out of total blue-collar hires)	%	-	-	8.6%	-	10%
S	Lost-time injury frequency rate (LTIFR) (The ratio of the number of lost-time injuries to the number of hours worked, multiplied by 1,000,000, taking into account both employees and non-employees)	n*/Mioh	Injuries	18	17.5	18	12
S	Injury Severity Index (SR)²⁾ (The ratio of the total number of days lost due to injury to the number of hours worked during the reference period, multiplied by 1,000, taking into account both employees and non-employees)	n° gg/h*1000	-	-	0.7	-	0.4
S	Training hours per capita²⁾ (Total training hours divided by total group staff)	h/tot employees	-	-	30.8	-	40
G	% of staff working at ISO 45001-certified sites²⁾	%	-	100%	98.7%	100%	100%
G	Meetings of the Parent Company's Board of Directors with agenda items relating to ESG issues²⁾ (IRO Materials)	nr.	-	-	3 out of 8	-	-

Notes:

• The data reported in this table are extracted from the internal management dashboard and follow monitoring logics that differ from those used for reporting under the GRI Standards; therefore, any discrepancies are attributable to different calculation methodologies and scopes of analysis.

¹⁾ Data relating to specific emissions exclude the Târgoviște site. Scope 2 is calculated using the Market-Based method.

²⁾ KPIs introduced as of 2025.

The 2025 analysis highlights the achievement of key objectives, particularly in the area of waste management, with a waste recovery rate of 96.2% (against a target of 92.7%), and in the reduction of Scope 1 and 2 specific emissions, which stood at 0.172 tCO₂eq/ton, outperforming the target set. The Lost Time Injury Frequency Rate (LTIFR) and the water withdrawal index also show equally positive results. Conversely, operational challenges persist in the energy area, where consumption at EAF furnaces and rolling mills was affected by production variables, resulting in values slightly above the expected targets. The Group nevertheless confirms its commitment to consolidating

the positive results achieved and to pursuing continuous improvement, supported by the definition of new KPIs, especially within the social dimension. For the latter, given their recent introduction, 2025 serves as the baseline year for defining ambitious medium-term targets (2030). The targets set for 2026, particularly those relating to energy, are linked to the 2022–2026 five-year reduction plan and are consistent with the Group's budget values.

With regard to CO₂ emissions, the targets are aligned with the Group's decarbonization plan to 2030 and consistent with the long-term objectives for 2050 (GSCC Standard).

03

ENVIRONMENTAL DISCLOSURE



ENERGY

SUSTAINABILITY

DECARBONIZATION

CHAPTER 3



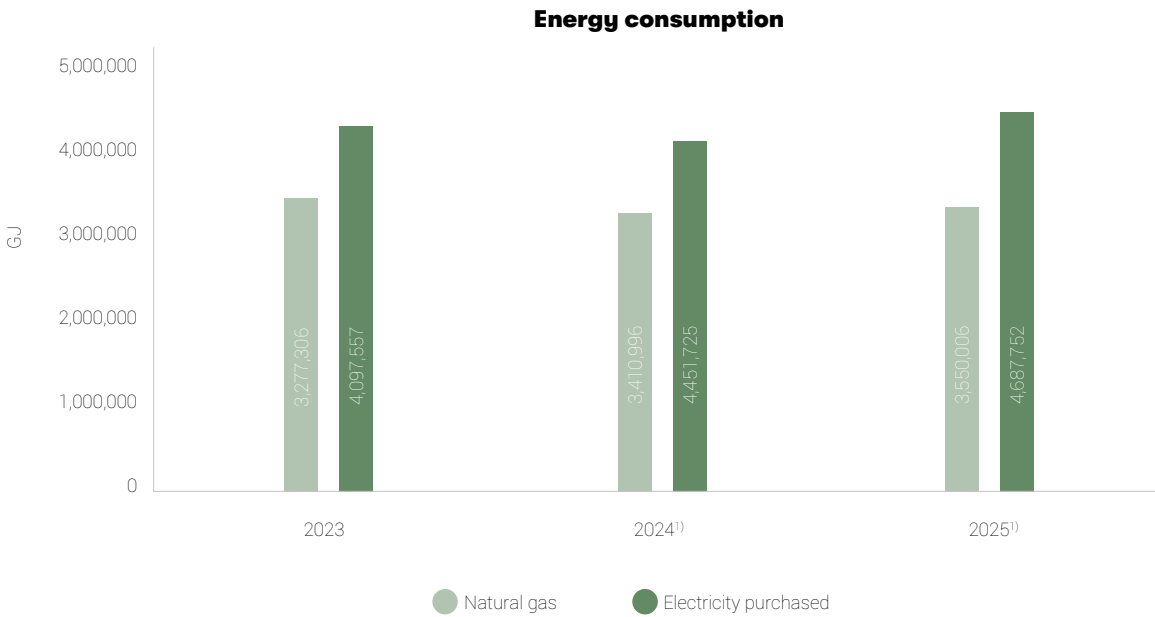
3.1 ENERGY FOR THE GROUP

Energy continues to represent a strategic pillar for the Group, both from an industrial standpoint and in ESG terms. Beyond being a key driver of sustainability, energy is one of the main operating costs - second only to scrap as a raw material - with approximately 9% of total production costs attributable to electricity, natural gas and other energy carriers used in production processes. In 2025, the Group's consumption amounted to around 1.3 TWh of electricity and approximately 100 million Sm³ of natural gas, including consumption at the Târgoviște site.

To monitor energy KPIs and the other four sustainability pillars, the Group uses the Group Sustainability Dashboard, which collects monthly data from all plants and consolidates it at Group level. In 2025 as well, both targets recorded positive results.

All Group sites are equipped with an advanced real-time monitoring system, developed in collaboration with Edison Next, a company within the Edison Group. The Edison Analytics platform - launched in 2023 with an expected duration of five years - enables energy consumption monitoring through digitalization and artificial intelligence.

Thanks to machine learning, the platform supports predictive analytics, identification of inefficiencies and optimisation of production processes, improving operational decision-making and contributing to more efficient energy management. The year 2025 confirmed the benefits of this initiative, with several plants achieving significant improvements in energy performance. In parallel, the Group continued to promote awareness and training initiatives for operators on energy efficiency, in line with ISO 50001, recently implemented at the Group's Italian plants.



Note:
¹⁾ 2024 and 2025 data include the Târgoviște site and hydroelectric plants.

In parallel, the Group further advanced its energy transition strategy by integrating renewable sources into its production cycles. Key 2025 initiatives include: the launch of the Energy Release 2.0 project to access renewable energy at a capped price; the optimisation of 12 hydroelectric plants in Piedmont and Veneto; and the planning of new self-consumption photovoltaic systems at the San Didero and Vicenza plants. The following pages describe the features of these projects and the main activities underway, illustrating how the Group is progressively moving forward.

AFV Beltrame Group maintains an active role in managing its energy procurement, joining consortia such as Metal Interconnector, participating in interruptibility services, and monitoring energy markets on a daily basis. These actions confirm the Group's commitment to a sustainable and strategic use of energy, generating both economic and environmental benefits.

Availability and price

Financial year 2025 was shaped by a period of global geopolitical instability, with deteriorating economic prospects weighing heavily on energy and gas markets. The international environment - marked by trade tensions among major economic blocs and the persistence of conflicts in strategic areas - triggered recurring price swings, interrupting the downward trend that had characterised the previous two years. Despite overall weak global demand, average prices across the year increased compared to 2024.

In this scenario, the TTF (Title Transfer Facility) - Europe's main natural gas trading hub - experienced pronounced volatility, with an increase of 5%¹⁾. The year opened with sharp rises driven by a combination of climatic and logistical factors, including reduced LNG supplies and the disruption of residual transit flows through Ukraine.

While prices progressively eased and normalised during the summer and autumn months thanks to new supply routes and the contribution of renewable sources, European storage levels at year-end were below the historical average, keeping attention high on security of supply. At the same time, the oil market proved more resilient: notwithstanding temporary spikes caused by Middle East crises, weak global demand and ample supply from producing countries kept prices at moderate levels, closing the year in a broadly stable phase. The Group's presence across multiple geographies enabled it to observe differing competitive dynamics. In Italy, the electricity market remained the most expensive in Europe, with the price spread versus French and German markets widening again significantly.



Sources:

¹⁾ International Energy Agency (IEA), Gas 2025.

²⁾ IEA, Electricity 2026 - Prices, International Energy Agency, Paris, 2026.



This gap is attributable to the structure of the national energy mix, still heavily dependent on natural gas, and to the rise in the cost of CO₂ emission allowances (ETS), which in 2025 increased by more than 13%²⁾. Conversely, France benefited from greater stability provided by nuclear generation, which remains high (>80% of the national energy mix), in line with 2024 levels. In Switzerland and Romania, greater integration of renewables offered partial protection from volatility in continental electricity markets, despite a decline in European hydropower output due to variable climatic conditions.

To mitigate risks associated with price volatility and the availability of energy supply, the Group implemented a strategy aimed at increasing self-generation of renewable electricity - particularly hydropower and photovoltaic. In parallel, a flexible production planning model was defined to align operations with market fluctuations.

This approach made it possible to concentrate production in periods when energy costs are lower, while consistently planning any operational stoppages. This integrated model not only helped contain the impact of costs on margins but also strengthened the Group's resilience in markets increasingly exposed to exogenous variables and to the challenges of the ecological transition.

3.1.1 Renewable energy

AFV Beltrame Group reaffirms its commitment to developing a sustainable energy strategy, focused on increasing the use of renewable sources within production cycles and progressively reducing indirect emissions (Scope 2 - Market-based). The Group acts along two main lines: direct investment in green energy generation assets for self-consumption, and the execution of renewable energy supply contracts (PPAs - Power Purchase Agreements).

In 2025, renewable energy initiatives form part of a broader energy transition pathway involving all plants and integrating innovative solutions to monitor and optimise energy consumption. Within this context, the Group's key lines of action focus on three areas: hydroelectric power, solar photovoltaic power, and the Energy Release 2.0 initiative. The following pages provide the operational details for each of these strategic streams.

Hydroelectric Power

AFV Beltrame Group has consolidated its longstanding tradition in hydroelectric power, historically an integral part of energy supply for its Italian plants.

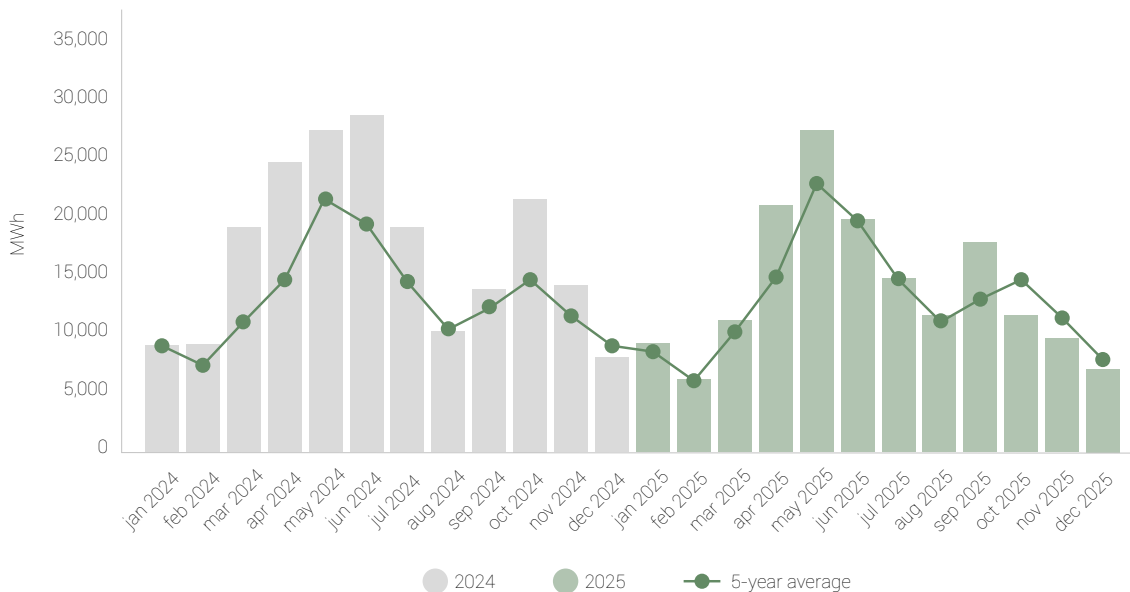
In 2025, the 12 plants located across Piedmont and Veneto continued to deliver stable generation, covering approximately 25% of the energy needs of the Italian plants and contributing to a reduction of more than 38,000 tCO₂ (Scope 2).

These small- and large-scale hydroelectric installations are a strategic asset for the Group, supporting decarbonization targets by reducing fossil energy consumption and stabilising energy procurement prices.

While 2024 recorded above-average hydropower output, 2025 returned to levels closer to the historical average.



Hydroelectric Production 2024-2025



Solar photovoltaic energy

Photovoltaic generation is a cornerstone of the Group's energy transition strategy. Alongside existing operating plants, AFV Beltrame Group plans further expansions to increase self-consumption and the share of renewable energy.

Vicenza

Slab warehouse and Colombaretta area: two systems, currently under assessment and in the permitting phase, for a total capacity of approximately 6 MW, directly connected to the plant to ensure full self-consumption of the energy produced.

San Didero

Commissioning in 2026 of a new 1.5 MW photovoltaic system over 8,000 m², designed to cover up to 90% of the plant's needs.

Villadossola

A 6.8 MW photovoltaic system was authorised at the end of 2024; preliminary checks and engineering activities for construction are being completed.

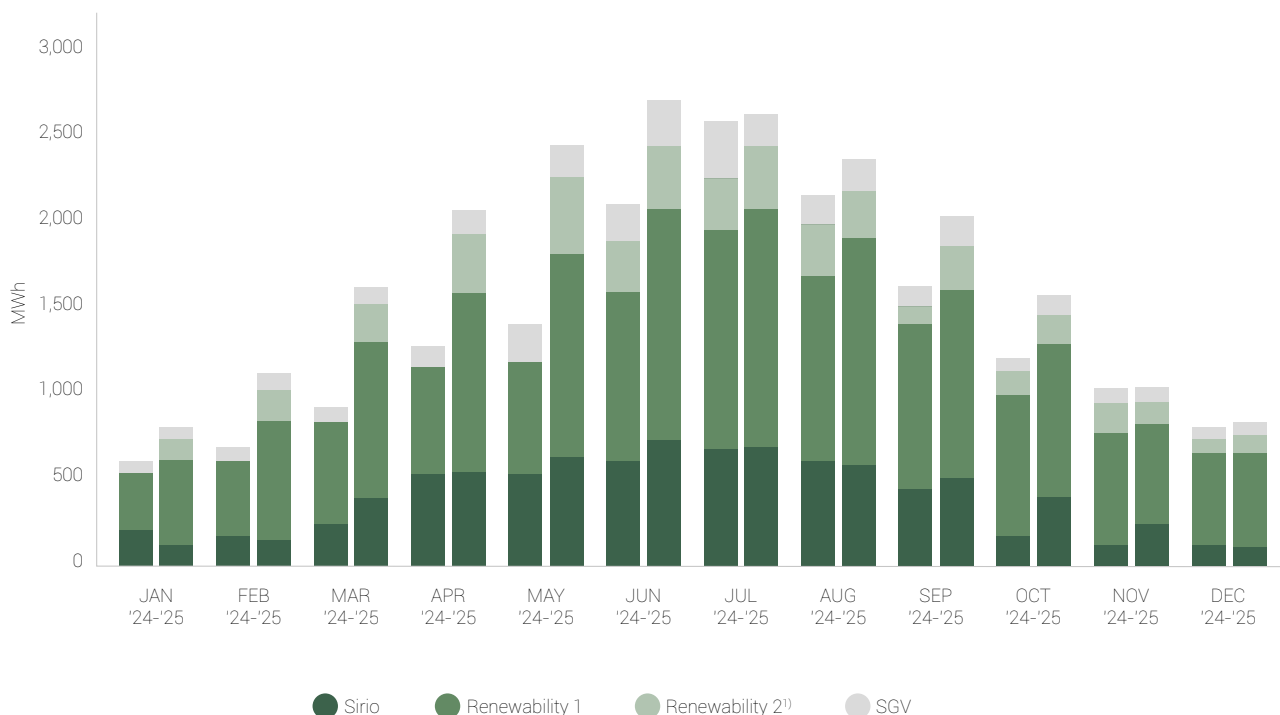
Stahl Gerlafingen (Switzerland)

Following the systems commissioned between May and June 2024 on the rolling mill and shipping warehouse roofs, installed capacity optimisation continued to maximise local production for self-consumption; in 2025 the third rooftop system entered into operation, with a capacity of approximately 2 MW.

The Group is also assessing the installation of a BESS (Battery Energy Storage System) with 1 MW power and 2 MWh capacity at the San Giovanni Valdarno site, to optimise self-consumption from the existing photovoltaic plant (already fully operational) and to provide services to the national electricity grid. The Group continues to benefit from photovoltaic generation from plants operated by the Renewability consortium, of which it is a member. These plants, located in Lazio, Abruzzo and Sicily, provide an allocated capacity of 9 MW and an estimated annual production of approximately 14 GWh.

Finally, the Group continues to use the Sirio plant (Mantua province), with 3.3 MW capacity, generating approximately 5 GWh per year of renewable electricity under a PPA, making a significant contribution to covering the Group's energy requirements.

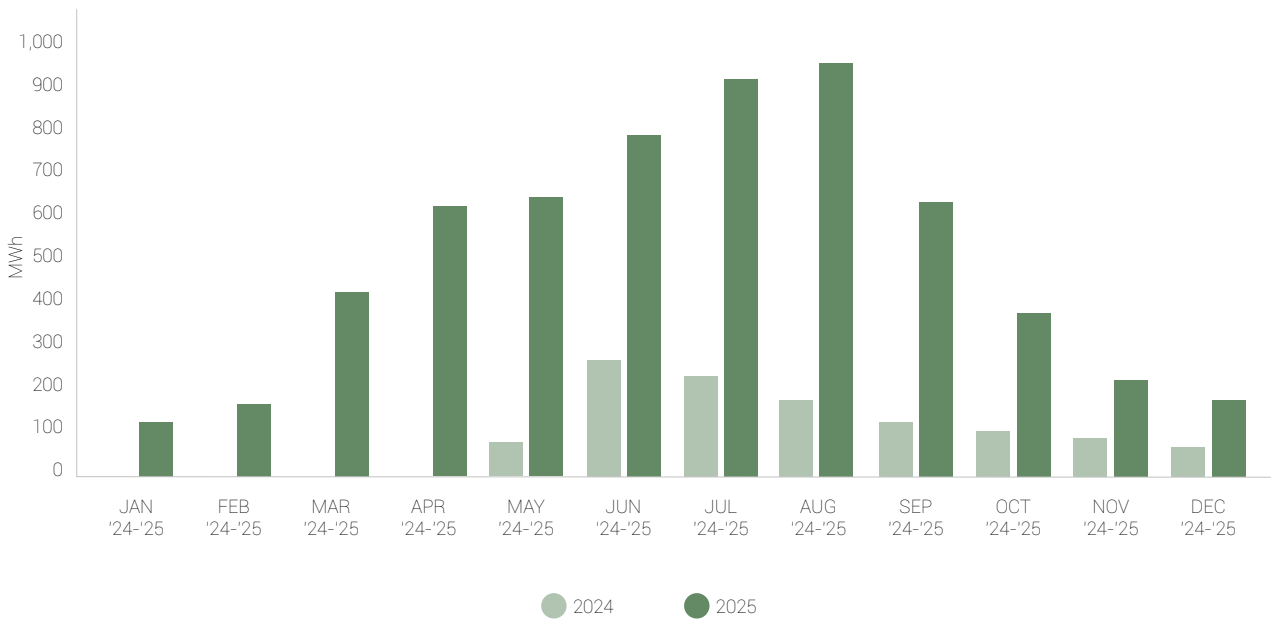
Solar Production in Italy 2024-2025



Note:

¹⁾ It came into operation in June 2024.

Solar Production in Switzerland 2024-2025



Energy Release 2.0

The Energy Release 2.0 project, promoted by GSE, is an innovative instrument designed to combine industrial competitiveness with access to renewable electricity at a capped price. Over the 2025-2027 period, energy-intensive companies - such as those in the steel sector - can access electricity at €65/MWh, through two-way Contracts for Difference (CfDs) that offset price fluctuations and provide increased predictability.

AFV Acciaierie Beltrame S.p.A. participated in the allocation procedure and, in November 2025, was awarded a volume of energy equivalent to approximately 30% of annual electricity consumption in Italy. Over the following 20 years, the initiative requires the return of the energy received through the development of new renewable capacity equal to at least twice the advanced energy, thereby stimulating targeted industrial investments that structurally increase green energy generation.

This measure strengthens the competitiveness of Italian steelworks while simultaneously accelerating decarbonization pathways and supporting the development of new self-generation initiatives.



Photovoltaic system, Ceresara, Italy

3.2 DECARBONIZATION AND CLIMATE CHANGE

3.2.1 Reference context

Climate change is a strategic priority for AFV Beltrame Group, which actively manages the related risks and opportunities over short-, medium- and long-term horizons, in terms of both mitigation and adaptation.

The implications are significant from an economic-financial, operational, reputational and environmental perspective, making a structured and integrated approach to emissions management and the transition towards low-emission production models essential.

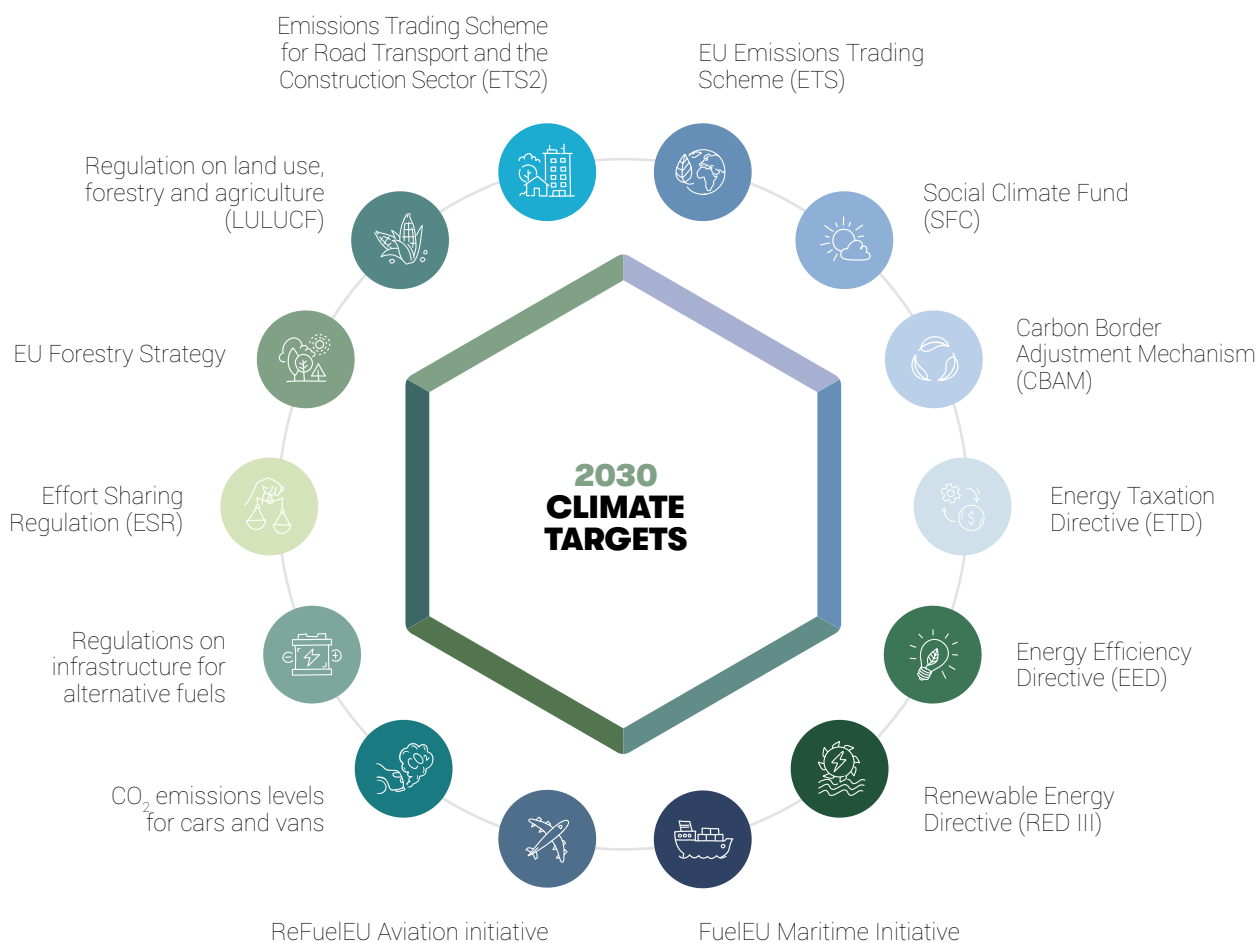


Regulatory evolution and potential scenarios

The European regulatory landscape continues to evolve rapidly, with significant impacts also on the electric steel sector, which - although already characterised by a lower emissions intensity than the integrated route - remains fully involved in decarbonization pathways.

The pathway outlined by the European Green Deal, presented by the European Commission, remains the main strategic reference: the European Union has committed to achieving climate neutrality by 2050 and to reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. In 2025, these objectives were further reinforced through the implementation of legislative packages linked to the "Fit for 55" programme, which are progressively reshaping corporate obligations in terms of:

- reducing direct and indirect emissions;
 - increasing investments in low-carbon technologies;
 - greater transparency and standardisation of climate reporting.
- For AFV Beltrame Group, this scenario entails the need to continue adapting operational and investment models, while at the same time capturing opportunities linked to the growing demand for low-emission steel.



Source of the chart: "Architecture Factsheet", July 2021 edition, published by the European Commission and adapted by AFV Beltrame Group.

Reference framework: CBAM and ETS

The evolution of European climate policies reached, in 2026, a phase of full operational maturity, also through the structural integration between the EU ETS (Emissions Trading System) and CBAM (Carbon Border Adjustment Mechanism). These now represent the key pillars for enabling decarbonization pathways in hard-to-abate sectors, ensuring the alignment of carbon costs between EU products and imports.

The year 2025 marked the conclusion of CBAM's transitional phase, launched in October 2023, during which obligations were limited to monitoring and quarterly reporting of embedded emissions, benefiting from methodological flexibility through the use of default values and calculation methods based on national systems in third countries. The beginning of 2026 initiated the definitive phase of the regulation. This shift has necessarily transformed the internal processes of the companies concerned, introducing technical steps that directly affect operational and financial planning:

- operations are now subject to obtaining the status of "authorised CBAM declarant", an essential requirement to place goods under the CBAM regime (including steel products) on the EU market;
- climate reporting now follows a dual timeline and provides for an annual CBAM declaration - relating to the embedded emissions of materials imported in the reference year - to be submitted by the end of May of the following year, while the deadline for the final surrender of the corresponding certificates has been set at 30 September of the same year, granting operators a management period between data reporting and the closing of the financial position;
- to ensure system stability and continuous coverage of environmental charges, the regulation introduces a progressive holding requirement. At the end of each calendar quarter, the declarant must verify that their account in the CBAM registry holds a quantity of certificates equal to at least 80% of the embedded emissions in goods imported since the beginning of the year. This intra-year monitoring mechanism anticipates the closing of the definitive financial position and ensures control over the actual availability of certificates.

Under the definitive regime, the quality of reporting has become a critical competitiveness factor. Although the legislation allows the use of default values (standard parameters established by the European Commission), reliance on such estimates is now heavily penalising.

Default values are in fact calculated on a conservative basis, reflecting the emissions intensity of the least efficient countries or installations. For the steel sector, relying on these parameters means bearing financial burdens for CBAM certificates that are significantly higher than those resulting from direct measurement. The use of primary data, e.g. real, certified data from non-EU production sites - enables the declaration of the product's actual carbon footprint and the optimisation of the financial outlay.

The ability to obtain accurate primary data therefore requires, for its effective application, the strengthening of cooperative relationships with supply-chain stakeholders and the active involvement of suppliers, for the joint development and adoption of monitoring procedures and calculation methodologies compliant with European standards, verification systems accredited by third parties, as well as secure digital platforms to ensure emissions traceability across the entire value chain. Despite the expected effectiveness of the system, the industrial debate highlights certain structural criticalities that sectors affected by CBAM must manage carefully and which are currently the subject of institutional discussions:

- while CBAM protects the internal market, the affected products (including European steel) exported to non-EU markets do not benefit from any compensation for rising ETS costs, and may therefore lose global competitiveness versus competitors operating under lower environmental standards (lack of export protection);
- there is concern that non-EU producers may allocate to Europe only the output from their most efficient installations, while continuing to operate with obsolete technologies for the rest of the world, without generating a genuine global climate benefit (avoidance risk/ "resource shuffling");
- there is also a risk of triangulation ("circumvention"), whereby products with high emissions intensity transit through intermediary countries that benefit from less restrictive arrangements, or where products undergo marginal transformations aimed at changing the product's non-preferential origin in order to circumvent the emissions calculation of the actual producer;
- a further issue concerns processed and finished products, which are currently not included in the CBAM scope but incorporate materials subject to the regime, potentially incentivising companies to move manufacturing outside the EU and import the finished product instead of the raw material to be processed, triggering a deindustrialisation process in the European manufacturing value chain without any effective environmental benefits.

In an effort to counter triangulation and customs circumvention, the steel industry is advocating the introduction of the so-called “melted and poured” principle as a stringent traceability requirement. This approach aims to identify the origin of steel not based on the location of the last processing step, but on the location where the steel was actually produced in liquid form and poured for the first time.

In conclusion, the CBAM-ETS regulatory framework has transformed carbon emissions management from a mere compliance matter into a competitiveness factor, linked to both relational and financial dimensions. The ability to manage the operational complexity of the CBAM-ETS regime - combined with efficient production processes and strong relationships with commercial partners - represents, for the Group, a standard that enables it to maintain the sustainability leadership recognised within the steel industry.



3.2.2 Emissions from production processes

AFV Beltrame Group continued, in 2025 as well, to quantify the CO₂ emissions generated along the value chain in accordance with ISO 14064-1, recognising that emissions reduction requires continuous and increasingly accurate measurement. Consistent with its sustainability commitment, the Group continues to monitor and report greenhouse gas emissions by distinguishing between direct emissions, indirect emissions from purchased energy, and other indirect emissions along the value chain.

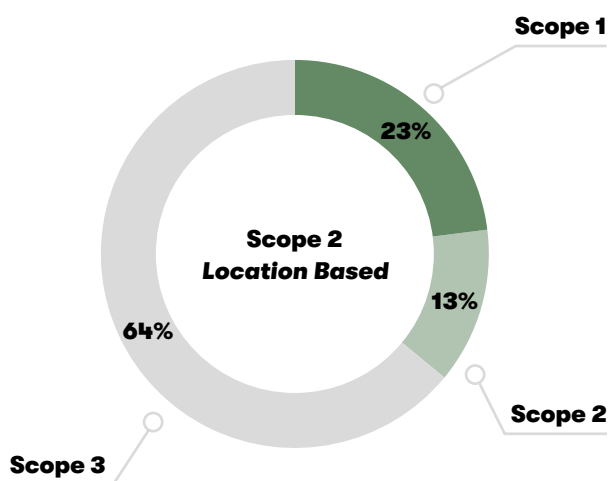
Within the steel industry, these emissions are analysed both in absolute terms (tonnes of CO₂ emitted) and in terms of emissions intensity, expressed as tonnes of CO₂ per tonne of finished steel product. In 2025, the Group's emissions profile confirms the predominant contribution of Scope 3, which represents the main share of total emissions, while Scope 1 and Scope 2 account for a smaller proportion.

In particular, Scope 3 represents 64% of the Group's total emissions under the Location-based method and 69% under the Market-based calculation, highlighting that indirect emissions along the value chain continue to be the most relevant area of impact.

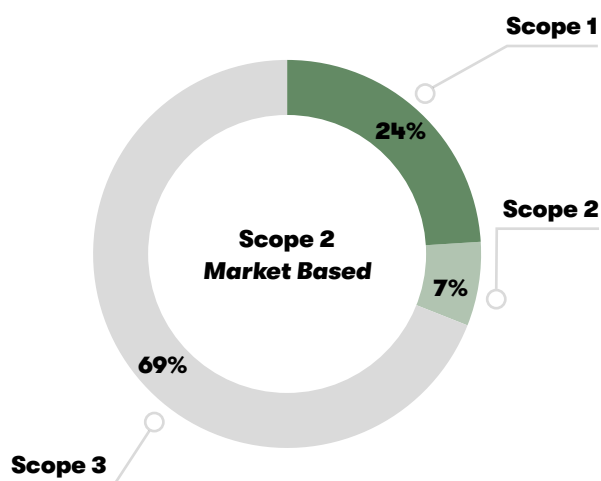
At Group level (excluding the Târgoviște site, as it is not yet fully operational and is not included in the perimeter of the Group's decarbonization plan), the total CO₂ emissions in absolute terms (Scope 1 + 2 + 3) for steelmaking and rolling mills, referring to 2025, amount to:

- Scope 1, Scope 2 (Market Based) and Scope 3: 1,212,097 tCO₂e.
- Scope 1, Scope 2 (Location Based) and Scope 3: 1,306,088 tCO₂e;

Breakdown of the Group's CO₂ emissions



Breakdown of the Group's CO₂ emissions



The CO₂ emissions data have been certified by an independent third-party body, which has issued a certificate of compliance in accordance with ISO 14064-1.

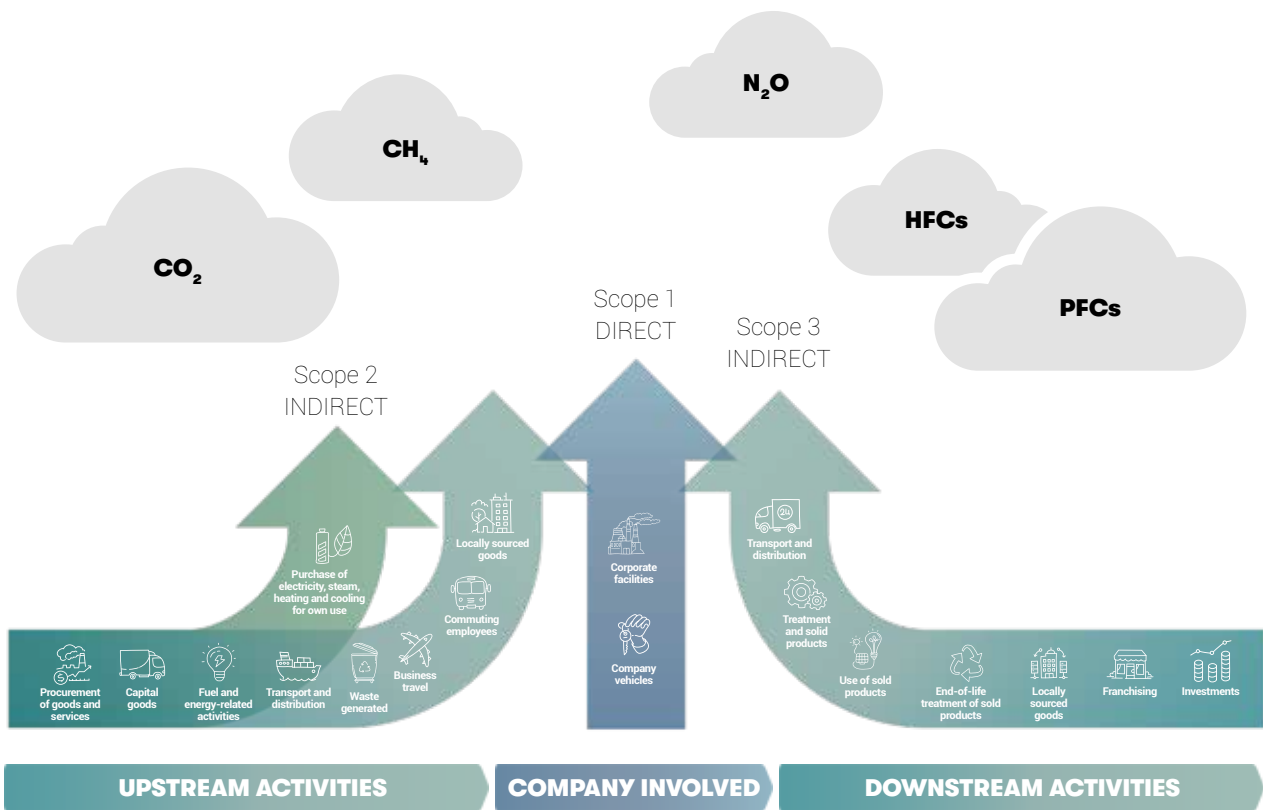
The CO₂e emissions intensity, referring to Scope 1 + Scope 2 + Scope 3 (upstream) emissions for the Group's steelmaking and rolling operations in 2025, expressed in tCO₂e per tonne of finished product, is as follows:

- Scope 1, Scope 2 (Market Based) and Scope 3: 0.494 tCO₂e/tonne of finished product.
- Scope 1, Scope 2 (Location Based) and Scope 3: 0.537 tCO₂e/tonne of finished product;

Note:

The indicator is calculated as a production-weighted average based on the output of rolled finished products at each production site and also takes into account the processing yield.

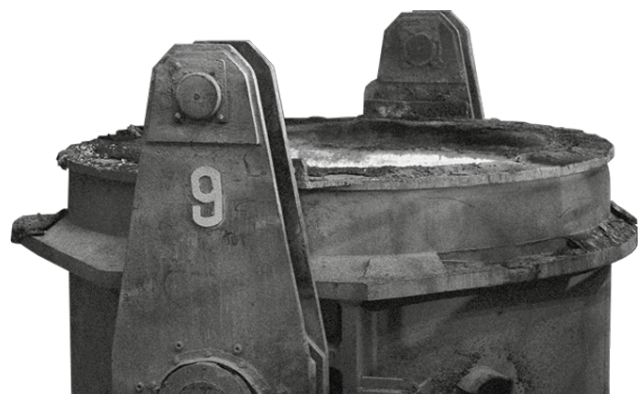
Overall, the specific indicators show a slight decrease compared to the previous year, reflecting an emissions profile consistent with the Group's decarbonization pathway and aligned with the reference benchmarks of the GSCC Steel Climate Standard.



The Group's Italian, Romanian and French plants, which fall under the EU Emissions Trading System (EU ETS), continue to operate in a context characterised by a progressive reduction in free allocation, with a consequent potential increase in operating costs over the medium to long term. The relevant regulatory framework is defined by Directive (EU) 2023/959, which governs the functioning of the EU ETS Market Stability Reserve, and by the amendments to Regulation (EU) 2019/331 on free allocation. Key updates include the revision of benchmarks for specific production processes and the introduction of conditionality criteria, including the obligation to implement measures identified through energy audits and to prepare climate neutrality plans for installations with higher emissions intensity.

In particular, the annual volume of free allowances may be reduced by up to 20% where the required energy efficiency measures are not implemented (pursuant to Article 8 of Directive 2012/27/EU) or where emissions exceed certain thresholds compared to the relevant benchmarks, in the absence of an adequate climate neutrality plan.

Based on analyses updated to 2025, the Group confirms that no penalties apply in relation to the conditionality criteria set out in the legislation. Furthermore, a favourable approach towards the steel sector remains in place: for the Group's installations, the removal of the fuel/electricity interchangeability criterion has been confirmed, resulting in a positive effect on the level of free allocation compared to the previous reference period (2021-2025).



Scope 1 Quantification

Within the Sustainability Steering Committee, there is an ongoing and continuous dialogue on emissions reduction objectives and on the strategies required to achieve the defined targets, in line with stakeholder expectations and within a rapidly evolving regulatory environment.

2024	Free allowances [tCO ₂]	Emissions [tCO ₂]
AFV	98,565 ¹⁾	121,429
LME	59,022	68,386
DON (Călărași)	12,796	11,754
2025	Free allowances [tCO ₂]	Emissions [tCO ₂]
AFV	76,956	129,771
LME	58,159	75,456
DON (Călărași)	12,796	13,570

Note:

¹⁾ Amendment to the 2024 allocation introduced during 2025.

The Stahl Gerlafingen site does not fall within the scope of the EU ETS. It is, however, subject to the requirements of Swiss Federal Act No. 641.71 ("Federal Act on the Reduction of CO₂ Emissions"). Emissions calculated for 2025 amount to 71,372 tCO₂.

Production and emissions breakdown	Billet production	Rolled products production	Total production	Steel mill CO ₂ emissions	Rolling mill CO ₂ emissions	Total CO ₂ emissions
Unit of measurement	t	t	t	tCO ₂ e	tCO ₂ e	tCO ₂ e
AFV Vicenza	1,056,391	660,895	1,717,285	78,364	36,539	114,903
AFV San Didero	n.a. ¹⁾	113,867	113,867	n.a. ¹⁾	9,878	9,878
AFV San G. Valdarno	n.a. ¹⁾	47,827	47,827	n.a. ¹⁾	4,990	4,990
Donalam (Călărași)	n.a. ¹⁾	99,590	99,590	n.a. ¹⁾	13,570	13,570
LME	674,236	534,793	1,209,030	39,346	36,110	75,456
Stahl Gerlafingen	542,334	524,572	1,066,906	44,118	27,254	71,372
Total	2,272,961	1,981,544	4,254,505	161,829	128,340	290,169

Note:

¹⁾ n.a.: not applicable, as these are stand-alone rolling mills.

Emissions Focus - 2025

Below is a breakdown of direct emissions generated from sources owned or controlled by the organization, for each production site (excluding Târgoviște), highlighting the split by sub-category:

Scope 1 Category

	Vicenza	San G. Valdarno	San Didero	LME	Stahl Gerlafingen	Donalam (Călărași)	Total
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO₂e
1.1 Emissions from stationary combustion	53,600	4,990	9,878	41,884	54,986	13,570	178,907
1.2a Emissions from mobile combustion ¹⁾	854	38	142	200	2,085	91	3,410
1.2b Company vehicles ¹⁾	369	6	18	78	32	59	562
1.3 Process emissions	61,303	0	0	33,572	16,386	0	111,262
1.4 Fugitive emissions	75	1	0	2	0	0	78
Total							294,219

Note:

¹⁾ Below is a table showing the parameters used in the calculation of Scope 1 emissions:

Fuel	tCO ₂ e/t	kg/L	Emission factor source
Diesel fuel (machinery)	3.15	0.85	IPCC (UNFCCC) + Calculation
Diesel fuel (cars)	3.168	0.85	Fetransp 2022 + Calculation
Unleaded petrol for road transport	3.158	0.72	Fetransp 2022 + Calculation

Scope 2 Quantification

Scope 2 emissions - i.e., indirect greenhouse gas (GHG) emissions resulting from the generation of purchased and consumed energy - were also calculated for 2025 using two distinct approaches:

- Market Based:** this approach defines indirect emissions on the basis of the specific electricity mix contractually purchased from suppliers, through: Guarantees of Origin (GoOs) and direct supply contracts, supplier-specific emission factors, and emission factors related to the "residual mix", i.e., electricity and associated emissions that are not tracked or not claimed. For the French site, the AIB - European Residual Mix 2024 emission factor (published in 2025) is applied. For the Italian and Romanian sites, emission factors provided directly by the respective energy suppliers are used. Italian sites use Guarantees of Origin associated with the generation from the Group's own renewable plants. The Romanian site covers 37% of its electricity consumption through Guarantees of Origin, while for the Swiss site these instruments ensure coverage of the entire demand.

- Location Based:** this approach defines indirect emissions on the basis of average emission factors relating to electricity generation within clearly defined geographic boundaries, including local, sub-national or national boundaries. For 2025, the references used are: ISPRA 2025 for Italy; "Greenhouse gas emission intensity of electricity generation by country - EEA 2024" (published in 2025) for France and Romania; and "Umweltbilanz Strommix Schweiz 2018" - BAFU for Switzerland.

Calculating Scope 2 emissions using both approaches provides a comprehensive and accurate view of the environmental impact associated with the Group's energy consumption. In particular, the Market-based approach reflects, with greater specificity, contractual arrangements and renewable energy certifications, while the Location-based method provides a reference grounded in the average carbon intensity of the local grid mix.

Scope 2 emissions are expressed in tonnes of CO₂ equivalent (tCO₂e), considering that the contribution of other GHGs - such as methane and nitrous oxide - is negligible in the overall GHG emissions total.



Indirect Emissions Focus - Purchased Energy - 2025

Below is the detailed breakdown of indirect emissions arising from the generation of purchased energy consumed by the Group, for each production site (excluding Târgoviște), highlighting both the Market-based and Location-based approaches:

Scope 2 Category

	Vicenza	San G. Valdarno	San Didero	LME	Stahl Gerlafingen	Donalam (Călărași)	Total
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
2.1 Market Based	63,927	1,413	3,523	9,246	0	2,526	80,636
2.1 Location Based	110,573	1,337	3,333	16,904	35,313	7,167	174,627

Scope 3 Quantification

Within the Group's organizational and operational boundaries, Scope 3 emissions - i.e., indirect emissions along the value chain that are not included in Scope 2 - were identified and quantified using a consolidated methodology in accordance with ISO 14064-1, based on multiplying the "activity data" by the corresponding "emission factor".

For the greenhouse gas (GHG) emissions calculation process, the Group primarily used primary sources, namely actual data provided directly by the organization (such as bills, invoices and records). Secondary data were used only where primary information was not available. Emission factors were sourced from internationally recognised LCA databases (Ecoinvent, GLEC), publications by sector bodies (IPCC, UNFCCC), as well as supplier-specific factors provided by

suppliers. Additional secondary information was drawn from national statistics, including FETRANSP and ISPRA, and from studies on the emissions intensity of electricity generation fleets.

In 2025, the Group's Scope 3 emissions - excluding those relating to the Târgoviște production site - amounted to 837,242 tCO₂e, representing more than 60% of total CO₂ emissions. The main sources of these emissions relate to the purchase of goods and materials and to transport activities across the value chain. This breakdown confirms the strategic relevance of Scope 3 in the overall management of corporate emissions and highlights the importance of integrated actions across the entire value chain in order to achieve the Group's decarbonization objectives.

Indirect Emissions Focus - Value Chain - 2025

Below is the detailed breakdown of indirect emissions generated along the Group's value chain, which are not subject to the organization's direct control, for each production site (excluding Târgoviște), highlighting the split by sub-category:

Scope 3 Category

	Vicenza	San G. Valdarno	San Didero	LME	Stahl Gerlafingen	Donalam (Călărași)	Total
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
3.1 Upstream transport activities (supply)	21,994	181	250	18,672	12,068	6,001	59,165
3.2 Downstream transport activities (shipping)	34,829	1,589	2,636	32,280	5,491	13,463	90,289
3.3 Employees' home-to-work commuting	1,645	114	225	1,580	885	681	5,130
3.5 Business travel	107	2	3	0	0	0	113
4.1 Purchased goods emissions	270,589	2,094	4,425	154,446	114,767	99,798	646,119
4.3 Waste disposal emissions	2,741	28	53	675	825	42	4,365
5.1 Use of products	18,805	0	0	13,026	125	0	31,956
5.2 Leased assets	0	0	0	0	105	0	105
Total							837,242

3.2.3 Scope 1 and 2 reduction actions

The Group's CO₂ emissions, although already among the lowest in the sector, remain a strategic focus within a decarbonization plan aimed at reducing Scope 1 and Scope 2 emissions by 40% by 2030, compared to 2015 levels.

Integrated into the GSCC Steel Climate Standard, the plan constitutes the reference framework for the Group's long-term industrial sustainability strategy and guides its activities towards increasingly efficient production with a lower environmental footprint.

The plan's initiatives are structured around four main areas of action:



1. Operational efficiency



2. Circular economy practices

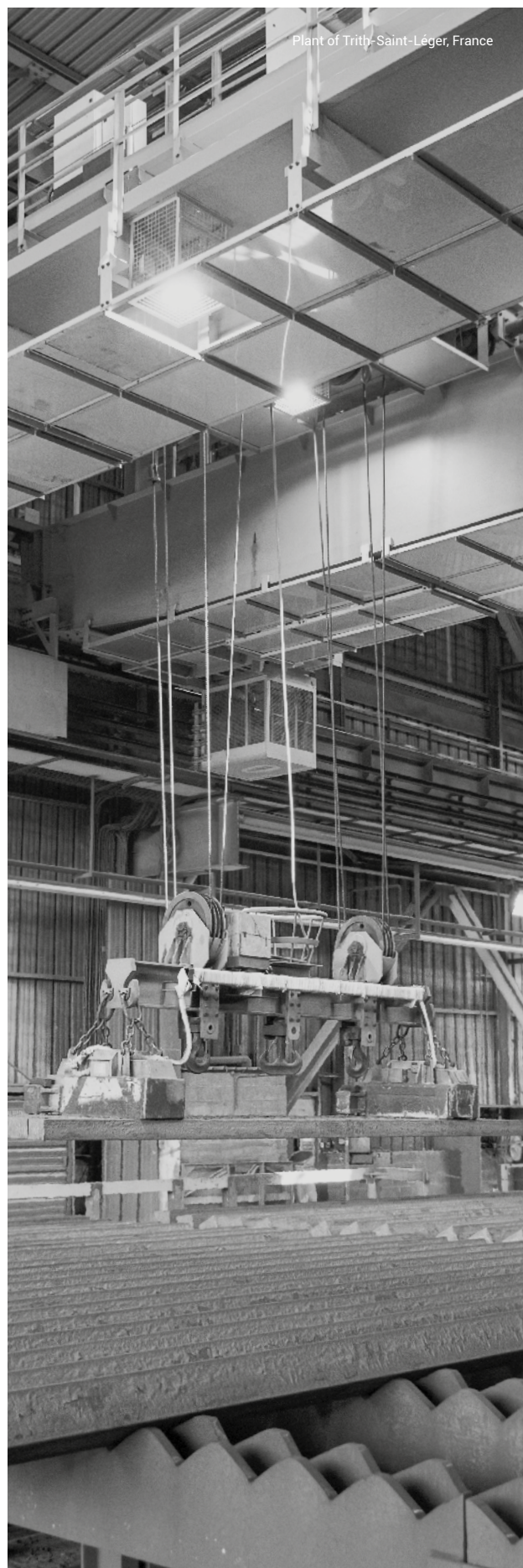


3. Green energy sourcing



4. Technological solutions

In 2025, the Group continued to consolidate the results achieved in previous years by closely monitoring energy consumption and optimising plant management, thereby reaffirming its ongoing commitment to the sustainability of production processes.



Plant of Trith-Saint-Léger, France

1.

Operational efficiency

Operational efficiency represents the first area of action within the decarbonization plan. Initiatives implemented in previous years have delivered significant improvements in energy consumption and in the operational management of the plants. In particular:

- Optimisation of reheating furnaces at the Stahl Gerlafingen, LME and Donalamin sites, through the adoption of regenerative burners and heat recovery systems, which have significantly reduced natural gas consumption and CO₂ emissions.
- Upgrade of ladle burners at Stahl Gerlafingen, equipped with heat recovery systems and gas/oxygen mixtures, achieving a reduction in consumption of up to 30% compared to the previous technology used in the ladle-heating process.
- Optimisation of the Electric Arc Furnace (EAF) at LME, a major two-year initiative that enabled a reduction in natural gas consumption and, in 2025, delivered savings of approximately 34 GWh compared to the previous year, resulting in a decrease in the steelworks' direct CO₂ emissions of around 30%.

In 2025, the Group continued, on an ongoing basis, to monitor and manage its plants, consolidating the results achieved and maintaining high levels of efficiency in production processes - confirming its consistent commitment to decarbonization and industrial sustainability.



2.

Circular economy practices

In 2025, the Group's production continues to rely largely on the use of scrap as a raw material, with more than 95% of the iron used originating from recycled materials. This approach is a cornerstone of the sustainability strategy, drastically reducing the use of virgin resources and contributing to the circularity of production processes. To further enhance environmental performance and foster sustainable innovation, the Group strengthened several key initiatives:

- CROSSCUT project (Carbon Reduction in production routes Operations based on Smart Carbon Usage and digitalization Techniques), a strategic European initiative running from 2025 to 2028, aimed at significantly reducing CO₂ emissions in steelmaking processes through the use of Secondary Carbon Carriers (SCCs) - secondary carbon sources derived from recovered materials or alternative processes. The primary objective is to replace fossil coal, used as a reducing agent and fuel in Electric Arc Furnaces (EAFs), with carbon-rich materials such as biomass, biochar, rubber, and other innovative alternatives. This strategy enables a reduction in Scope 1 emissions without compromising the quality of the steel produced, fully integrating decarbonization objectives with circular economy practices;
- internal reuse of steelmaking slag, processed into certified industrial aggregates, contributing to meeting green procurement requirements within the construction value chain;
- optimisation of scrap and raw material quality, with the aim of ensuring more efficient, safer production processes and a reduced environmental impact;
- trials involving biogenic materials, such as biochar, to partially replace fossil coal in production processes, thereby reducing direct emissions and improving overall environmental performance;
- use of recycled materials derived from the separate collection of plastics, employed as an alternative to coal, in continuity with circular economy practices.



3.

Green energy sourcing

In 2025, AFV Beltrame Group continued to develop projects aimed at increasing the use of renewable energy across its plants, reaffirming its commitment to the energy transition and the reduction of CO₂ emissions. Planned investments are intended to raise the share of renewable energy to 40% of total supply at sites in Italy and Romania, while also significantly increasing the use of non-fossil energy sources at sites in France and Switzerland.

Through targeted actions, in 2025 the Group further advanced initiatives for green energy sourcing, including through Guarantees of Origin (e.g., Stahl Gerlafingen and Donalam). These initiatives focus primarily on long-term contracts, the integration of local renewable sources, and the optimisation of energy consumption, consistently with the Group's decarbonization targets and international sustainability standards.

Finally, it should be noted that the Group - limited to the parent company AFV Acciaierie Beltrame S.p.A. - joined the Energy Release 2.0 mechanism promoted by GSE and will benefit, over the 2025-2028 period, from a significant share of renewable energy, equal to 30% of the annual electricity consumption of the Italian sites.

**Biomethane**

Biomethane - a high-quality renewable gas that can fully substitute fossil natural gas - represents an important opportunity for the energy transition.

Its production enables circular economy processes, leveraging in particular agricultural residues and organic waste, and responding to the growing need to decarbonise hard-to-abate industrial sectors, including steelmaking. In this context, AFV Beltrame Group is establishing commercial partnerships with key suppliers in order to reduce direct CO₂ emissions through the purchase of biomethane, ensure production continuity with a renewable fuel compatible with existing infrastructure, and secure stable supply contracts - thereby reducing exposure to volatility in fossil gas prices.





Technological solutions

Vicenza district heating network project

AFV Beltrame Group is collaborating with AGSM AIM (now MAGIS) on the development of the district heating project for the city of Vicenza, as part of its decarbonization strategy. The objective is to expand the urban network by harnessing waste heat from industrial processes, thereby significantly reducing emissions associated with urban heating. The development roadmap includes an initial phase focused on the renewal and efficiency upgrade of the existing Cricoli plant, through targeted technological interventions aimed at improving performance and sustainability. This will be followed by an extension of the network towards the eastern area of the city, while the western expansion - also connecting AFV Acciaierie Beltrame - is planned for beyond 2030. At full operation, based on preliminary estimates, the heated volume served across the city of Vicenza is expected to be approximately double the current level, and the waste heat recovered from the steelworks is expected to account for over 30% of the total energy distributed. This contribution will integrate with renewable sources and other high-efficiency solutions, supporting a reduction in CO₂ emissions.

with the various third parties involved. The objective is for all necessary conditions to be met to launch this community project within the next two years, enabling LME to recover and supply between 20 and 40 GWh of heat per year, thereby actively contributing to reduced natural gas consumption and the decarbonization of the surrounding area.

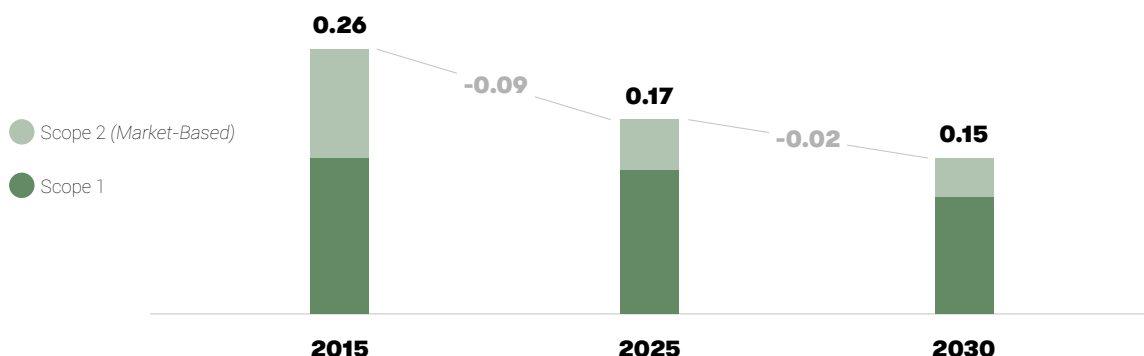
Hydrogen projects

AFV Beltrame Group is preparing to use green hydrogen as a fuel, participating in community projects aimed at studying innovative solutions. The reheating furnaces at the rolling mills are already designed to operate with blends of green hydrogen and natural gas. According to ongoing studies, in the coming years it is expected to be possible - without requiring burdensome plant modifications - to use an energy mix consisting of natural gas and green hydrogen, with the latter representing a share of up to approximately 15%, depending on availability and the level of project development. This solution represents a long-term strategic opportunity to reduce direct emissions in industrial processes that are difficult to electrify.

LME district heating network project

LME has launched a study aimed at valorising the waste heat generated by the production processes of its Electric Arc Furnace (EAF) steelworks, which is not currently used directly on site. Since 2022, several local stakeholders from Valenciennes Métropole and Porte-du-Hainaut have been involved in defining a community district heating network intended for public and collective users, such as hospitals, universities and residential buildings. In 2025, a public consultation was conducted to support the network's development, and discussions were initiated

Based on the initiatives and projects described above, the following chart is provided, illustrating the Scope 1 and Scope 2 (market-based) emissions intensity for 2025 - as set out in the previous pages - as well as the target value defined for 2030.



Note: The emissions intensity figure also takes processing yield into account. In addition, this intensity value is calculated as a production-weighted average based on the finished product output of all production sites included within the reporting perimeter (excluding the Târgoviște site and the hydroelectric plants).

3.2.4 Incentivised finance

Technological innovation is a cornerstone of AFV Beltrame Group's development model and guides industrial investment decisions with the aim of combining competitiveness, operational efficiency and environmental sustainability. In an energy intensive sector such as steelmaking, the Group focuses its resources on advanced technological solutions, automation and digitalization, creating the conditions for an increasingly structured and systematic use of process data. In this context, investments also contribute to climate change mitigation objectives, through improved energy efficiency and the progressive reduction of greenhouse gas emissions.

Within the framework of strategic investments geared towards innovation and sustainability, AFV Beltrame Group leverages the opportunities offered by incentivised finance, with particular reference to the instruments provided under the Industry/Transition 4.0 Plan, in order to support the introduction of interconnected and digitalised equipment and the modernisation of production assets. In line with the outcomes of the double materiality assessment, the Group also recognises sustainable finance and access to "green" financing as a lever to support and accelerate investments linked to the ecological transition, strengthening the connection between industrial strategy and climate objectives. A significant example is the investment carried out at the Vicenza plant relating to the new continuous slab caster (CCB), designed in accordance with principles of high automation, systems integration and process interconnection.

The system's features - integrated control systems, process instrumentation and the availability of structured real time data - are consistent with the requirements set out by the 4.0 regulatory framework. The data driven approach underpinning the investment also enables the development of smart factory models and the progressive deployment of advanced digital tools (including Artificial Intelligence solutions) to support the optimisation of production processes, quality and energy efficiency, with positive effects also on reducing emissions intensity.

To complement the CCB investment, the Group has built a new building for the storage and handling of slabs, functionally integrated with the casting line, with the aim of optimising internal logistics flows, improving materials traceability and reducing unnecessary handling. This streamlining contributes to improving the overall efficiency of the site, with indirect benefits also in energy and emissions terms. Alongside these structural investments, the Group delivers targeted technological innovation initiatives on existing facilities.

These include the new EAF furnace control pulpit at the LME plant in France, designed to increase the level of automation, enhance the integration of control systems and enable centralised management of process information. The intervention improves the operator - plant interface, strengthens reliability and helps raise operational safety standards by reducing direct exposure to the most critical activities.

The Group has also completed the upgrade of the automation and integrated supervision section for the entire LPMici rolling line at the Târgoviște plant (Romania), which now ensures greater operational reliability, productivity control and product quality assurance. The new rolling mill automation now enables more continuous and structured collection of production data and acts as an enabler for the use of advanced digital and Artificial Intelligence (AI) tools, supporting the optimisation of rolling parameters, the reduction of downtime and the containment of scrap. This results in positive impacts in terms of energy efficiency, resource use and the reduction of emissions associated with production processes.

In addition to these initiatives, the Group participates in European level research and innovation programmes, including CROSSCUT (the project described above), also through dedicated funding schemes for the ecological transition, with the aim of developing technological solutions to support the decarbonization of the steel sector and the valorisation of by products.

The SLAG2BUILD project aims to demonstrate the feasibility of an innovative dry granulation technology for the valorisation of refining slags generated in the steelmaking process, fostering their reuse in industrial applications and contributing to the transition towards circular economy models, with indirect benefits in terms of emissions reduction.

The adoption of advanced automation systems also contributes to improving occupational safety conditions by reducing workers' direct exposure to the most critical operations and enabling more effective management of abnormal situations through centralized control systems and integrated safety logic.

Overall, the combination of structural investments, automation and digitalization - supported by Industry 4.0 incentivized finance instruments and by participation in European research and innovation programmes - strengthens the Group's integrated approach. From this perspective, the ability to activate and integrate incentivized finance tools and green financing represents a key enabler to support decarbonization investments and to seize the opportunities identified through the impacts, risks and opportunities (IRO) assessment.



3.2.5 Scope 3 reduction actions

During 2025, AFV Beltrame Group continued to strengthen its approach to managing and reducing emissions across the entire value chain, updating the quantification of greenhouse gas emissions for the previous year in accordance with ISO 14064-1. This activity confirms the Group's commitment to increasingly accurate and transparent measurement, aligned with leading international standards and with the decarbonization targets defined at a strategic level.

The emissions analysis shows that Scope 3 remains the predominant component of the Group's overall carbon footprint, accounting for 69% of the total (considering Market-Based procurement). Total emissions intensity (Scope 1, Scope 2 Market-Based and Scope 3) stands at 0.494 tCO₂e per tonne of finished product, in line with the Group's decarbonization objectives and confirming the effectiveness of the strategies already implemented.

The main sources of indirect emissions are attributable to the procurement of raw materials and goods, as well as upstream and downstream transportation, which represent the most material categories within Scope 3.

For emissions calculations, the Group adopted updated, internationally recognised methodologies, including:

- the use of Ecoinvent coefficients (version 3.12), which, for certain commodity categories, resulted in an upward revision of emission factors;
- the application of GLEC 3.2 coefficients to calculate transport-related emissions, in line with sector best practices and relevant ISO standards;
- the use, where available, of primary data provided directly by suppliers for the main purchasing categories with high emission intensity (including lime, coal, electrodes, iron/steel, ferroalloys and refractory materials).

In continuity with the pathway initiated in previous years, in 2025 the Group further developed supply-chain engagement activities, with the aim of progressively improving the quality and reliability of the data used for emissions reporting. In particular, dialogue with strategic suppliers was consolidated through the structured collection of environmental information via dedicated questionnaires and, where necessary, through targeted exchanges aimed at:

- deepening awareness of sustainability and decarbonization topics;
- verifying the availability of emission-specific data and the calculation methodologies adopted;
- promoting the adoption of recognised environmental standards and certifications (e.g., EPD, ISO 14064-1);
- fostering the development of synergies and partnerships focused on emissions reduction along the value chain.

Thanks to these initiatives, an increasing share of Scope 3 emissions is now calculated on the basis of supplier-specific data, significantly improving the accuracy of the GHG inventory compared to the use of average database factors.

The pathway undertaken represents a cornerstone of the Group's climate strategy: the progressive enhancement of data quality and the active engagement of stakeholders across the value chain enable the identification of increasingly targeted and effective reduction actions, thereby contributing to the achievement of decarbonization objectives in line with international commitments.

Raw materials focus

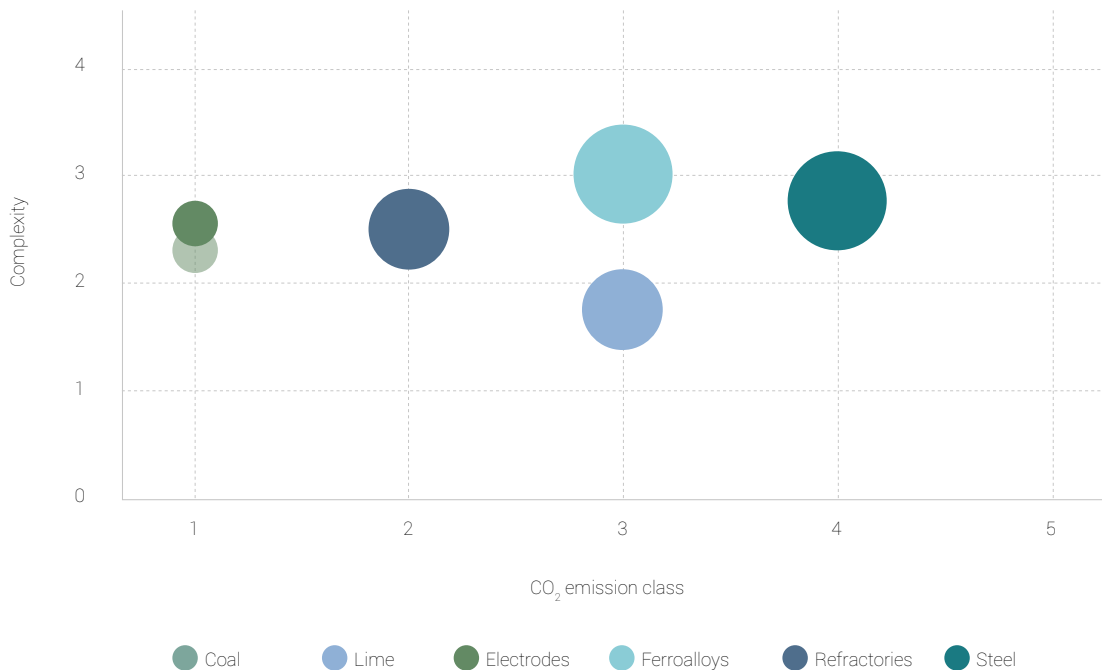
As part of its Scope 3 emissions reduction activities, AFV Beltrame Group continues to strengthen its commitment to the active engagement of the supply chain, with a particular focus on raw material suppliers, which represent one of the main sources of indirect emissions.

Changes in the use of supplier-specific data compared to the previous year are not attributable to a weakening of supply-chain management; rather, they reflect the strengthening of data reliability requirements applied during third-party assurance. Indeed, the independent assurance provider permits the exclusive use of supplier-specific data only where it is adequately supported by evidence and certifications, in line with the principles of information quality, verifiability and accuracy. In parallel, the Group continues its screening activities on raw materials and the identification of the categories with the highest emission impact, confirming the materiality matrix that links the emission intensity class of materials with the complexity of production processes. Key focus areas include lime, ferroalloys and iron/steel, while other categories - such as coal, electrodes and refractories - are less significant in terms of their overall contribution to emissions.

Based on the results achieved, a number of priority improvement areas have been identified, particularly related to strengthening supplier engagement and enhancing the quality of emissions data. The main actions include refining inventory data for the most material categories (ferroalloys, refractories and electrodes), verifying the availability of emissions information for electric-arc-furnace billets, and exploring alternative supplier engagement approaches, including in collaboration with traders and in alignment with the CBAM regulatory framework.

This approach reinforces dialogue with suppliers and promotes an increasingly sustainable supply chain, contributing tangibly to emissions reductions and to the improvement of the Group's environmental performance.

Materiality matrix ¹⁾



Note:

¹⁾ 4x4 materiality matrix developed by classifying raw materials into categories based on CO₂ emissions and on a complexity index constructed using four qualitative parameters: data quality, number of suppliers, geographical area, and process type.

Carriers focus

During 2025, AFV Beltrame Group further strengthened its commitment to the sustainable management of logistics and the emissions associated with upstream (mainly scrap) and downstream transportation. Thanks to the work of the internal multidisciplinary team, the "dB Atlante" database was further enhanced and now enables a more accurate mapping of logistics flows, including:

- transported volumes;
- transport modes, including intermodal solutions and the vessels used;
- route segmentation, with each leg characterised by a specific mileage.

This programme has significantly strengthened the quality and traceability of emissions data - an essential prerequisite for defining reduction strategies across the logistics chain. In this context, upon customer request, AFV Beltrame Group is able to provide structured self-declarations reporting annual volumes transported, the transport modes/means used, and the total associated CO₂ emissions, thereby supporting more transparent information management along the value chain. In parallel, the Group developed and implemented a new questionnaire for carriers, aimed at promoting best practices and fostering increasing alignment with decarbonization objectives.

Key areas of assessment included fleet characteristics (vehicle types, emissions class and age), transport operating practices (kilometres travelled, loads, routes and the use of monitoring tools), fuel consumption and fuel types used, as well as the availability of emissions data and any environmental certifications. The questionnaire also explored carriers' level of awareness regarding future regulatory impacts, including the introduction of the ETS2 system, and their corresponding commitment to emissions-reduction pathways.

This approach makes it possible to recognise and value the partners that are more advanced from an environmental standpoint while, at the same time, stimulating continuous improvement across the entire logistics network.

During 2025, AFV Beltrame Group also continued its engagement activities with carriers, with the aim to:

- promote, where feasible, the use of intermodal transport solutions;
- incentivise circular logistics models by optimising flows between finished product deliveries and scrap return trips;
- increase the availability and reliability of emissions data provided by logistics partners;
- explore the adoption of alternative fuels and innovative solutions, such as the use of low-emission vehicles for short-haul routes. In this area, a pilot test of a fully electric vehicle for short-range shipments was carried out to assess operational feasibility and future opportunities.

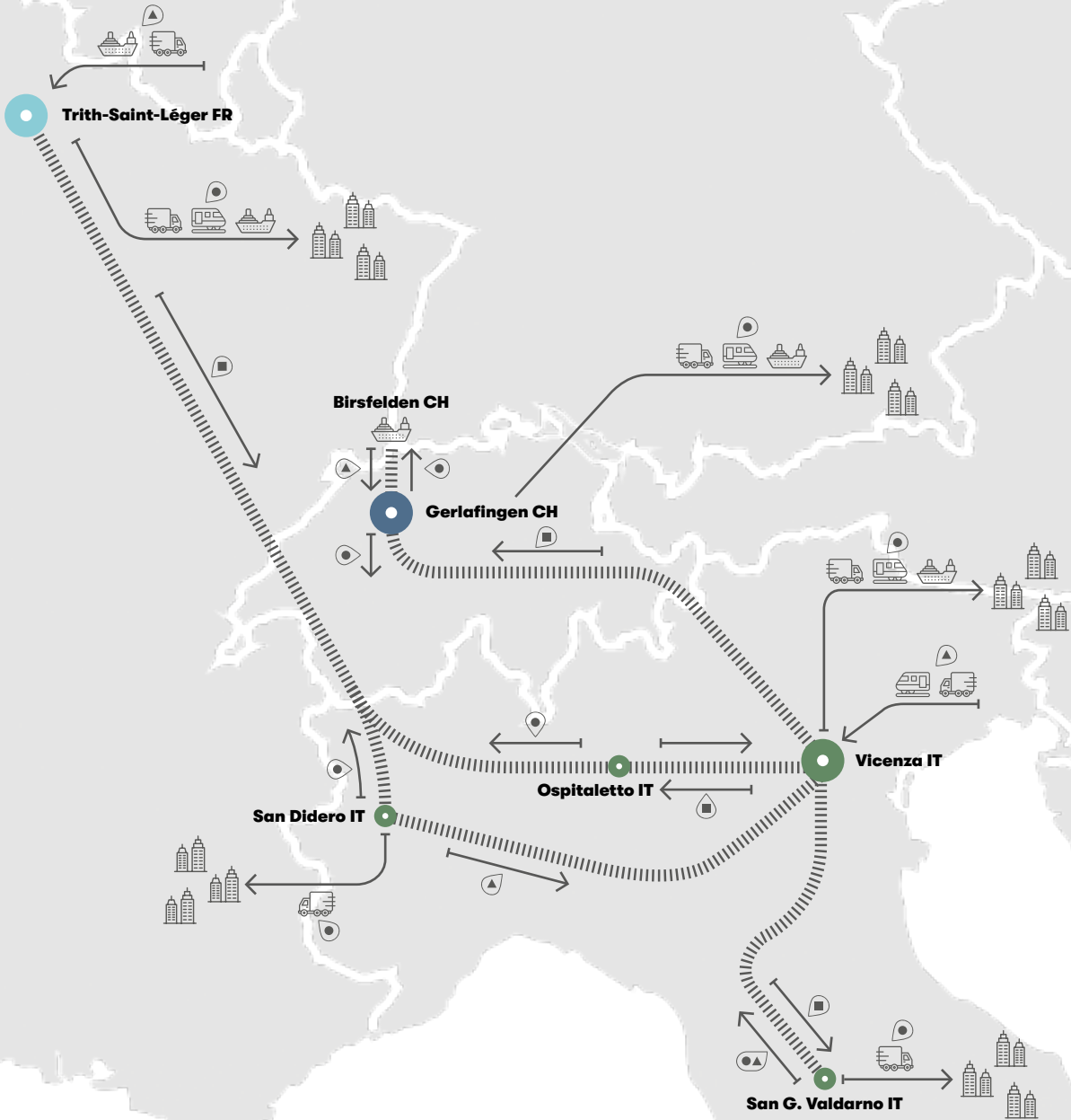
Currently, more than 30% of downstream transport uses non-road or mixed modes, including rail, intermodal, maritime and inland waterway transport.

Despite the progress achieved, some structural constraints remain in the short term, particularly linked to the complexity of reconfiguring logistics flows, the availability of adequate infrastructure, and the significant investments required to expand rail transport capacity.

In this context, the Group will also continue to closely monitor the evolution of the European regulatory framework, in particular the introduction of the ETS2 system, in order to assess potential economic and operational implications for the transport sector. Overall, the initiatives undertaken confirm AFV Beltrame Group's commitment to promoting a logistics chain that is increasingly sustainable, resilient and consistent with the Group's decarbonization objectives.

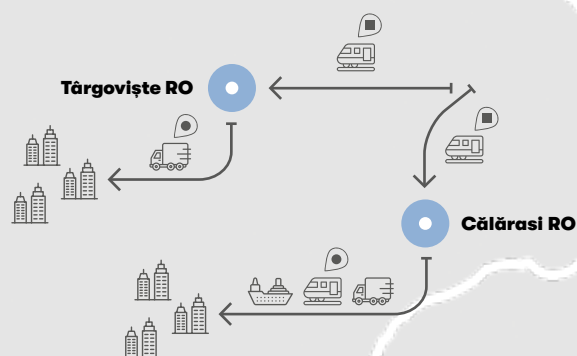


Plant of Gerlafingen, Switzerland



Intermodality: optimising transport synergies to further enhance steel sustainability

AFV Beltrame Group has implemented a set of efficiency levers that support both environmental protection and economic performance, with benefits that are increasingly acknowledged by all value-chain stakeholders.



Legend

- Ship
- Train
- Truck
- Customers
- Send
- Receives
- Rail lines
- Scrap metal
- Semi-finished product
- Finished product
- AFV Beltrame Group
- Laminés Marchands Européens
- Stahl Gerlafingen
- Donalám

Sustainable mobility

During 2025, the Company continued to advance initiatives aimed at strengthening its commitment to sustainable mobility. The actions undertaken are part of a strategic vision focused on creating shared value for stakeholders, with the objective of reducing the environmental impact of commuting and promoting responsible behaviours both within and beyond the organization. In particular, the following initiatives were developed during the reporting period:

- preparation and submission of the Home-to-Work Travel Plan for the Vicenza and San Didero (Turin) plants;
- continuation of the corporate shuttle service for the San Didero plant;
- progressive transition of the corporate fleet, prioritising electric and plug-in hybrid vehicles, also supported by the dedicated charging infrastructure;
- facilitation of the purchase of local public transport (TPL) season tickets for the Vicenza plant through the contribution provided by the Veneto Region;
- continuation of the electric and plug-in vehicle charging service already in place at the Vicenza plant, for the benefit of employees.



3.2.6 CO₂ reduction targets

Within an increasingly demanding regulatory context oriented towards sustainability, AFV Beltrame Group reaffirms its commitment to tackling climate change by continuing its membership in the Global Steel Climate Council (GSCC). The GSCC is a non-profit organization that promotes a technology-neutral, globally applicable standard for reducing CO₂ emissions in the steel industry.

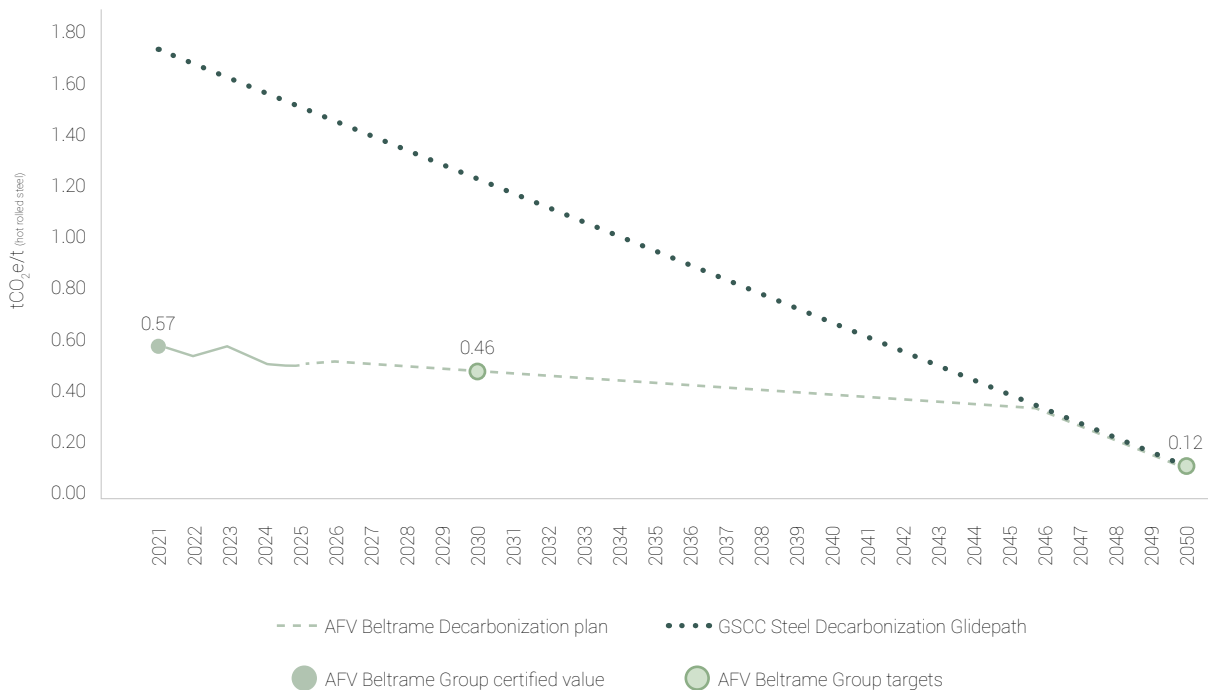
By certifying science-based targets consistent with the 2015 Paris Agreement and promoting transparent carbon accounting, the GSCC supports steel producers and consumers in achieving their decarbonization targets. GSCC members represent the entire steel value chain across more than 80 countries, including producers, industry associations, end users, scrap suppliers and non-governmental organizations. The Steel Climate Standard aims to:

- provide a harmonised framework, independent of technological processes, to certify steel products and define science-based emissions-reduction targets, with independent third-party verification in accordance with ISO standards;
- ensure transparency in the communication of emissions across the entire value chain (Scopes 1, 2 and 3), enabling objective assessments and informed purchasing decisions;
- establish a clear and replicable industry standard to achieve, by 2050, emissions-reduction targets aligned with science and the Paris Agreement, through the monitoring, planning and implementation of concrete measures.

The certification, issued following a rigorous independent verification process, confirmed that:

- Group carbon footprint (CASEI): 0.57 tonnes of CO₂e per tonne of hot-rolled steel, calculated with reference to the 2021 base year and including Scope 1, 2 and upstream Scope 3 emissions;
- SBETs: reduction to 0.46 tCO₂e/t by 2030 and to 0.12 tCO₂e/t by 2050, in line with the science-based commitments set out under the Paris Agreement.

AFV Beltrame Group - Science-Based CO₂e Emissions target aligned with the GSCC Standard



Obtaining the certification is not merely a formal recognition; it enables the Group to continue its decarbonization pathway in a structured manner, extending the reduction of specific emissions beyond internal production processes to also cover indirect activities related to transport, the procurement of raw materials and auxiliary materials. The internal review and the self-declaration submitted in May 2025 confirmed full compliance with the parameters set out by the Standard, attesting to the consistency of the Group's sustainability strategy and to the correct application of the carbon footprint calculation criteria at Group level.

Growing stakeholder interest and the evolving regulatory landscape are creating new opportunities for sustainable growth: reducing CO₂ emissions is now a fundamental lever to access the market of the future, where sustainability is increasingly a key competitiveness factor. Through certification against the GSCC Standard, AFV Beltrame Group strengthens its environmental commitment by consolidating its decarbonization targets and the strategies envisaged to achieve them.

These strategies are monitored and updated during the periodic meetings of the Sustainability Steering Committee. This milestone highlights how AFV Beltrame Group integrates decarbonization into its industrial management, combining robust measurement tools, transparency and long-term objectives - thereby supporting both competitiveness and the overall sustainability of the business.



3.2.7 Climate change adaptation and operational resilience

AFV Beltrame Group's approach to managing and adapting to climate change is grounded in the Double Materiality assessment and in the identification of Impacts, Risks and Opportunities, with the aim of ensuring the Group's operational resilience and long-term competitiveness.

In a context characterised by an increase in extreme weather events, the Group continuously monitors the potential impacts arising from rising average temperatures. While the possibility of higher energy demand for cooling systems and adaptation infrastructure is acknowledged, to date no significant effects have been recorded on the Group's emissions performance.

With regard to physical risks, the Group has long adopted a structured risk-transfer approach through a multinational insurance programme, in place for the Parent Company and its subsidiaries, covering catastrophic events.

The insurance programme includes coverage for direct physical damage to industrial assets (buildings, plants, machinery and goods) and - at the Group's main sites - also for indirect losses arising from business interruption, thereby strengthening operational resilience and the ability to ensure business continuity in the event of extreme climate events. The policy limit is consistent with the insured values and the Group's risk profile.

The existence of such coverage predates the mandatory requirements introduced by Italian legislation, confirming that insurance protection has historically been integrated into the Group's overall risk management strategy. Within the limits, deductibles and contractual conditions defined, the policy covers the main acute and chronic physical risks associated with extreme weather events, in particular:

- floods, inundations and water ingress, including damage caused by exceptional accumulation and overflow of water;
- severe weather events such as hurricanes, storms, tornadoes, strong winds and hail;
- snow load, with reference to structural impacts on industrial buildings;
- landslides, rockfalls and ground subsidence, including those connected to intense or prolonged precipitation;
- frost, limited to direct damage to water and technological systems;
- indirect losses due to business interruption resulting from climate-related incidents indemnifiable under the policy's material damage section.

The insurance programme provides coverage for direct material damage, while business interruption risk is addressed through insurance coverage for indirect losses from interruption of operations and/or alternative organizational and operational tools, in line with the Group's overall risk management framework across all sites.

In the 2025 financial year, one climate-related claim was recorded in the vicinity of the Agrasina hydroelectric power plant (VB), specifically a landslide on a service road caused by river flooding and intense, prolonged rainfall.

Alongside risk management, climate change also represents an important strategic opportunity for the Group. Growing market sensitivity towards low-carbon products has enabled the consolidation and expansion of our market share through the offering of Chalibria, the carbon-neutral steel, certified in accordance with ISO 14068-1, which responds concretely to the needs of customers that are increasingly attentive to sustainability.



“

For the Group, the environmental dimension is not a standalone objective, but the lens through which processes, investments and strategies are assessed. Every productive activity generates an impact, and every impact can, and must, be reduced, transformed, and mitigated.

Plant of Vicenza, Italy

3.2.8 Chalibria - Carbon Neutral Steel

Chalibria is AFV Beltrame Group's carbon-neutral steel, with reference to Scope 1, Scope 2 and upstream Scope 3 emissions across the "cradle-to-gate" value chain. Emissions quantification has been verified by the accredited certification body RINA in accordance with ISO 14064-1, which sets out specifications and guidance for the quantification and reporting of greenhouse gas emissions at the organizational level. To ensure traceability, integrity and transparency of data throughout the value chain, the Group uses RINA's DIAS (Data Integrity Audit Services) digital audit platform, which supports product verification and certification activities.

For CO₂ emissions that cannot yet be eliminated through the projects set out in the decarbonization plan, carbon neutrality is achieved through the purchase of voluntary carbon credits, in line with the requirements of ISO 14068-1, the standard recently adopted by the Group.

ISO 14068-1 transition

With the increasing regulatory and societal pressures related to climate change, AFV Beltrame Group has progressively evolved its approach to climate neutrality.

Up to 2025, the Chalibria product was certified in accordance with the PAS 2060 standard, a globally recognised benchmark for carbon neutrality. Following the publication of ISO 14068-1:2023, PAS 2060 was officially withdrawn at the end of 2025, introducing an updated regulatory framework characterised by more stringent requirements in terms of robustness, verifiability, and global applicability.

AFV Beltrame Group obtained ISO 14068-1 certification at the end of 2025, marking a key milestone in its sustainability journey and in ensuring a climate-neutral steel product. This recognition further consolidates the Group's leadership in the decarbonization of the steel industry.

ISO 14068-1 represents a significant advancement in the definition and certification of carbon neutrality for products, processes, and organizations. The main innovations introduced include:

- mandatory hierarchy of actions: reduction, removal, and offsetting of emissions, with clearly defined priorities and monitoring through certified tools;
- documented management plan: requirement for a comprehensive, periodically updated plan, including roles, GHG inventory, targets, and assessment criteria;
- enhanced climate integration: direct alignment with the Paris Agreement and science-based progressive reduction targets;
- mandatory and transparent reporting: detailed disclosure of methodology, mitigation measures, credits, and uncertainties to ensure maximum transparency towards all stakeholders;
- independent verification: assessment by third-party bodies to ensure robustness and reliability;
- updated carbon neutrality statement: alignment of carbon neutrality claims with the new regulatory and market requirements.

AFV Beltrame Group has completed its alignment with these new standards, updating the Chalibria certification to continue offering a climate-neutral steel product that is transparent and responsible.



The boundaries of Chalibria's carbon neutrality are set out in the diagram below:





Offsetting and carbon credits

For CO₂ emissions that the Group is not yet able to reduce through the projects included in its decarbonization plan, Chalibria's carbon neutrality is achieved by offsetting those emissions through the voluntary purchase of carbon credits.

Project selection criteria include:



sourcing credits from Programme Operators included in the IETA-ICROA Code of Best Practice (e.g., VCS, CDM, GS) and verified by independent third-party bodies;



compliance with minimum eligibility requirements - additionality, permanence and no double counting - while giving preference to projects supported by robust systems for quantifying CO₂ reductions or removals;



positive contributions beyond CO₂ reduction, taking into account environmental impacts, benefits for local communities and support for the SDGs.

The certificate issued by RINA to customers purchasing Chalibria steel identifies the reference project used for offsetting and confirms that the credits comply with ISO 14068-1.

In 2025, the carbon credits used by the Group originated from two separate projects, both involving the construction of wind farms with capacities of 250 MW and 100 MW in India. These projects contribute to the achievement of the Sustainable Development Goals (SDGs) set out in the 2030 Agenda, in line with the Group's sustainability priorities.

Commercial activities and training - 2025

In 2025, Chalibria further consolidated its successful trajectory, confirming its position as a leading reference for carbon-neutral steel in Europe. Sales accounted for 10.7% of AFV Beltrame Group's total, marking an 18% increase compared with 2024. This result reflects the growing confidence of customers and partners in our tangible commitment to decarbonization.

The uptake of Chalibria varies across key European markets, depending on each country's level of maturity: the Netherlands 36%, the Nordic countries 26%, Germany 18%, Switzerland 16.5%, and Belgium 15% (figures expressed as a share of each country's total Chalibria sales). In some markets, Chalibria already represents more than one third of total supply, confirming the strategic role of carbon-neutral steel within sustainable procurement policies. Monthly sales trends show a balanced distribution throughout the year, with spring and summer peaks, consistent with seasonality in the construction sector and the scheduling of major infrastructure projects.

AFV Beltrame Group remains strongly committed to transparency and certification. Each Chalibria supply is accompanied by a certificate attesting both to the quantities delivered and to the total carbon footprint that has been neutralised.



3.3 POLLUTION

3.3.1 Air pollution

AFV Beltrame Group is actively committed to controlling and reducing atmospheric emissions, achieving significant results through the application of Best Available Techniques (BAT) and the continuous monitoring of concentrations of various pollutants. In 2025, these concentrations consistently remained below the authorised statutory limits, as evidenced by the self-monitoring results required under each facility's Integrated Environmental Authorisations (IPPC - Integrated Pollution Prevention and Control), thereby confirming the effectiveness of the strategies implemented.

Emissions from both primary and secondary melting operations (EAF-LF furnaces) are continuously monitored, with the main emission parameters measured downstream of treatment and abatement systems, enabling ongoing control of environmental performance. In the event of alarms or anomalies, operating procedures are promptly activated to restore optimal operating conditions.

Flue-gas treatment systems are subject to both scheduled and extraordinary maintenance activities, including the replacement of filter bags - also on a preventive basis - according to evidence provided by Continuous Emissions Monitoring Systems (CEMS). This approach helps maintain high filtration performance and prevents any exceedances of authorised values.

In parallel, activated carbon injection systems in the flue gases are maintained in full working order in order to ensure control of micro-pollutants and compliance with the emission limits established by the applicable permits. Technical and procedural measures are also implemented to reduce diffuse emissions arising from the handling of raw materials, auxiliaries and waste, often through water misting/nebulisation systems or localised extraction at loading/unloading areas.

Benchmarking against the different local legislative frameworks in the countries where the Group's plants operate also supports the development of control policies and investments aimed at common prevention objectives. All plant investments are assessed to ensure alignment with the sector BAT for "Iron & Steel and Ferrous Metal Processing", which is subject to periodic review by the European Union.

Overall, management, maintenance and monitoring activities ensure compliance with the emission limits set out in the relevant authorisations and support the continuous improvement of the Group's environmental performance.



3.3.2 Management of radiological aspects

Management of radiological aspects: strategies, monitoring and future developments

The control and management of issues related to radiological risk represent an essential safeguard for the protection of workers' safety, the environment and assets, as well as for ensuring full compliance with applicable regulations. In this context, AFV Beltrame Group has developed a structured radiological prevention system, based on continuous, multi-level monitoring covering the entire scrap management chain and the stages following the melting process.

This approach enables the timely detection of any radiometric anomalies and helps prevent the risk of introducing disused radioactive sources or contaminated materials into production processes. The system adopted is founded on the integration of detection technologies, operational checks and management procedures, and is continuously updated to ensure safety levels consistent with the highest radiological protection standards.

During the 2025 reporting year, the Group further strengthened this system for Vicenza, LME and Stahl Gerlafingen, in particular by enhancing controls along the scrap supply chain and completing the deployment of additional technological safeguards at the most critical stages of the production process.



Plant of Trith-Saint-Léger, France

Stages of radiometric monitoring for scrap

The radiometric control system is structured as a multi-level process covering all main stages of scrap management. A first line of verification is represented by radiometric checks carried out by suppliers on loads leaving their yards, in accordance with regulatory requirements. The Group performs periodic spot checks to verify compliance with the required standards and the proper execution of control activities.

Upon arrival at the plants, materials are monitored through radiometric portal monitors, whose full functionality is subject to continuous verification. This system enables the detection of any anomalies already at the load acceptance stage.

Radiometric safeguards also extend to internal transfers between the Group's plants, through control systems installed at the exit points of production sites. A similar approach is adopted at sites operated on the Group's behalf, ensuring uniformity of control throughout the entire supply chain.

A further level of monitoring is ensured in scrap unloading areas, where specialised personnel carry out close-range checks using portable instruments. These inspections make it possible to identify any deviations from natural background levels and to promptly activate the relevant follow-up procedures.

In 2025, the radiometric control system located near the passage of charge baskets destined for the furnace was also completed and commissioned at the Vicenza, Trith and Gerlafingen plants. This additional safeguard allows any anomalies to be detected immediately prior to the melting stage, further enhancing overall operational safety.

Monitoring continues also in the phases following melting, through checks on metal samples from each heat, on the dust generated by the steelworks' flue-gas treatment process, and through environmental monitoring activities in the various furnace areas and along the flue-gas treatment system.



Management of radiometric anomalies and operational updates

In addition to instrumental monitoring, the Group has adopted specific procedures for managing any radiometric anomalies, aimed at ensuring timely and effective interventions. These procedures are subject to ongoing review and continuous updates, carried out in cooperation with radiological protection experts, in order to incorporate best operating practices and ensure constant alignment with the relevant regulatory and technical framework.

During the year, training activities for the personnel involved continued, with a particular focus on anomaly management, the use of instrumentation and the application of intervention protocols. In parallel, an ongoing dialogue was maintained with suppliers, aimed at strengthening controls during scrap loading phases and improving the overall effectiveness of the prevention system.

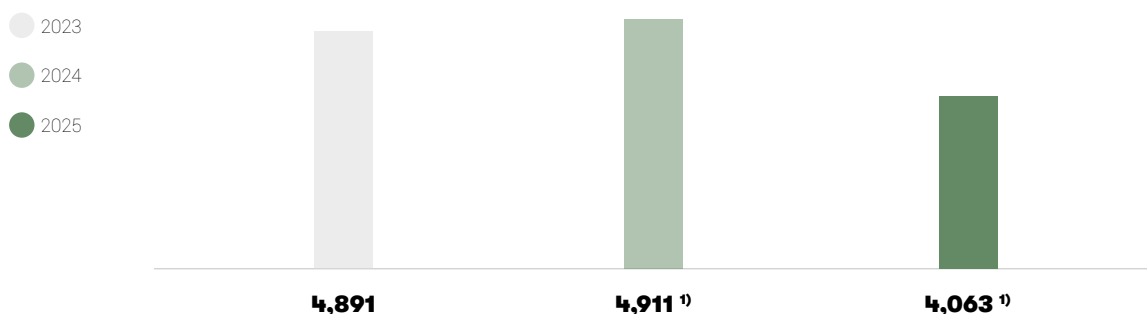
This approach - based on the integration of technologies, operational checks and continuous procedural updates - helps minimise the risk of radiological contamination and ensures the protection of workers' health, the environment and assets, in full compliance with applicable regulations. Lastly, it should be noted that no significant anomalies were recorded in 2025.

3.4 WATER RESOURCE MANAGEMENT

Water resource management represents one of the key challenges for the steel industry, as water is used primarily for equipment cooling processes, both through indirect systems (heat exchangers) and through direct contact with steel at specific production stages. In this context, AFV Beltrame Group adopts an approach focused on reducing consumption, increasing recirculation rates and improving the overall efficiency of water systems, with the aim of limiting withdrawals and enhancing operational resilience also in response to increasingly variable climatic conditions.

Water supply is sourced mainly through groundwater abstraction at the Group's Italian plants (Vicenza, San Didero and San Giovanni Valdarno) and Romanian plants (Călărași and Târgoviște), while at the Trith Saint Léger and Stahl Gerlafingen sites the Group predominantly uses water drawn from surface watercourses. The cooling network at the Vicenza plant is equipped with differentiated circuits arranged in a cascading configuration and has been upgraded through the installation of a new bank of cooling towers featuring improved thermodynamic, acoustic and energy performance.

Total water withdrawals [megalitres]



Note:

¹⁾ The 2024 and 2025 data include the Târgoviște site and the hydroelectric power plants.

Optimisation of internal water systems

During 2025, the Group continued its programme to optimise internal water systems, implementing targeted actions to reduce losses, improve the performance of cooling circuits and strengthen monitoring systems. In particular, a comprehensive review of cooling systems and water distribution networks was carried out at the Vicenza and Trith Saint-Léger plants. Measures included the introduction of dedicated flow meters, enabling more accurate diagnostics of consumption and potential leakages, as well as specific actions on evaporative cooling towers to improve their efficiency from both an energy and a water perspective. These initiatives form part of a broader continuous improvement pathway aimed at optimising process-water recirculation, reducing diffuse losses and ensuring more efficient water management across all stages of the production process.

Rainwater as a resource

During the year, the Group further developed solutions focused on the reuse of alternative water sources, with particular attention to rainwater. At the Vicenza plant, AFV implemented a rainwater collection and treatment system, supported by a physico-chemical treatment unit, which enables part of the treated rainwater to be reused within process circuits. This solution helps reduce withdrawals from primary sources - particularly groundwater wells - and decreases the volumes discharged into the sewer network. Similarly, the LME site completed the installation of a rainwater collection basin, and operational activities are currently underway to enable its reuse in production processes.

At the same plant, significant results were also achieved in reducing potable water consumption, thanks to intensified network inspections and leak-prevention measures. With regard to the Gerlafingen plant, in 2025 the preliminary study phase and the technical design for wastewater separation were completed, developed in collaboration with the competent environmental authority. The project defines the main engineering and operational solutions and, once implemented, is expected to deliver a significant reduction in the volumes sent to external treatment, with benefits both in environmental terms and in operational efficiency, as well as more targeted routing of discharged flows. Beyond improving abstraction efficiency, the Group recognises as a potential material impact the risk of contamination of surface waters and aquifers arising from potential accidental releases of polluting substances from its production sites, with possible adverse effects on water quality, ecosystems and local communities. To mitigate this risk, all water generated by the Group's activities (e.g., industrial process water and stormwater runoff) is subject to specific treatment prior to discharge. Depending on the type and characteristics of the water to be managed, dedicated treatment processes are applied, either physico-chemical and/or purely physical. The Group also carries out regular monitoring of the quality of its wastewater discharges, the results of which are constantly checked by local environmental managers to ensure compliance with current regulatory limits. This control framework ensures that operational activities do not compromise the suitability of water for consumption or civil uses, thereby safeguarding the economic and social rights of the affected communities.



3.5 BIODIVERSITY AND ECOSYSTEMS

Within the context of its industrial operations, AFV Beltrame Group carefully assesses potential direct and indirect impacts on biodiversity and natural habitats. The most recent materiality assessment confirmed that pressures linked to soil sealing - resulting from infrastructure and paved areas - represent a relevant topic for stakeholders. The Group's steelmaking sites occupy extensive areas, including industrial premises, warehouses, storage yards and transit routes. If not properly managed, these surfaces may reduce the soil's natural capacity to absorb rainwater, alter the hydrological cycle and, indirectly, affect natural habitats, with consequences for local fauna and flora.

At present, the Group does not have formalised biodiversity policies or commitments aligned with the 2050 goals and the 2030 targets of the Kunming - Montreal Global Biodiversity Framework. In addition, the organization has not implemented restoration, remediation or offsetting plans, as no known cases have occurred that have resulted in biodiversity loss. The Group has not defined a process relating to access-and-ben-

efit-sharing regulations and measures. The Company intends to develop biodiversity policies and objectives over the medium term.

To support management activities, all Group sites have been mapped in accordance with the requirements of GRI 101-5, with particular attention to any overlaps with protected areas or zones safeguarded under European directives.

For the assessment, the European Environment Agency's "European Protected Sites" databases were consulted, including:

- Natura 2000 sites (Birds and Habitats Directives);
- IUCN-classified areas (categories I-VI);
- sites designated under international conventions, such as UNESCO and Ramsar, and national parks.

The table focuses on the Group's steelmaking sites, excluding - at this initial stage - renewable energy generation sites, as they are considered not significant in relation to the impact identified by the Company.

Coordinates: 45° 31' 17.53" N, 11° 29' 44.98" E

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	AFV Vicenza	Steel production	290,000	6.96	Former Casale Quarries - Vicenza	IT 3220005	Habitats Directive Birds Directive	C
				1.7	Berici Hills	IT 3220037	Habitats Directive	B
				5.5	Torrente Valdiezza	IT 3220038	Habitats Directive	B
				5.03	Dueville Wood and surrounding spring areas	IT 3220040	Habitats Directive	B


Coordinates: 45° 7' 48.21" N, 7° 12' 33.87" E

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	AFV San Didero (TO)	Steel production	198,000	3.84	Orsiera - Rocciavrè Natural Park	IT 6027	Protected terrestrial or marine landscape	V
				3.84	Orsiera - Rocciavrè Natural Park	IT 1110006	Habitats Directive Birds Directive	C
				3.9	Special Nature Reserve of the Chianocco Gorge and Holm Oak Station	15279	Habitat and species management area	IV
				3.9	Xerothermic Oasis of the Susa Valley - Chianocco Gorge	IT 1110030	Habitats Directive	B


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

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	AFV San G. Valdarno (AR)	Steel production	39,500	7.9	Mountain pastures and shrublands 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

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	LME Trith Saint Léger	Steel production	488,000	2.74	Scarpe-Escaut	FR 178317	Protected terrestrial or marine landscape	V
				5.86	Avesnois	FR 147523	Protected terrestrial or marine landscape	V


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

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	DON Călărași	Steel production	308,000	1.46	Iezerul Călărași	RO SPA0051	Birds Directive	A

Coordinates: 44° 54' 35.38" N, 25° 26' 59.27" E

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	DON Târgoviște	Steel production	1,230,000	4.65	Lacurile de pe Valea Ilfovului	RO SPA0124	Birds Directive	A
				9.1	Pădurile din Sudul Piemontului Căndești	RO SAC0344	Habitats Directive	B

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

State	Site	Activity	Dimens. (m ²)	Distance (km)	Name of protected area	Code	Type of area	Site category
	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

Legend

Category	Type of area	Description
A	Birds Directive (SPA)	Special Protection Areas designated under the Birds Directive (2009/147/EC), aimed at the conservation of bird species.
B	Habitats Directive (pSCI, SCI, SAC)	Sites designated under the Habitats Directive (92/43/EEC): <ul style="list-style-type: none"> Proposed Sites of Community Importance (pSCI). Sites of Community Importance (SCI). Special Areas of Conservation (SAC).
C	Birds Directive (SPA)	A - Sites designated for the conservation of wild birds under the Birds Directive.
IV	Habitat and species management area	IUCN Category IV classification: protected areas managed primarily for conservation through active intervention in habitats and species.
V	Protected terrestrial or marine landscape	IUCN Category V classification: landscapes or seascapes where the interaction between people and nature has produced significant natural, cultural, and scenic value.

The analysis shows that none of the Group's steelmaking sites is located within protected natural areas. Some sites are situated in the vicinity of protected zones, generally at distances of more than 1 km, confirming that the plants are located in industrial areas.

The Group considers the protection of biodiversity and ecosystems to be a key element of sustainable development. This principle is embedded in the Group's sustainability strategy, including through environmental assessments for new infrastructure initiatives and the periodic monitoring of operations, also supported by ISO 14001-certified environmental management systems.

Educational garden in the outdoor area of the LME rolling mill

At the French site of Trith-Saint-Léger, in the outdoor area of the rolling mill, a previously unused space was redeveloped and transformed into an educational garden designed to support local biodiversity, accessible to employees from June 2024. The area features hornbeam hedges, shrubs, melliferous (pollinator-friendly) plant species and a wildflower meadow, all designed to encourage the presence of pollinating insects and local wildlife. To complement the initiative, nest boxes, insect hotels and stone structures were installed, made using recycled materials.

The garden's furnishings were designed and built by employees using the Company's wood offcuts, while irrigation is ensured through harvested rainwater. The garden is equipped with informational signage and also serves as a space for employee wellbeing and environmental awareness-raising.



Plant of Trith-Saint-Léger, France

Eco-grazing and beekeeping projects

At the Group's French site, green areas continued to be managed through eco-grazing also in 2025 - an approach based on the controlled grazing of herbivorous animals such as goats, sheep and donkeys. This solution makes it possible to maintain green spaces naturally, including in less accessible areas, and to limit the spread of invasive species - such as Japanese knotweed - without the use of mechanical equipment or chemical products.

To support the initiative, dedicated enclosures were installed, while animal care and monitoring are entrusted to a specialised external operator. In addition to its environmental benefits, eco-grazing helps reduce noise, pollution and maintenance costs, representing a sustainable solution for green space management in urban and peri-urban contexts.



Plant of Gerlafingen, Switzerland

In parallel, the Group's commitment to protecting bees continues through the maintenance of active beehives at the Trith Saint-Léger (France) and Stahl Gerlafingen (Switzerland) plants. Bees play a key role in ecosystem health and biodiversity and are considered a natural indicator of environmental quality.

The presence of beehives represents a tangible action to safeguard the environment and makes it possible to monitor the potential presence of pollutants in the surrounding area. The initiative also has an educational purpose: it promotes environmental awareness among employees, strengthening the link between sustainability, biodiversity protection and collective responsibility.



Eco-grazing

Eco-grazing at LME helps address several challenges:

- maintenance of areas that are difficult to access;
- removal of invasive plant species, in particular Japanese knotweed;
- reduction of environmental impacts;
- conservation of endangered breeds.



Bees

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



Small jars of honey

At LME, small jars of honey and candle-making kits made with beeswax are produced and gifted to employees.



Honey jars produced at the Trith-Saint-Léger plant, France



In 2025, Stahl Gerlafingen reaffirmed its commitment to biodiversity protection, with a particular focus on safeguarding bees. Approximately 25 beehives are active within the production site and are managed by a professional beekeeper, enabling the production of the Company's own honey and supporting the balance of the local ecosystem through pollination.

The Company also restored and enhanced several green areas, converting them into wildflower meadows rich in melliferous (pollinator-friendly) species, thereby ensuring a continuous food source for bees and other pollinating insects. In parallel, Stahl Gerlafingen participates in the Swiss national wildflower-surface programme promoted by Bienen Schweiz and has installed nesting and shelter structures for wild bees and beneficial insects, encouraging their nesting even within an industrial setting.

3.6 CIRCULAR ECONOMY

The circular economy is one of the strategic pillars of the European Green Deal, as highlighted by the Action Plan adopted by the European Commission in 2020.

This model aims to promote sustainable growth, reduce pressure on natural resources, contribute to achieving climate neutrality by 2050, halt biodiversity loss and create new employment opportunities.

The electric arc furnace (EAF) steel value chain is, in itself, a tangible example of the circular economy. Steel products are in fact almost entirely recycled, both when they originate from pre-consumer residues - i.e., offcuts recovered downstream of industrial processing - and when they derive from separate collection activities or post-consumer cycles.

3.6.1 Raw and auxiliary materials

AFV Beltrame Group integrates environmental sustainability into its industrial operations, aiming to reduce impacts on the environment and respond to stakeholder expectations. To this end, the Group promotes projects and operational practices that support the substitution of virgin raw materials with industrial by-products or materials sourced from recovery streams, while optimising the efficiency of production processes.

The valorisation of secondary flows generated by steel production is a key element of the Group's circular economy strategy. This is monitored through dedicated dashboards, with the objective of consistently maintaining the share of recovered waste above 90%. In this way, waste and by-products are treated as resources, strengthening the circularity of industrial processes.

Electric arc furnace (EAF) steelmaking sits at the core of this strategy. EAFs use selected ferrous scrap of predetermined quality, sourced both from industrial offcuts (pre-consumer) and from post-consumer collection streams, including products with short, medium or long life cycles. Each year, more than two million tonnes of scrap are transformed into new steel with characteristics equivalent to the original material, enabling a virtually infinite life cycle. On average, recycled content in the finished product exceeds 95%.

Incoming scrap may be classified either as a secondary raw material derived from a recovery cycle ("end-of-waste" under EU Regulation 333/2011) or as waste, and is subject to rigorous verification and classification protocols across the various scrap yards.

At some sites, such as the French plant, scrap undergoes additional pre-selection processing to isolate high-performing ferrous materials, improving furnace efficiency and reducing energy consumption. Residues from selection, containing non-ferrous metals, are recovered and sent to external valorisation routes.

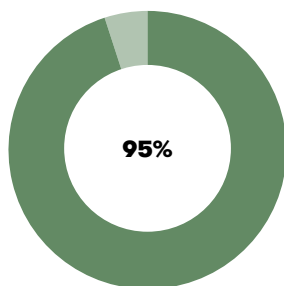
This includes materials with different life cycles: short, such as packaging; medium, such as vehicles; and long, such as construction products. Through this approach, the Group contributes not only to waste reduction and the efficient reuse of resources, but also to the development of a more sustainable and resilient industrial system - one that is able to close material loops and reduce overall environmental impacts.



In addition to scrap, the steelmaking process requires auxiliary materials that contribute chemically and energetically to the molten steel bath, serving fluxing, reducing or stabilising functions. These typically include lime, dolomite, coal and other slag-forming agents, which are essential to produce high-quality slag, protect equipment and enable its reuse in subsequent cycles.

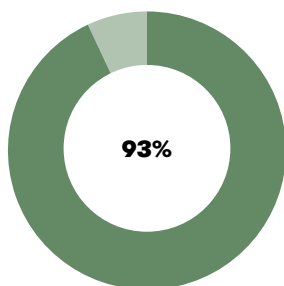


Material content from recycling operations



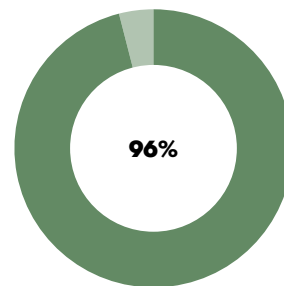
The Group's steel plants use electric arc furnace (EAF) technology. On average, the recycled material content in the Group's finished product exceeds 95%.

Non-hazardous waste



The Group's annual waste generation amounts to approximately 583,000 tonnes, of which around 93% is classified as non-hazardous.

Recycled and recovered waste



In 2025 as well, the target of recycling and recovering at least 92.7% of the waste generated was achieved.

3.6.2 Waste

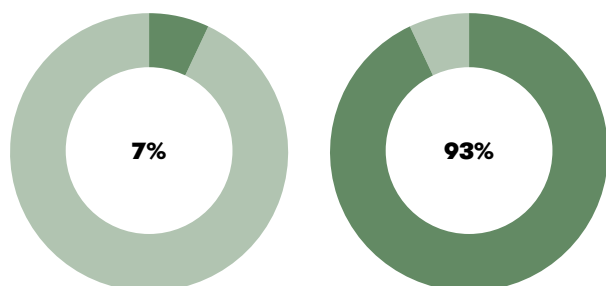
The management of waste generated by steelmaking processes is a core element of the Group's environmental sustainability strategy. The plants have adopted advanced practices aimed at minimising the amount of waste sent to landfill, maximising recovery and promoting the use of secondary materials.

Refining slag from the ladle furnace (LF) is treated through an in-house recovery plant, which will further reduce the quantities of this material sent to external facilities. In parallel, a process has been developed to separate used refractory materials from EAF/LF furnaces, facilitating their external recovery and reducing the use of virgin raw materials.

At the Trith-Saint-Léger plant, pilot projects have been launched to improve the management of waste arising from furnace maintenance and the cleaning of steelshop pits, increasing the share of materials reused and reducing disposal costs.

At Gerlafingen, attention has focused on metallic waste and contaminated packaging, through the introduction of advanced separation and regeneration systems. These measures have enabled a significant reduction in hazardous waste sent to landfill and an increase in internal recovery.

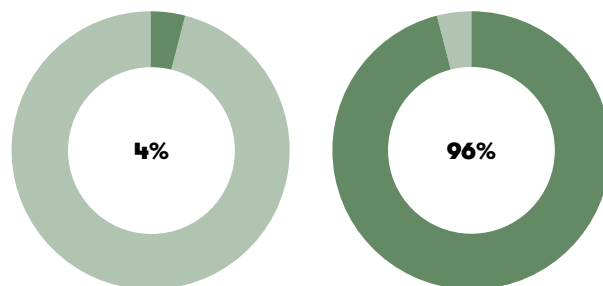
Total waste generated ¹⁾



Hazardous

Non-hazardous

Waste disposal destinations ^{1) 2)}



Waste sent for disposal

Waste not sent for disposal

Notes:

¹⁾ Data include the Târgoviște site and the hydroelectric power plants.

²⁾ The indicator is calculated as: waste sent for disposal ÷ (waste sent for disposal + waste not sent for disposal).

3.6.3 Valorisation of by-products

In 2025, AFV Beltrame Group placed particular focus on the recovery of secondary flows generated by industrial processes, pursuing an increasingly circular production model. Today, the majority of process residues are recovered, regenerated or converted into resources, reaching a valorisation rate of over 92% of total quantities managed. This confirms the Group's industrial model, which is oriented towards sustainability, circularity and the reduction of its overall environmental footprint.

In Vicenza, the BELTRECO project ("EoW" industrial aggregate obtained through the internal recovery of EAF black slag) further consolidated the conversion of EAF slags into alternative products, replacing natural materials. In 2025, these materials were successfully used in industrial construction works and road infrastructure, significantly reducing the quantities sent to external recovery facilities - rather than disposal - and limiting the consumption of natural resources.

The Group's various companies collaborate in a synergistic manner, ensuring consistency in management procedures and maximising the efficiency of recovery processes.



Valorisation of black slag

Black steelmaking slag generated during EAF slagging is managed through a structured in-house recovery chain.

After slagging, the material undergoes controlled cooling, followed by an industrial recovery process consisting of crushing, magnetic separation (ferrous recovery) and screening. This process enables the production of certified industrial aggregates, marketed as Beltreco at the Group's Italian and French sites and as Ruvido at Stahl Gerlafingen.

In 2025, these aggregates were used for:

- drainage works for treatment and biogas plants;
- landfill cover layers;
- sub-bases for industrial buildings and infrastructure works;
- components for internal pavements in industrial environments.

The growing use of industrial aggregates reduces the consumption of natural materials extracted from quarries, contributing to a significant reduction in the environmental footprint of civil and industrial works, also in line with recent provisions on Green Public Procurement.

Recovery of white slag

White slag, a residue from the LF ladle refining stage, has historically represented a challenge in terms of material management due to its chemical composition. In the fourth quarter of 2025, thanks to an in-house recovery plant installed at the Vicenza site (currently in the start-up phase), it became possible to convert this material into a by-product to be used within the steelmaking process.

Following cooling, screening and the separation of ferrous metal residues, the material is reintroduced into the production cycle as a secondary input, thereby reducing external consignments and the use of virgin raw materials.

At LME, white slag has been supplied to external cement production plants, where it has partially replaced clinker, thereby keeping stock levels under control despite the slowdown in the construction market.

Regeneration of refractories

A further area of valorisation concerns the magnesia-based refractory materials used in EAF furnaces and ladles. The selective demolition process implemented at the Group's Italian and French plants involves separating the refractory material from any extraneous components, enabling its recovery both internally and through external specialised facilities.

3.7 ENVIRONMENTAL PRODUCT DECLARATIONS

Below is an overview of the main information relating to the Environmental Product Declarations available for products manufactured at the Group's various sites. In addition to an internationally recognised standard such as the EPD (Environmental Product Declaration), the Group also adheres to schemes based on local rules, with the aim of strengthening its presence in the reference markets and offering products that are fully compliant with specific local requirements.

AFV Beltrame Group has numerous Environmental Product Declarations (EPD®), validated by independent third-party bodies, relating to:

- rolled merchant bars;
- reinforcing bar (rebar);
- special SBQ (Special Bar Quality) products;
- Beltreco industrial aggregate.

The EPD for rebar produced at the Târgoviște plant is also currently in the process of being published.

EPDs constitute a voluntary product certification scheme, developed in accordance with ISO 14025 (Type III environmental declarations) and under the International EPD System programme.

These declarations provide detailed information on the environmental impacts associated with the products' entire life cycle, assessed through Life Cycle Assessment (LCA), thereby ensuring transparency, objectivity and comparability of data on the environmental performance of the Group's products.

EPD - Product	AFV Beltrame Group plant	Date of issue
Merchant bar	Vicenza	2023
Inert aggregate - Beltreco	Vicenza	2023
Merchant bar	San Didero	2023
Merchant bar	San Giovanni Valdarno	2023
Merchant bar	Stahl Gerlafingen	2023
Rebars	Stahl Gerlafingen	2023
Merchant bar	LME	2023
Rebars	LME	2023
Special steels - SBQ Bars	Donalam - Călărași	2021 (rev. 2025)
Special steels - SBQ TRT Bars	Donalam - Călărași	2025
Rebars	Donalam - Târgoviște	Newly issued - pending publication

The Group's product EPD® declarations have been verified and registered under the leading international scheme, the International EPD® System. A key element underpinning the distinctive circularity of the electric arc furnace (EAF) steel value chain is the declaration of recycled content in finished products. This attestation, in accordance with UNI EN ISO 14021, states the percentage of materials originating from recovery streams used in the production of AFV Beltrame Group's rolled products, which - also for 2025 - remains above 95%.

In the published EPDs, the recycled content of merchant bars and reinforcing bars is reported in the "Additional information" section. These data, validated by an independent third party, address the needs of economic operators and designers by providing a certified reference to support compliance with the Italian Minimum Environmental Criteria (CAM) for construction. Thanks to the high recycled-content percentages, all of the Group's products fully meet the criteria defined by the CAM.

Environmental and Health Declaration - FDES

In parallel, the French plant in Trith Saint-Léger has obtained certification and publication of four FDES for products intended for the French market: beams (IPE, UPN, etc.), welded plates, angles and round bars. FDES, equivalent to EPDs but compliant with French national requirements, meet the provisions of the RE2020 regulation on sustainable buildings, which aims to reduce the carbon footprint of the construction sector.

The FDES cover the full life cycle of the products ("cradle to grave"), including transport, installation and end-of-life, and were developed in collaboration with EVEA Scop SA and CTICM (Centre Technique Industriel de la Construction Métallique). This approach also enables downstream impacts to be assessed, ensuring transparency and comparability of data. Thanks to these environmental declarations, the carbon impact of steels produced by LME can now be reported clearly within construction projects in France. Steels manufactured from recycled scrap in EAFs have a significantly lower carbon footprint, offering a competitive advantage for sustainable building projects.

The FDES are available in the official INIES database, France's national reference for environmental declarations of construction products, and can also be consulted on the Group's website. As an additional guarantee of origin and traceability, all certified products bear the official "Fabriqué en France" mark, highlighting local production and differentiating them from foreign competitors.

Life-cycle assessment data for the construction sector in Switzerland

In 2025, the Swiss Gerlafingen plant completed a life-cycle assessment study for reinforcing bar in accordance with the KBOB guidelines on criteria for defining sustainable steel. The resulting values, validated by an external certification body, were registered in the official KBOB database, supporting sustainable building practices and the reduction of environmental impacts in Swiss public construction. The carbon footprint of Gerlafingen products was confirmed to be lower than the benchmark values reported in the official database.



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In an era when words like "sustainability" and "green" risk becoming mere cosmetic labels, tools such as the Climate Declaration and LCA represent something of genuine value: tangibility. Translating a product's environmental impact into a single figure, kilograms of CO₂ equivalent, means eliminating ambiguity and restoring to the market and to consumers an objective, verifiable, and comparable measure. This is an act of responsibility before it is one of communication. Because declaring is not enough: what matters is that the declaration be grounded in real, certified data, obtained through a rigorous analysis of the product's entire life cycle. Only then does transparency cease to be an intention and become a measurable commitment.



SOCIAL DISCLOSURE

CHAPTER 4



PEOPLE

TRAINING

SAFETY

NFV BELTRAME GROUP

4.1 THE WORKFORCE

The steel industry is one of the main drivers of the economy and of industry, both nationally and across Europe, making a significant contribution to employment and wealth creation. Steel is a fundamental raw material for numerous sectors, from construction to mechanical engineering, from automotive to food processing, and including the medical sector and shipbuilding.

According to EUROFER data, the sector supports more than 2.5 million jobs overall, considering direct, indirect and induced employment along the entire value chain. The workforce directly employed in the European steel industry amounts to approximately 300,000 people. In the international context, Italian steel - besides being the second-largest EU market for steel production and consumption - also represents a relevant sector within the national manufacturing system, including from an employment perspective. As highlighted in the Report on the competitiveness of productive sectors prepared by ISTAT and published in March 2025, and referenced in Federacciai's 2025 Sustainability Report, the sector employs approximately 71.3 thousand direct employees, out of a total of 3.9 million employees in manufacturing, accounting for around 2% of the manufacturing workforce. This share has remained broadly stable over the last five years.

Including the supply chain, the overall number of employees rises to approximately 150,000, with a direct and indirect employment impact extending well beyond these figures when considering support to the production chain and related sectors. While growth prospects - though influenced by global challenges - remain positive, structural investments are required to preserve the sector's competitiveness in Europe. As at 31/12/2025, AFV Beltrame Group employs 2,307 people, down compared to the previous year. The decrease is mainly attributable to the reorganization process underway at subsidiaries Stahl Gerlafingen A.G. and Donalam s.r.l., through a headcount reduction combined with the use of social safety net measures.

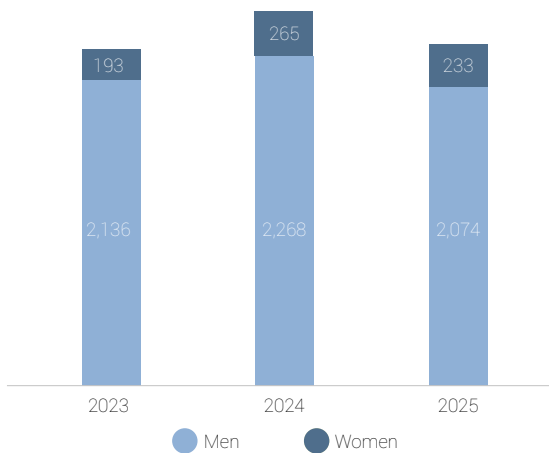
The objective remains to preserve employment and ensure business continuity, adopting measures that limit the impact on people and place corporate responsibility at the centre. With reference to the Group's employment levels, the following key characteristics are noted for 2025:

- 90% of the Group's workforce is male;
- 97% of employees are hired under permanent contracts;
- In line with previous years, the most represented age bracket is 30-50, accounting for 54% of the workforce;
- 73% of the Group's workforce belongs to the blue-collar category.

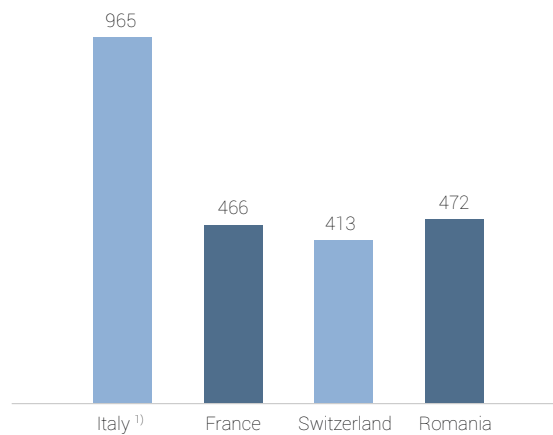
The Group's employment policy remains strongly oriented towards development and training. Investments in human resources take shape through training programmes such as the Induction Week - active at Italian sites - and through onboarding initiatives and activities carried out in collaboration with local institutions.

Source:
Eurofer - European Steel in figures 2025.

AFV Beltrame Group workforce trends



Number of employees by geographical area



Note:
¹⁾ In Italy, employees of the AFV German Branch are included.

Within our Group, enhancing and valuing people is an essential pillar for long-term growth and success.

The technical and specialised skills required by the steel industry call for a structured learning path, often developing over months or even years. Human resources are therefore not only a fundamental asset, but a true strategic factor in the company's evolution.

Recruitment is a particularly complex phase: the labour market is highly competitive, and other sectors may at times offer conditions perceived as more attractive. For this reason, it becomes essential to stand out by offering a solid professional pathway, a stimulating work environment, and a development system capable of recognising and nurturing talent - whether newly graduated young people or experienced professionals. To attract these resources, AFV Beltrame Group participates in major recruiting events, organises plant visits, and maintains an active presence on professional digital channels. Talent sourcing, selection and onboarding are managed through structured methodologies and modern approaches, with the aim of ensuring every candidate feels part of our project from the very first interaction.

Another central element is continuous training, in which the Group invests significantly. The complexity of the sector re-

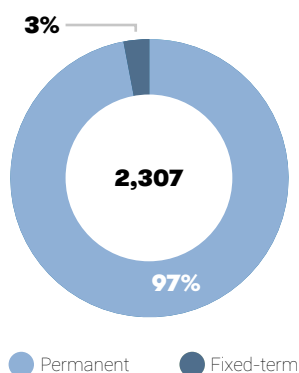
quires ongoing skills upgrading - not only technical but also transversal - so that each person can grow professionally and contribute to innovation in plants and processes. Our training offer integrates structured pathways, internal initiatives, specialised training and programmes dedicated to young people, with the goal of developing solid and sustainable leadership.

At the same time, it is recognised that shift work - sometimes including night shifts - and extended working hours can significantly affect people's wellbeing, representing a tangible challenge. These arrangements may reduce free time and make work-life balance more difficult. Therefore, our welfare and total compensation system aims to provide services that can ease daily burdens and improve quality of life: flexibility, parenting support, supplementary services, health and prevention initiatives, and solutions designed to meet employees' real needs.

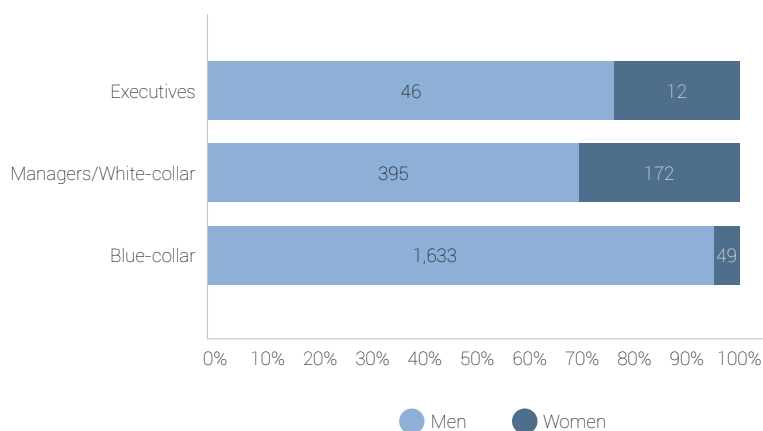
Investing in human capital means acknowledging not only the value of skills, but also the difficulties and needs that accompany people in their everyday lives.

Our commitment is to build a work environment that supports growth, promotes wellbeing and enables everyone to fully express their potential.

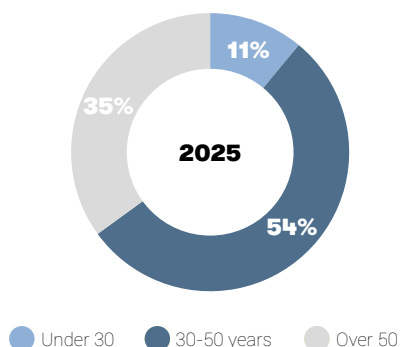
Employment status



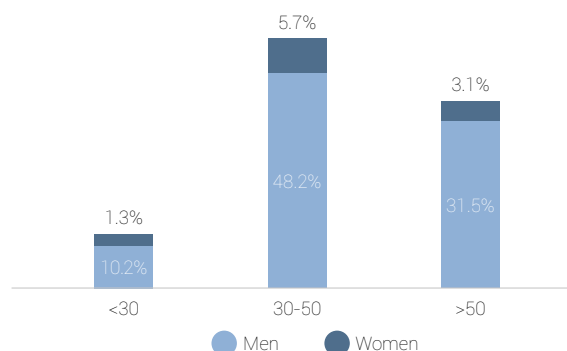
Employees by professional category



Employment by age groups



Composition by gender and age



4.1.1 Attracting and developing young talent

Investing in the future to build the present

AFV Beltrame Group recognises new generations as a decisive lever for innovation, competitiveness and long-term sustainability. For this reason, the Group has developed a structured system of initiatives aimed at attracting, training and valuing young talent, progressively integrating them into its industrial and managerial processes.

The objective is clear: to build today the skills that will guide the steel industry of tomorrow, creating a solid bridge between school, university and the world of work. In 2025, the Group hired 83 new employees under the age of 30, representing 43.5% of total new hires.

Apprenticeships and school-to-work pathways

Apprenticeships and school-to-work programmes are strategic tools to reduce the gap between academic education and professional readiness. France, Switzerland, Italy and Romania host every year numerous:

- apprentices;
- interns/trainees;
- students in school-to-work schemes,

offering them direct experience in industrial, engineering and managerial processes.

These pathways enable young people to develop technical skills, decision-making autonomy and teamwork abilities, while fostering generational renewal and the development of future professionals who can grow within the Group over the medium to long term.

Partnerships with schools, universities and training institutes

A stable relationship with the education sector is one of the pillars of the Group's youth strategy. AFV Beltrame considers schools and universities not only places of learning, but strategic partners with whom it co-designs innovative educational paths that reflect real future industrial skill needs. In Romania, AFV Beltrame Group supports advanced training programmes through the direct involvement of its own teaching staff in a dedicated class, creating a virtuous model of interaction between industry and education.

In Italy, numerous initiatives were carried out to strengthen relationships with local schools and universities. For example, at the headquarters, collaboration with the "Antonio Fogazzaro" High School allowed students to engage with current Human Resources challenges, working concretely on: talent attraction, organizational chart design, and the definition of training pathways in a workshop led by our HR professionals. The opportunity to engage with real-life situations within a large industrial group helped develop awareness, analytical capability and management approaches typical of corporate environments.

Also in 2025, the Marketing and Budgeting Lab with IUSVE students offered a genuine professional experience focused on enhancing internal communication and corporate welfare services - enabling students to address concrete needs and contribute innovative ideas to company life.

4.1.2 Diversity, inclusion and women's participation

Young people onboarding and new cultural models

Generational renewal is essential to support the evolution of skills and organizational models. The Group is increasingly introducing young professionals also in production departments, promoting integration pathways oriented to technical growth and the building of more heterogeneous and collaborative teams.

In Romania, a structured pathway over time - leading to the integration of a significant share of women in production - has marked a substantial cultural change, demonstrating how diversity and new perspectives can improve participation, engagement and team performance.

Building on this positive experience, Italy has also launched the "Acciaio al Femminile" project, designed to expand professional opportunities for young women in operational contexts and enrich the organizational climate with new viewpoints and skills.

With reference to operational ("blue-collar") staff, in 2025 female hires exceeded 8.5% of total new hires within the same category, confirming the Group's commitment to strengthening gender inclusion also in production functions.

A cross-functional commitment to build the future

Initiatives aimed at young people - from women's inclusion in production to partnerships with schools and universities, from apprenticeship programmes to activities with academic institutions - demonstrate AFV Beltrame Group's commitment to creating a broad and accessible ecosystem of training, growth and collaboration.

The Group thus invests in an open, inclusive and future-oriented corporate culture, where new generations can:

- acquire technical and managerial skills;
- contribute to the renewal of the steel industry;
- become key players in the Group's sustainable development.

AFV Beltrame Group continues to believe that young people's talent is an asset to be cultivated with care and responsibility: a daily commitment translated into concrete initiatives, tailored pathways and educational partnerships capable of generating value for people and for the entire organization.

AFV Beltrame Group promotes employee development based on fully meritocratic criteria, ensuring a work environment where gender discrimination or any other form of discrimination has no place - neither during selection nor throughout individuals' professional journey.

The core objective is to create a context in which everyone, regardless of gender, age or background, can fully express their potential and find real opportunities for growth. Diversity is an intrinsic value for the Group; however, for it to become a distinctive factor, it must be supported by concrete inclusion actions.

A key role is played by parenting initiatives, organizational flexibility and an advanced corporate welfare system designed to

facilitate work-life balance. These tools are not merely support measures: they represent a strategic response to the needs of new generations, who attach increasing importance to quality of life, personal balance and environments that foster authentic and sustainable wellbeing.

The initiatives introduced - from support for return-to-work after maternity leave to dedicated leave, from every day-life agreements to time and family management services - sit alongside equal career opportunities, fair training for everyone, and a constant commitment to preventing and combating any form of violence or harassment.

AFV Beltrame Group regards these actions not only as part of its corporate social responsibility, but also as fundamental assets for attracting and retaining younger talents, who are increasingly attentive to corporate culture, inclusiveness, and the organization's ability to foster a genuine balance between professional growth and personal well-being. In 2025, no incidents of discrimination were reported and, consequently, no corrective measures were required.



Employee at the Trith-Saint-Léger plant, France

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In a sector that demands rigour, safety and continuous innovation, our commitment to our people is expressed through concrete choices: skills development and training; attention to welfare and work-life balance; promotion of equal opportunities; valuing young people; strengthening the health and safety culture; and a commitment to digitalization as an enabling lever for both growth and protection.

4.2 INDUSTRIAL RELATIONS

Industrial relations within AFV Beltrame Group are grounded in the principle of open and transparent communication, aimed at fostering constructive dialogue between the company and employee representatives. In every country where the Group operates, regular meetings are held between HR Management and trade unions or employee representatives to discuss key topics for the effective functioning of operations and employee wellbeing.

The main topics addressed during these meetings include:

- policies and results achieved regarding health, safety and the work environment;
- economic and industrial results, both at Group level and at the level of each country and plant;
- market conditions analysis and forecasts for the following year, both nationally and internationally;
- strategies for human resources management and development.

These periodic meetings act as true observatories and take place at a frequency agreed with the social partners at each Group site, with an annual national session where relevant. These "observatories" represent an important innovation in industrial relations, creating a co-participation forum between the company and employee representatives. In this context, both parties are involved in evaluating results achieved and identifying actions necessary to improve company performance. This process is conducted transparently and responsibly, with the aim of fostering mutual collaboration during challenging periods, not only in positive phases.

These meetings stand out for their innovative approach, aimed at building a harmonious and proactive relationship between the parties. The intent is to create a cohesive working environment in which every stakeholder plays an active role in the decision-making process. During the meetings, company results and future outlooks are shared and discussed so that all parties can contribute to planning the actions required to address future challenges.

With regard to regulatory changes, the Group fully complies with national regulations and applicable agreements, ensuring that minimum notice periods are always appropriate to the scope of the expected changes. Moreover, across AFV Beltrame Group's value chain, no risk factors emerge that could compromise employees' rights to freedom of association or collective bargaining.

AFV Beltrame Group's participation in industry associations

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

Italy

AFV Acciaierie Beltrame S.p.A. participates in representative associations such as Confindustria, Federacciai and Federmeccanica, as well as technical bodies such as UNSIDER (Italian Body for Steel Standardisation) for the dissemination of international standards. It also participates in certain technical and research committees (e.g., the Reach Ferrous Slag Consortium) and is a member of GBC Italia and GSCC.

It is also a partner of several associations, including:

- AIAS - Italian Association for Environment and Safety;
- AIDAF - Italian Association of Family Businesses;
- AIM - Italian Association of Metallurgy;
- AIDII - Italian Association of Industrial Hygienists;
- AODV - Association of Members of Supervisory Bodies;
- AIIA - Italian Association of Internal Auditors;
- ITS - Academy Meccatronico Veneto;
- UNI - Italian National Standardization Body;
- CUOA - University Centre for Business Administration;
- Leonardo Committee - Italian Quality Committee;
- GBC - Green Building Council Italia;
- AITI - Italian Association of Corporate Treasurers;
- ANDAF - National Association of Chief Financial and Administrative Officers;
- AIDP - Italian Association for Human Resources Management;
- BDS AG Bundesverband Deutscher Stahlhandel;
- GSCC - Global Steel Climate Council;
- Elettricità Futura (Italian Electricity Association);
- Venetian Green Building Cluster Consortium;
- IHK - Munich Chamber of Commerce and Industry.

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

France

LME is a member of:

- A3M - all'Alliance des Minerais, Minéraux et Métaux;
- UNIDEN - all'Union des industries utilisatrices d'énergie;
- FFDM - Fédération Française de la Distribution et de la transformation des Métaux;
- CTPL - Centre Technique et de Promotion des Laitiers sidérurgiques;
- MEDEF - Mouvement des Entreprises de France;
- 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);
- CCIpR- Camera di Commercio Italiana per la Romania.

4.3 CONTRACTUAL CONDITIONS AND REMUNERATION

The Group is committed to ensuring wage protection, job stability and favourable contractual conditions through the application of collective agreements and supplementary arrangements that safeguard employees throughout their professional life cycle. The adoption of clear regulatory conditions and fair remuneration systems is a core element of our responsibility towards our people, ensuring transparency, fairness and a shared framework of rights and benefits. These tools support not only the protection of employees in stable phases, but also the responsible management of more complex situations, promoting a balanced approach between business needs and the safeguarding of employees' wellbeing.

AFV Beltrame Group has developed its remuneration policy, the "Corporate Compensation Policy", to define a clear and consistent framework for compensation management. This policy is designed to adapt to the different local regulations in the countries where the Group operates, while ensuring that remuneration programmes are aligned with the Group's strategic objectives, economic results and financial sustainability. The approach is based on a system that rewards individual and collective performance, in line with international standards, while also taking into account the interests of all stakeholders. The aim is to create a remuneration system that supports the growth and development of human resources and strengthens motivation, without ever losing sight of business results and long-term strategies. The Corporate Compensation Policy applies uniformly across all Group companies and governs compensation for all employee categories - from managers to white-collar employees and blue-collar workers. The fundamental principle underlying this policy is to ensure fairness and transparency, so that every employee receives remuneration that is equitable and commensurate with their contribution to the company.

The Group's remuneration policy follows these principles: clear and transparent management of remuneration programmes; compliance with regulatory requirements and principles of professional conduct; continuous benchmarking of labour market trends and practices to ensure balance between internal and external pay levels; respect for internal equity both at company and Group level; and sustainable remuneration linked to company results. Another crucial objective is employee retention, with a particular focus on individuals holding key 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 across all contract types, without distinctions between full-time, part-time or fixed-term workers. In certain companies, additional benefits have also been introduced - such as specific health insurance - to strengthen employee protection and wellbeing. The adoption of an equitable and transparent remuneration system, together with structured welfare policies, contributes significantly to staff retention: an environment that recognises people's value, protects their wellbeing and supports their professional growth fosters long-term retention of key skills, strengthening organizational stability and business process continuity.

The Swiss Federal Act on gender equality

The Swiss Federal Act on Gender Equality between women and men has recently been revised. The law has been supplemented with an obligation for employers to carry out an internal analysis of pay equality.

This requirement stems from regulatory provisions intended to strengthen the constitutional right to equal pay for the same work or work of equal value. At the Stahl Gerlafingen site, employees are informed - also for 2025 - that the company operates in full compliance with these legal obligations.



Equal treatment of women and men



Pay equity



Guarantee of equal rights and protections

Pay equality in Switzerland has been enshrined in the Federal Constitution since 1981 (Art. 8 para. 3). It is further detailed in the Federal Act on Gender Equality (GEA), which entered into force in 1996. Pay equality is an obligation that applies to all employment relationships, both under private and public law.

Since 1 July 2020, employers with at least 100 employees are subject to new obligations regarding pay equality. All employees

are included in the headcount regardless of their employment rate, while apprentices are excluded. Specifically, the new provisions establish three obligations for employers: analyse, verify and inform.

Stahl Gerlafingen has obtained certification attesting full compliance with all applicable regulations. The certification was renewed in 2025 and is valid for four years.



Employees at the Vicenza plant, Italy

4.4 WELFARE

In 2025, AFV Beltrame Group consolidated its commitment to people's wellbeing by investing in services and initiatives designed to improve employees' quality of time and health. The activities promoted by the parent company were launched and tested at Italian plants and are now being progressively extended to all Group locations, with the aim of building a shared welfare model.

Among the initiatives confirmed and strengthened is the programme of free influenza vaccinations, offered at Italian sites and at the overseas plants of Gerlafingen and LME, demonstrating the Group's constant attention to prevention and health protection.

During the year, thanks to the award of a dedicated grant supporting parenting and return to work after maternity leave, the Italian sites of AFV Beltrame Group implemented a structured set of initiatives aimed at facilitating the reintegration of new mothers and supporting work-life balance.

Actions introduced include "Saturdays at the nursery", a service intended to ease family time management during the return-to-work phase, and a loan-for-use of equipment for smart working, designed to provide greater flexibility in the initial phases of the return. A loan-for-use arrangement was also activated for the purchase of early-childhood items, to reduce immediate costs related to newborn care.

Special attention was also devoted to company facilities, with the set-up of a room dedicated to new mothers, conceived as a private and welcoming environment to ensure privacy and wellbeing for employees who need to express milk during working hours.

In parallel, specific parenting-related content was developed and made available within the Learning Management System platform, offering informational and training tools on topics of great interest to those beginning their parenting journey.

Initiatives also included a canteen take-away service, useful to support family time management on more complex days, and the introduction of paid leave for a child's illness, providing concrete support to families in times of greatest need.

Lastly, an additional birth bonus was introduced at Italian sites, complementing what is already provided through second-level bargaining and further reinforcing the Group's attention to the needs of new families. Further welfare initiatives are also confirmed, including library services, access to the infirmary, tax consulting, consulting services for employees' family members, and an internal advisory service to support the assessment of household utility bills.

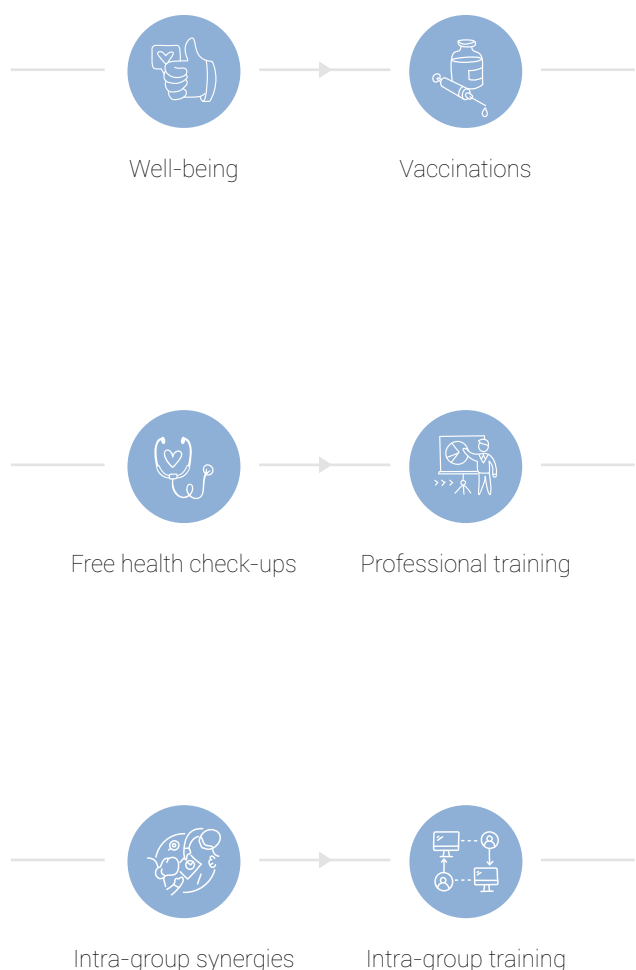
As part of welfare and mobility management initiatives, at the Vicenza plant there are 26 electric vehicle charging stations reserved for employees and available at a discounted rate. The electricity supplied by these stations comes entirely from renewable sources through an energy supply contract under

a PPA (Power Purchase Agreement) entered into by the company. The service, launched in 2024, recorded increasing use throughout 2025.

This set of measures represents a significant step in building an inclusive, modern welfare model oriented to people's real wellbeing, with a tangible impact on post-maternity return and, more broadly, on parenting support.

On the occasion of LME's 150th anniversary, guided tours of the French plant and a convivial moment dedicated to employees' families were organised, with strong participation and appreciation. Similarly, the Vicenza plant launched an analogous project by introducing "Open Saturdays", designed to strengthen the bond between the company, colleagues and families. During these events, employees were able to accompany family members inside the plant with the guidance of experienced technicians, offering a direct experience of the production reality and of the values that guide the Group.

These moments of sharing helped consolidate a sense of belonging, while also promoting transparency, engagement and a closer relationship with the corporate community.



4.5 TRAINING

Training is a strategic lever for skills development, productivity improvement and the attraction of new professional profiles. It is also essential to ensuring a safe, aware and collaborative workplace. Continuous investment in people's professional growth helps increase employee satisfaction and significantly strengthens the organization's competitiveness.

For AFV Beltrame Group, training is an essential asset for achieving business objectives and building a sustainable leadership model. In 2025, total training hours increased compared to 2024, with 10% growth, mainly due to the delivery of industrial-area courses.

Over the last year, the company invested heavily in topics related to digitalization, health and safety, and cybersecurity. Overall, the Group delivered more than 30,000 hours of training in Safety and Environment and over 3,500 hours of IT training, demonstrating a tangible investment both in protecting occupational health and safety and in strengthening digital skills—key elements for the organization's sustainable growth. In terms of training hours per capita, the Group delivered 30.8 hours per employee per year, confirming the continuous investment in developing employees' skills.

With regard to digitalization, in 2025 the corporate Academy was further strengthened and is available in the Group's four languages (Italian, French, German and Romanian). It has been enriched with new content thanks to collaboration with Goodhabitiz, new internal courses developed by leveraging colleagues' know-how, and language training pathways for the benefit of the entire workforce.



Employees at the Călărăși plant, Romania



Employee at the Trith-Saint-Léger plant, France

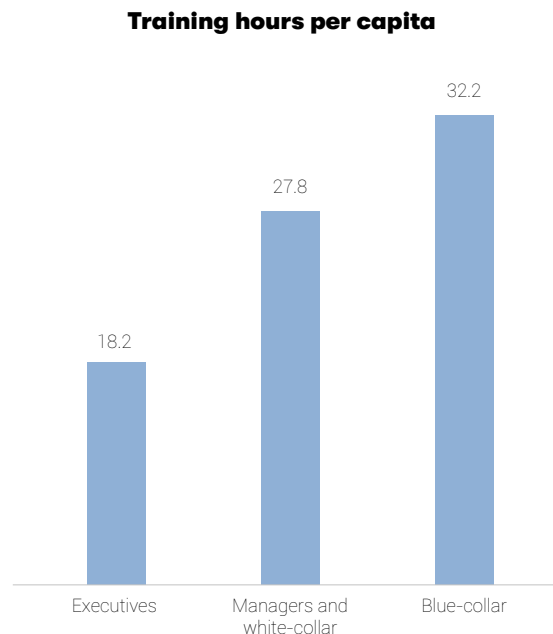
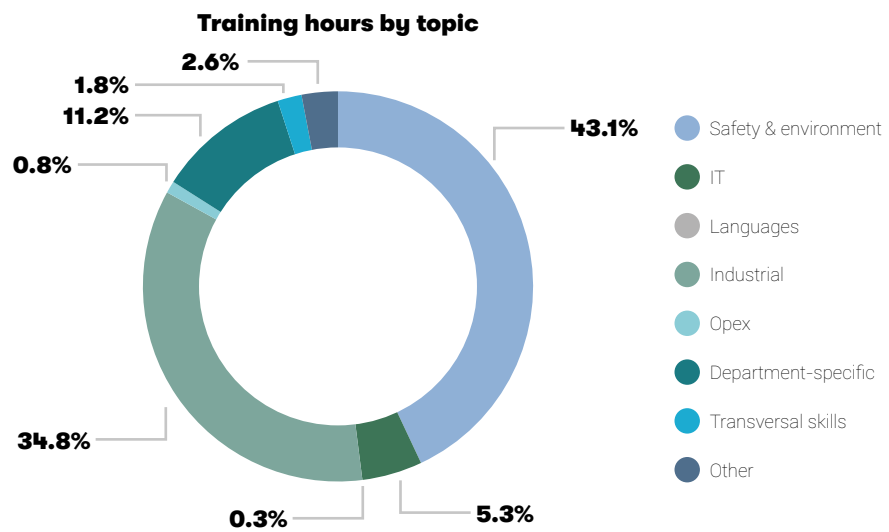
One of the main innovations of the year was the extension of the Goodhabitiz platform to employees' family members across the Group, broadening access to a wide library of content dedicated to soft skills development and further reinforcing a culture of continuous learning as a shared value within the corporate community.

In parallel, the Group continued to invest with determination in both soft and hard skill development, leveraging opportunities offered by regional, national and inter-professional funding. During the year, ten corporate training projects were launched, confirming the commitment to making professional growth a strategic pillar. On the technical side, the company continued its staff qualification pathway: the re-certification of 12 maintenance technicians was completed and, within continuous improvement initiatives, the Group achieved 6 Green Belt certifications and 74 Yellow Belt certifications.

Among the projects launched in 2025, particular prominence was given to financial education, introduced as a pilot at Italian sites: a highly sensitive topic, relevant to people's wellbeing and considered a cornerstone in the path towards gender equality and in combating violence, as economic violence is unfortunately increasingly present in situations of family distress.

The initiative, offered on a voluntary basis and designed starting from an internal survey, was enhanced through collaboration with UniCredit's Academy. Participants provided extremely positive feedback, highlighting strong attention to conscious management of financial and insurance matters. This set of initiatives confirms the Group's willingness to continuously support the development of internal skills through structured, inclusive and genuinely accessible pathways for everyone.

During the year, an Executive Workshop dedicated to the GEC (Group Executive Committee) was also delivered, with the aim of supporting organizational change and strengthening cohesion and leadership across the executive teams involved.



4.5.1 Cybersecurity training

In 2025, within IT and cybersecurity, the Group strengthened its commitment to digital training by implementing a structured upskilling programme dedicated to Copilot and information security. Copilot training, for a total of 1,121 hours, represented a strategic step in the Group's digital transformation journey and in disseminating the skills required for the conscious adoption of generative AI solutions.

At the same time, the Group significantly reinforced its investment in cybersecurity, now considered a strategic domain essential to protecting corporate assets, operational continuity and critical information. In a global context characterised by increasingly sophisticated cyber threats, strengthening a security culture is a key factor for the resilience of the production system and the overall sustainability of the organization. In this perspective, the training programme for all Group personnel with a corporate account continued consistently, with the goal of making every employee a conscious player in safeguarding the digital perimeter.

Through the KNOWBE4 platform, training content is delivered monthly via short, dynamic and continuously updated modules designed to maintain attention and support progressive learning of safe behaviours and good digital practices. This continuous, widespread and engaging approach has significantly raised internal awareness and helped foster a more protected and resilient IT environment in line with international best practices.



Employee at the Vicenza plant, Italy

4.5.2 Health & safety training

For AFV Beltrame Group, protecting occupational health and safety is a structured and top priority commitment. To date, all employees at our steel plants work at sites equipped with an Occupational Health and Safety Management System certified to the international standard ISO 45001.

This strong methodological foundation enables us to go beyond mere regulatory compliance, promoting a prevention culture based on awareness and the active participation of all employees. Our training approach is developed along two lines:

- enabling and regulatory training: we ensure full compliance with obligations under local regulatory frameworks. This pathway ensures that each worker has the technical skills and legal knowledge necessary to operate safely.
- culture and behaviours: consistent with our commitment to continuous improvement, we believe safety is built day by day. For this reason, we have implemented a series of specific initiatives aimed at stimulating interpersonal dialogue and the adoption of safe behaviours through tools differentiated by role.

In 2025, the Group delivered a total of 30,655 hours of safety training, with the goal of preventing workplace accidents, consolidating technical skills and strengthening people's operational capabilities.

Safety Day

All Group sites held a training and information day, the Safety Day. The events - attended by almost all employees - included short talks by internal managers on topics such as safety, energy, sustainability and decarbonization, followed by several themed stations.

The theme proposed by the international organizations ILO and EU-OSHA for Safety Day 2025 was the "Role of AI and digitalization at work".

Italy

In September, a Safety Day was organised at the San Didero and Vicenza plants, while at the San Giovanni plant it was held in December 2025. These events provided an opportunity to share ideas, reflections and perspectives on highly sensitive topics such as safety.

Vicenza

Under the motto "Every voice counts", the initiative focused on the main risk factors identified through the analysis of workplace incidents. In particular, in 2025 accidents related to trips and slips accounted for 60% of the total, highlighting the need to further strengthen prevention measures. Additional attention was devoted to First Aid, with specific reference to immediate response in the event of illness, loss of consciousness, heat stress, burns and inhalation of hot fumes. In the same context, topics such as smoking, alcohol consumption and drug use were also addressed, emphasising their effects on health. Finally, the topic of human error was explored, with the aim of identifying and correcting it before it can result in an accident, also introducing the role of new technologies: the use of artificial intelligence systems integrated with CCTV enables warning signals to be issued when at-risk behaviours are detected.

San Giovanni Valdarno

Inspired by the motto "Ludendo docere", the session was designed using an experiential learning approach, aimed at fostering learning through the direct involvement of participants. The focus first and foremost was on risks related to the use of hands, one of the most recurring factors in workplace accidents.

A "mindful walk" activity was also proposed, during which all participants were guided to develop greater awareness when dealing with situations involving trips, slips and obstacles. To complete the programme, several hazard scenarios were simulated using virtual reality, allowing participants to experience risk situations in a controlled environment and to strengthen their ability to recognise and manage them.

San Didero

Health and safety awareness activities were developed through an experiential and interactive programme, structured around several thematic areas.

These ranged from the use of digital tools - such as interactive safety quizzes and Artificial Intelligence applications supporting prevention - to more practical and immersive approaches, including the Lego Safety Game and accident simulations. Finally, event analysis and investigation activities were carried out, such as the Safety Escape Room, to encourage reflection on incident dynamics and strengthen awareness of safe behaviours, promoting active, participatory learning.

Switzerland

The Swiss plant adopted a different approach to Safety Day: instead of dedicating a single day to safety, monthly safety training sessions were organised on a shift-by-shift basis. The production departments - Steelmaking, Rolling Mill and Ring-Mesh Center - managed these sessions independently. Focused on strengthening the safety culture, the training included discussions on:

- safety statistics;
- risk management;
- workplace accidents and the actions required to prevent recurrence.

France

The French plant also adopted a different approach to Safety Day: instead of dedicating a single day to safety, a "Virtual Safety Month" was organised, with awareness-raising activities delivered through an online platform, focusing on:

- manual handling of loads;
- incident response;
- hearing risks;
- hazardous situations (essential rules).

Teams were invited to brainstorm a safety idea, and the best proposal received an award in September, as part of the celebrations marking the plant's 150th anniversary.

Romania

Călărași

During Safety Day, several key topics related to prevention and occupational health and safety were addressed. First, time was dedicated to sharing and discussing the year's results, analysing the main causes of workplace incidents and the corrective and preventive actions implemented. Practical tests were also carried out on the proper use of personal protective equipment (PPE), alongside a clear reminder of the importance of complying with vertical and horizontal safety signage within the workplace. A further focus concerned the application of the 5S method - an organizational model aimed at order, cleanliness, standardisation and discipline in the workplace - as a practical tool for risk prevention and for improving operating conditions. To conclude the activities, the Occupational Physician outlined the key principles of first aid, with specific reference to the management of fractures and cuts.

Târgoviște

Under the motto "Your PPE is your superpower!", the initiative placed particular emphasis on the importance of correctly using personal protective equipment as a fundamental element in protecting occupational health and safety. To reinforce this message, all participants took part in a Safety Game designed to strengthen, in a practical and engaging way, awareness of risks and each worker's active role in accident prevention.

4.6 WORKERS' HEALTH AND SAFETY

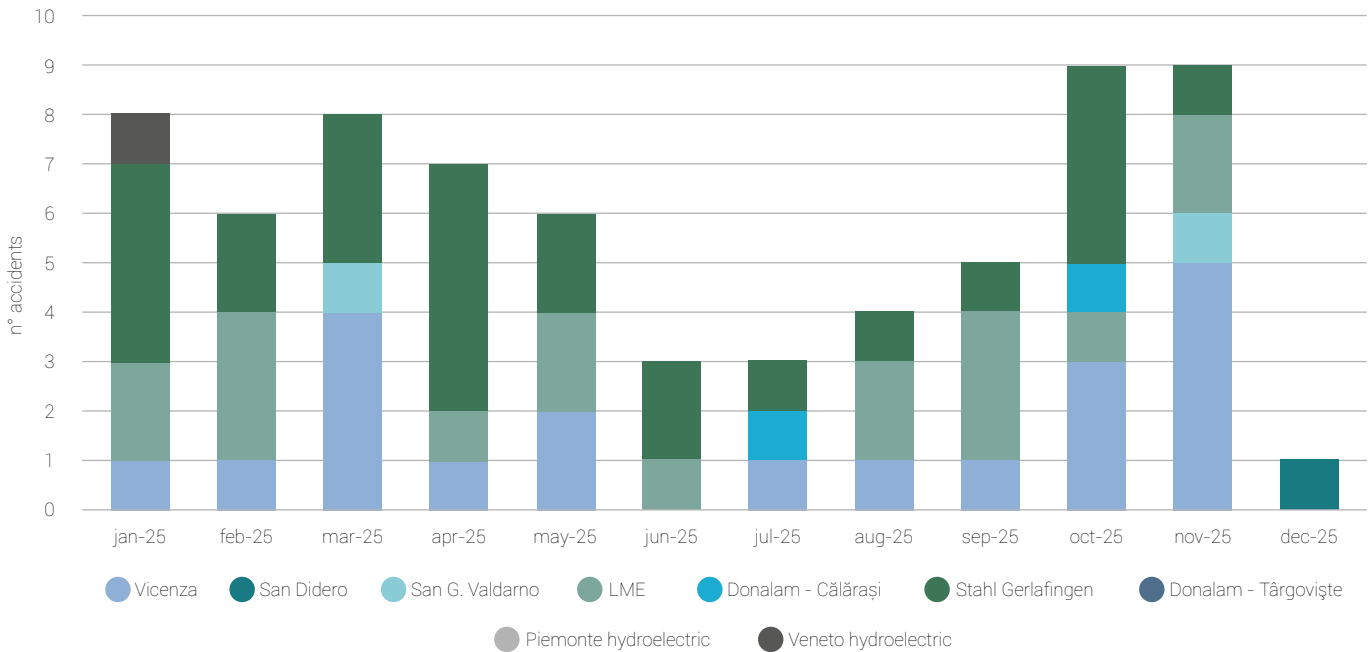
Occupational health and safety protection activities are the Group's top priority. Achieving optimal results requires commitment and interventions in employee training, information and instruction; upgrades to facilities and workplaces; and continuous improvement of the company's health and safety management system.

Throughout 2025, activities in the field of occupational health and safety continued, giving increasing prominence to initiatives that prioritise the development of safety culture and situational awareness.

Occupational injury and work-related diseases

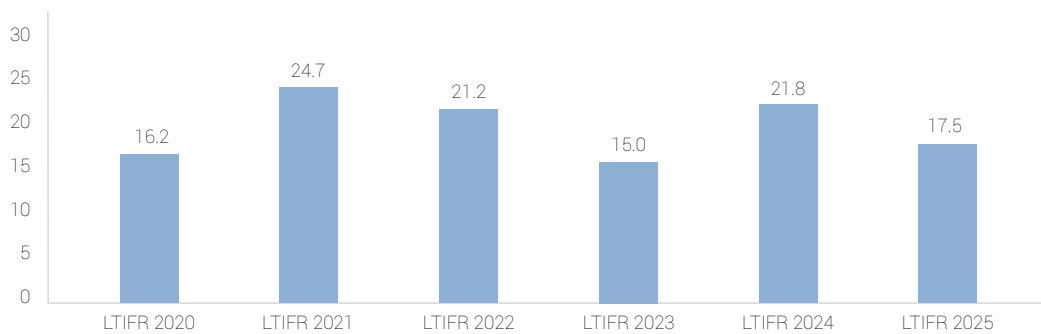
With regard to accidents, we note that the Group's accident trend has shown progressive improvement in recent years. LTIFR is the metric that includes all accidents resulting in at least one day of absence from work. 2025 data include the Hydroelectric Power Plants located in Piedmont and Veneto, acquired by AFV Beltrame Group at the end of 2023 and included in Sustainability Report reporting from that year onwards. In 2025, 69 workplace accidents (LTI - Lost Time Injuries) were recorded, of which 65 involved employees and 4 involved non-employees. The hydroelectric plants also closed 2025 with zero accidents.

LTI - Lost Time Injury



The frequency rate, defined as the ratio of the number of accidents involving employees and non-employees per one million hours worked, was 17.5 at Group level, compared to 21.8 in the previous year.

Trend in the Frequency Rate (LTIFR)



This indicator, expressed as a 12-month rolling average, shows a return to levels close to those recorded in 2023.

Comparing 2025 vs 2024, from the standpoint of accident severity a countertrend is observed, i.e., an increase compared to 2024:

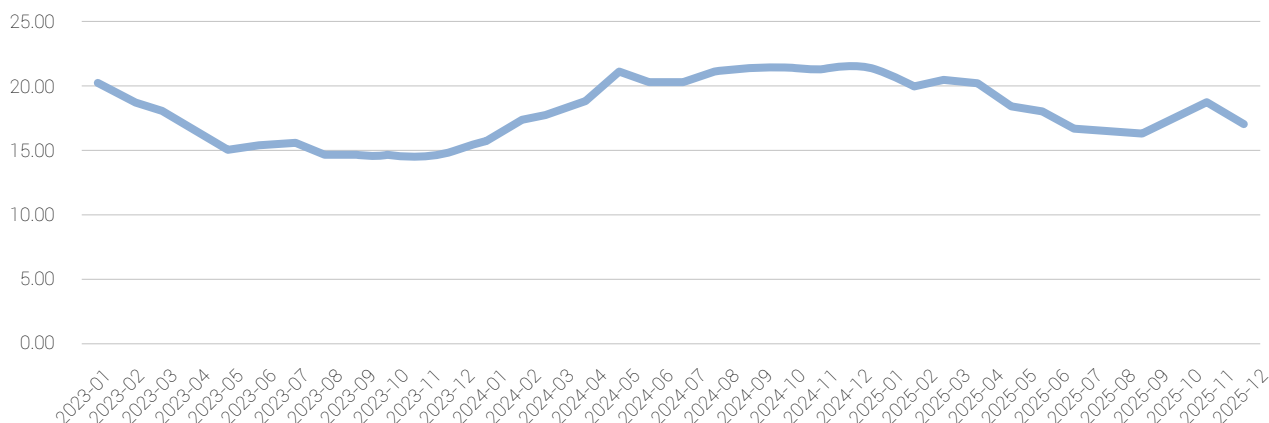
- the number of accidents resulting in absences exceeding 30 days increased;
- 2024: 105 LTIs, of which 18 involved absences of more than 30 days, corresponding to 17% of the total number of LTIs recorded during the year;
- 2025: 69 LTIs, of which 23 involved absences of more than 30 days, corresponding to 35% of the total number of LTIs recorded during the year;
- the average number of days lost per accident doubled in 2025, while the average related to accidents involving absences exceeding 30 days increased by 63%. This resulted in an increase in the Severity Rate (SR) from 0.4 in 2024 to 0.7 in 2025.

This is attributable to accidents with prognosis exceeding 180 days. While in 2024 no accident exceeded 180 days of prognosis, in 2025 there were 4 such cases:

- two due to trips with a fall from heights below 50 cm resulting in ankle or knee fractures;
- one due to contact from molten steel projection during welding operations causing burns;
- one related to entanglement in rotating mechanical parts causing partial amputation of two fingers.

In 2024, two accidents were recorded, both involving absences of fewer than 180 days, whose recovery period extended into 2025. In 2025, seven accident cases were recorded with an extension beyond the reporting year.

LTIFR Beltrame Group - Rolling 12 months



The analysis of the causes of accidents (LTI - Lost Time Injuries) showed that the main root causes can be attributed to:

- behaviours or personal preconditions in 61% of cases (down compared to 2024);
- preconditions related to the work environment or the task performed in 25% of cases (stable);
- risk control factors in 2% of cases (down compared to 2024);
- organizational shortcomings, which were not present in 2025 (down compared to 2024).

The main types of accidents recorded in 2025 were bruises/contusions, crush injuries (up compared to 2024), sprains and burns (up compared to 2024), resulting from impacts/collisions and falls (many at the same level). These events affected the upper and lower limbs, accounting for approximately 67% of total accidents, evenly distributed between the two.

All incidents were analysed and discussed with the injured employee upon their return to work, with the aim of identifying causes, implementing corrective actions, and increasing awareness of safe approaches across the various stages of work. These meetings are attended by the Delegated Employer (DDL), a representative from Industrial Management and/or Human Resources and/or Safety, the direct supervisors of the injured employee's department, and representatives of the Workers' Safety Representatives (RLS). This last aspect is significant, as approximately 75% of accidents occurred while performing routine activities (a marked increase compared to 60% in 2024).

In 2025, there were no cases in which liability was definitively established in relation to occupational diseases or allegations of mobbing. All employees underwent health surveillance, which varies depending on job role, as required by applicable occupational health and safety regulations.

Key Initiatives

In 2025, several activities related to the Crash Program were further consolidated. This initiative aims to strengthen risk awareness and reduce workplace accidents through a set of actions introduced in May 2024 at the Vicenza, LME and Stahl Gerlafingen sites, following the anomalous trend recorded in the first months of 2024. In October 2025, the Călărași plant in Romania entered a "Crash Program light" following an accident.

Some initiatives included in the Crash Program draw on activities developed under the SHARP project, launched in 2022, with the objective of increasing awareness and strengthening safety culture at all levels, with a particular focus on communication and the sharing of different safety-related aspects. Ad hoc meetings were held by the Group H&S Department with the management of each plant to capture the perceived safety level within their respective areas of responsibility. Based on this feedback, the most appropriate measures were identified to achieve a reversal in the incident trend. The Crash Program activities consolidated and maintained throughout 2025 were as follows.

- 1 Delivery of safety focus sessions or short on-the-job training breaks in the operational departments during shifts (so-called "Safety Pills"), led by supervisors/line managers and addressing specific topics or timely issues related to safe working practices within the department.

Crash Program focus: the number of Safety Pills increased (from 30 per month per plant to one per day per crew). Emphasis was placed on reporting events (both accidents and near-misses) and discussing their dynamics and resolvability. The Vicenza and LME plants started managing this information in a digital format in order to optimise analysis of Safety Pill content.

- 2 Organization of safety meetings within production departments, involving EHS together with shift leaders and department managers, to periodically review accidents and their causes, near-misses, and reports received regarding hazardous situations or unsafe behaviours.

Crash Program focus: the organizational approach to these meetings was revised. While initially they were led by the H&S function, ownership was transferred to department managers. This increased involvement led to greater awareness and stronger cross-functional alignment in addressing the topics presented and discussed.

- 3 Preparation of a thorough and timely analysis of accidents and near-misses with the relevant functions, identifying the root causes of each event through specific methodologies (RCA - Root Cause Analysis). Each identified cause is addressed through decisive and targeted actions, without overlooking any contributing factor.

Crash Program focus: the RCA methodology was standardised, highlighting not only behavioural, technical or organizational causes, but also pre-existing conditions relevant to the characterisation of the RCA.

- 4 Distribution of communications and information leaflets on significant events - both accidents and near-misses - sharing causes and potential common actions across the Group's sites.

Crash Program focus: for significant events, the Group H&S Department introduced the good practice of holding dedicated calls within 48 hours of the event. Invitations are extended not only to H&S teams across the plants, but also to other relevant functions (e.g., Department Managers, Maintenance Managers, etc.) who can provide a meaningful contribution both to event analysis and to benchmarking best practices.

- 5 Planning of periodic interactive visits to production areas by Company Management together with EHS representatives, in order to make it tangible that safety is a priority shared across all hierarchical levels and organizational functions (Visible Felt Leadership).
- 6 Resumption and strengthening of interactive visits (SWAT) through an observational approach and the direct involvement of the operators encountered.
In 2025, the French plant was recognised as Best in Class, having optimised Visible Felt Leadership through targeted Gemba walks aimed at engaging constructively with employees/supervisors involved in significant events during the current or previous month. In this way, employees recognise that Top Management is aware of what happens at the plant and is committed to addressing the underlying causes. This operating model will be replicated across all other Group plants during 2026.
- 7 Assessment and follow-up of reports submitted by employees, including resolution plans and feedback to the reporting individuals.
- 8 Dissemination of safety slogans through the installation of panels displaying safety messages in work areas.
- 9 Periodic review of work procedures in light of technical and organizational changes, and verification of proper implementation on site.
- 10 Definition of a medium-term programme for behavioural safety training and awareness-raising in line with international standards.
Crash Program focus: STG developed specific monthly training for supervisors to increase their awareness of the risks within their respective departments.

As customary, in 2025 targets were also set for specific categories of activities, and various methods for monitoring and formalising these activities were tested.

Safety first

Implementation of Group standards

In 2025, the programme to monitor the implementation of centrally defined standards on specific safety topics continued across all Group sites. Among the ten standards defined, applied and monitored, the focus in 2025 was placed on items 1, 4 and 5, as outlined below:

1. H&S Reporting and Investigation and Environmental reporting (management of reporting related to incidents and accidents, as well as reporting related to the monitoring of environmental parameters);
2. Mobile Equipment (mobile equipment and the risk of pedestrian - vehicle interaction);
3. Work at Height (work at height);
4. Housekeeping and 5S implementation (order/organization and cleanliness in the workplace);
5. Contractor Safety Management (safe management of contractors);
6. EHS Audit - EHS Scorecard (audits across the different companies);
7. Energy Isolation and LO.TO.TO. (isolation of energy sources prior to maintenance activities);
8. Liquid steel (management of risks related to liquid steel and slag across all handling and transport phases);
9. SWAT programme (behavioural audits);
10. JSA - Job Safety Analysis (risk assessment analysis for non-routine operations).

Dedicated meetings were held to define site-specific improvement plans (with a particular focus on EHS topics), involving local committees and under the supervision, coordination and oversight of Group management.

In addition, a benchmarking programme was completed on the main personal protective equipment (PPE) used across the Group - especially safety footwear, helmets and protective eyewear - with the aim of standardising the technical specifications of these protective devices.

Investments in occupational health and safety

In 2025, a new campaign was launched featuring investment projects in the area of Environment, Health and Safety, with the objective of removing personnel from high-risk areas/situations by introducing remote-operated systems. From this perspective, the key benefit for employees is the ability to work in a significantly more comfortable working environment. The main investment projects related to environmental; health and safety management focused on:

- improvement of plant and machine-tool safety (MASAI Project - Machine Safety Improvement);
- upgrading of internal pedestrian routes to reduce trip-and-fall risks (SDD);
- installation of new oxy-cutting stations to eliminate trip hazards on stairs and/or pedestrian crossings in the slab area (SGV);
- development of crane management/operation systems (e.g., LME and VIC scrap yard; LME casting cranes);
- optimisation of lifting attachments and under-hook equipment;

- progress in the programme to enhance radiometric monitoring equipment across all sites;
- streamlining of internal traffic plans to reduce vehicle-pedestrian interference and upgrading of roadways both inside plants and in external areas;
- electrical equipment upgrades following updates to the risk assessment;
- installation of redundant safeguards on machinery;
- installation of intake/introducer pipes for certain hydroelectric plants;
- at hydroelectric plants: works to improve trash racks/screens and overflow siphons;
- optimisation of the "caring for one another" management approach;
- third-party audits to identify safety improvement opportunities;
- optimisation of the management, training and periodic maintenance of lifting equipment, including the development or update of related procedures and checklists. Călărași is the pilot site for this project, which will continue throughout 2026;
- supervision of fire control panels directly from the gatehouse/porter's lodge through dedicated fire detection software;
- upgrading of workshop stairways to comply with applicable regulations;
- replacement of overhead crane pendant controls with radio remote controls.



Employee at the Vicenza Plant, Italy

Occupational health and safety culture

As part of its framework to strengthen the occupational health and safety culture, the Group has developed over time a set of initiatives aimed at promoting dialogue, active participation and the effective flow of information. In continuity with what has been described above, and with reference to the activities launched under the Crash Program, the main actions are outlined below:

• Safety Pills (Operational Dialogue):

daily moments of exchange between supervisors and employees. These short, direct sessions help increase situational awareness, identify potential improvements or health and safety-related issues, and promptly address any on-the-ground criticalities.

• Top Management SWAT Reviews:

through structured site walkthroughs and periodic shop-floor visits, Top Management engages directly with employees on occupational health and safety topics. This proactive approach enables a strategic assessment of risks and demonstrates leaders' commitment and visible presence in the field, reinforcing the value of Visible Felt Leadership (VFL).

• Digitalization and Reporting:

in Italy and France, digitalization projects based on Microsoft 365 have been launched to simplify the reporting of hazardous situations and at-risk behaviours. This tool enables real-time monitoring and an agile response, with the objective of extending this best practice to all Group locations.

• Event investigation:

across the Group, both events that resulted in an injury and incidents with no consequences for employees are recorded and analysed using a methodology that enables the identification of root causes (RCA - Root Cause Analysis). Identifying both direct and indirect causes is a fundamental tool for defining and implementing appropriate improvement plans to prevent recurrence. Significant importance is also assigned to reports received from operational areas, which are assessed and managed based on priority, with feedback provided on the actions taken.

• Safety Leadership:

AFV Beltrame Group promotes safety leadership among its managers and supervisors, who are required to implement concrete actions to improve the safety conditions of the people under their responsibility.

• Awareness-raising campaigns:

across the Group's plants, the awareness campaign continues through the use of visual communication displayed in high-traffic areas leading to the production departments. These materials focus on the five basic safety rules and encourage everyone to think before acting (the "STOP" rule). The five rules are:

1. Use of PPE (personal protective equipment);
2. Compliance with safety procedures and instructions;
3. Reporting of near-misses, unsafe behaviours and hazardous conditions;
4. Making machines and systems safe before maintenance activities, zero-energy state (LOTOTO: lockout/tagout/tryout);
5. Compliance with prohibitions (no smoking; rules regarding alcohol and drugs; limitations and correct use of mobile phones during work).

The integration of certified systems, continuous training, structured multi-level dialogue and digital tools helps build a working environment in which safety is an integral part of operational processes, shared as a common value and practised every day.

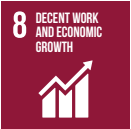


4.7 RELATIONSHIP WITH THE LOCAL COMMUNITY

In 2025, we continued and strengthened our commitment to the communities in which we operate, through initiatives combining sport and wellbeing, health and inclusion, culture and heritage enhancement, environment and biodiversity. The underlying conviction is clear: the value of a company is also measured by its ability to generate social capital, pro-

moting cohesion, participation and opportunities along the entire local value chain.

This approach translates into ongoing support for local and national initiatives in Italy and in the countries where the Group operates, with growing attention to community, proximity and tangible impact.



Sport and wellbeing: participation, health, identity

We supported initiatives that promote physical activity, team spirit and health. The AFV running group consolidated an initiative that originated within the company and has, over time, become a pillar of wellbeing, social connection and a sense of belonging. Following a 2024 marked by continuous participation in road races and trail events in Italy and abroad, the engagement base and the values it embodies continued throughout 2025. In the same vein, the AFV cycling group also received support for activities along hilly and alpine routes and for participation in key amateur events, reaffirming sport as a lever for welfare and social cohesion.

Alongside these internal initiatives, we confirmed our support for AS Delfini 2001 Onlus, an organization committed to promoting sport and inclusion for people with disabilities through educational and rehabilitation activities and participation in tournaments and events, including wheelchair basketball. In the French communities where we operate, sport was also promoted as a space for inclusion and shared values: the partnership with the women's handball club Handball Saint-Amand (SAPH) strengthened our connection with the local area through a project that recognises team spirit, commitment and participation as elements shared with our corpo-

rate culture, while also offering employees the opportunity to attend matches and experience moments of community.

In line with the concept of wellbeing becoming solidarity, we supported the "Sportive Challenge" promoted by Toit à Moi, a national initiative that turns kilometres covered by walking, running or cycling into a financial contribution towards a concrete social goal: enabling access to housing for people experiencing homelessness. This is an example of how individual and collective participation can generate measurable and shared impact.

In the same spirit, in Romania we also promoted sport as an opportunity for cohesion and solidarity. In July 2025, in Călărași, Donalam supported the organization of the event "72, There and Back Again. From solo swimming to solidarity swimming!", organised by the Trichallenge Triathlon Sports Club Association of Călărași. The competition brought together renowned Romanian and international swimmers, who swam in the Steel Canal for 72 hours, alongside more than 100 swimmers from across the country. The event promoted high-level sport, solidarity and a strong sense of community.



Health, childhood and social inclusion

The 2025 initiatives place children, families and situations of vulnerability at the centre. Support for the Meyer Paediatric Hospital Foundation (Florence) was directed towards welcoming services, research and paediatric care, with particular attention to non-clinical services that improve the hospital experience for children and their families (educational workshops, pet therapy, music and clown therapy). Alongside this, Vicenza for Children continued its work in the paediatric wards of ULSS 8 Berica (Paediatrics, Onco-Haematology Day Hospital, Neonatal Intensive Care Unit – NICU), providing emotional support to families and contributing to equipment and more welcoming spaces. Support was also confirmed for "Io sto con il Regina Margherita" Onlus (Turin), in support of fundraising and assistance activities for the Children's Hospital, including care, research and family support projects for young patients and their families.

During the year, specific attention was also devoted to promoting inclusion and preventing situations of vulnerability through initiatives defined and shared at Group level. Among the first actions promoted within this coordinated framework was a campaign aimed at combating gender-based violence. The initiative was rolled out across all Group companies through employee communication and training activities, with the aim of fostering an organizational culture grounded in mutual respect and inclusion. In addition, all female employees were provided with a personal anti-aggression safety device.

To broaden community engagement, a donation was made through Rete del Dono Srl in support of RUN4HOPE Onlus. Furthermore, the contribution to Volontariato in Rete, the Provincial Federation of Vicenza ODV, helped strengthen the local network of associations, multiplying the impact generated across the territory. In continuity, support for paediatric care and the humanisation of healthcare also continued with the Meyer Hospital.

In parallel, the Group's international locations promoted forms of solidarity-based participation capable of strengthening the bond between people and communities. During the Christmas period, this commitment translated into initiatives supporting local organizations that assist children and families in vulnerable situations, with projects implemented in multiple countries: in Switzerland in support of Petit Suisse and, in Italy, in support of Villaggio SOS and the Tangram Association. Within this context, an initiative promoted by our French site Wond'or Rose was also carried out, based on the collection of gifts for an association that distributes them to hospitalised children: a simple gesture, yet one with strong relational value, capable of engaging people and generating tangible impact.



Culture and heritage: education, access, participation

We believe culture is a driver of active citizenship and local development. Our support for the Società del Quartetto di Vicenza was confirmed for the project "Incontri al Quinto Piano", a series of informal musical performances held in the Oncology ward of Vicenza Hospital, bringing music, closeness and shared beauty into a care setting. Through Vivi Palladio Edizioni, we supported editorial and cultural initiatives aimed at enhancing the area's artistic and architectural heritage, while with Venice Forever we contributed to projects focused on protecting and promoting Venice's cultural heritage and its responsible enjoyment.

In the communities where the Group operates outside Italy, heritage enhancement has also taken the form of a commitment linked to industrial identity. In France, we take part in the La Cité de l'Acier project, an initiative designed to preserve and pass on the legacy of the steel industry through its history, the evolution of production processes and the sector's future challenges, with the aim of providing younger generations with a space for knowledge and awareness of the role of steel. Our contribution is part of a long-term vision: making accessible a technical and cultural heritage that is an integral part of the history of the territories in which we operate.

**Environment and biodiversity:
greener cities, more resilient communities**

In 2025, the multi-year Beleafing project - "Parco delle Associazioni" (Vicenza) was completed, delivering a new urban park with 1,205 trees belonging to 18 native species, designed to maximise CO₂ absorption, PM10 capture and support for pollinators. Technical estimates indicate 144,140 kg/year of CO₂ absorbed and 84.35 kg/year of PM10 captured; in addition, "bee-friendly" species were sown to promote biodiversity and ecological continuity in the urban environment. The expected impact includes local climate mitigation, improved air quality, residents' psycho-physical well-being and environmental education.



Engagement with local communities and the civic fabric

Throughout 2025, we supported civic and community organizations, valuing proximity and dialogue with local institutions. These included the Municipality of San Didero (TO) and the Parish of S. Giovanni Evangelista in Bruzolo (TO), within a framework of continuous listening, ongoing nurturing of social relationships and attention to local needs. Contributions were made in line with our internal guidelines for donations and sponsorships, ensuring consistency, transparency and measurable impact.

This proximity-based commitment is also expressed through participation in networks that foster the economic and social vitality of the contexts in which we operate. In France, our involvement in Réseau Entreprendre reflects our commitment to supporting entrepreneurship and creating local value, connecting local organizations and communities of managers to share expertise, mentoring and support tools, including zero-interest loans. In the same spirit of dialogue with the economic and institutional landscape, our participation in MEDEF - the representative association of French companies - helps strengthen engagement among businesses, institutions and social partners, promoting an ecosystem conducive to development and competitiveness.

Finally, alongside outward-facing initiatives, we also cultivated moments of community within the organization, as social capital is built first and foremost through everyday relationships. Distributing panettone to all employees as a Christmas gift represented a gesture of recognition and closeness; similarly, on the occasion of LME's 150th anniversary, organising two plant-visit days for employees' families strengthened the sense of belonging, opening the company to the "closest" community of all: the people who live it every day.



05

ETHICS

COMPLIANCE

POLICY

GOVERNANCE DISCLOSURE



CHAPTER 5

5.1 CORPORATE CULTURE AND ANTI-CORRUPTION

The Group has set out in its Code of Ethics the following fundamental ethical principles, which it undertakes to uphold in its operations and in managing relationships with stakeholders:



Legality

strict compliance with applicable laws and regulations in Italy and in the other countries where the Group operates;



Equality

respect for human rights, without discrimination on the grounds of age, gender, sexual orientation, personal and social conditions, race, language, nationality, political and trade-union opinions, or religious beliefs;



Impartiality

decision-making based on professional rigour and objectivity, in accordance with objective and neutral assessment criteria;



Transparency, fairness and reliability

production and sharing of transparent, truthful, complete and accurate information, duly recorded, verifiable, legitimate, consistent and appropriately documented, in order to ensure adequate traceability;



Professionalism

professionalism, commitment and diligence in the performance of assigned duties, as indispensable values for the Group's growth and success in national and international markets;



Confidentiality and privacy protection

confidentiality of information and the use of confidential data in strict compliance with applicable privacy legislation both in Italy and abroad;



Responsible business conduct

conducting business with a sustainability-driven approach, aimed at meeting stakeholders' needs without compromising the well-being of future generations, while promoting efficient and responsible use of resources.

“ Compliance with the above principles, which inspire the Group's business activities, is required of employees and collaborators of all affiliated companies, as well as external parties such as suppliers, agents, customers, or anyone providing services in the name of or on behalf of the Group, or maintaining business relationships with it. The most recent revision of the Code of Ethics is dated 19 March 2025 and is available for download in the Download section of www.gruppobeltrame.com.

Corporate compliance

Operational corporate compliance activities, launched in 2023 with the establishment of an internal function, continued throughout 2025. These activities involved the responsible Committee in periodic meetings aimed at examining matters within its remit, such as oversight of existing internal procedural documents and analysis of developments arising from the external context.

The code of ethics

AFV Beltrame Group considered it essential to adopt a Code of Ethics that clearly sets out the values and principles guiding the Group in achieving its business objectives. The application of the provisions described in the document is fundamental to the proper conduct of all corporate activities and to maintaining the reliability, reputation and image of all Group companies - key elements for their current and future development. As mentioned above, implementation of the Code of Ethics in the conduct of relevant activities is required of all recipients of the document and therefore of all those who hold representation, administration or management roles, or who exercise - even de facto - management and control, as well as employees and collaborators, in addition to external parties such as suppliers, contractors, related parties, agents, intermediaries, customers, or anyone providing services in the name of or on behalf of the Group, or maintaining business relationships with it.

Compliance with laws and regulations

In 2025, no instances of non-compliance with laws and regulations emerged. The 2024 formal notice concerning exceedances of discharge limits for runoff water at the Vicenza plant was closed through a specific measure issued by the Province of Vicenza.

The parent company's model of organization, management and control

The Board of Directors of AFV Acciaierie Beltrame S.p.A., in order to ensure the best conditions of fairness, transparency and legality in conducting its business activities, adopted - by resolution of 15 December 2008 - the Model of Organization, Management and Control (the "Model"), in line with the requirements of Legislative Decree No. 231/2001, which governs the administrative liability of companies for offences committed by senior executives or subordinates in the interest or to the advantage of the company itself.

The purpose of the Model is to establish a structured and organic system of procedures and control activities that, through monitoring of at-risk business areas, enables timely action to prevent or counter the commission of the categories of offences contemplated by Legislative Decree 231/2001.

In particular, the Model consists of:

- a general section, which outlines the relevant regulatory framework, the conditions for entities' administrative liability and the objectives of the Model, clarifying how it integrates into the overall internal control system. This section also describes, among other aspects, the methodology adopted to identify and assess offence-risk areas, defines the duties and powers of the Supervisory Body (Organismo di Vigilanza), and describes the disciplinary system designed to safeguard the effectiveness of the Model (the latest update to the General Section was approved by the Board of Directors on 21 February 2025);
- a matrix of offence-risk areas, including examples of possible ways offences may be committed and of instrumental processes potentially associated with the commission of the offences referred to in Legislative Decree 231/2001;
- a special section, consisting of 16 control protocols relating to corporate processes deemed to carry the highest potential risk of offence commission. These protocols expressly regulate the formation and implementation of company decisions, providing specific guidance on the system of preventive controls in relation to the individual types of misconduct to be prevented. The protocols also set out procedures for managing financial resources suitable to prevent the commission of such offences (the latest update of numerous protocols was approved by the Board of Directors on 3 November 2025).

In addition, the Code of Ethics forms an integral part of the Model. By setting out rules of conduct and fundamental principles such as legality, fairness and transparency, it constitutes a tool whose contents are suitable to prevent the unlawful behaviours referred to in Legislative Decree 231/2001. In light of the above, the Code of Ethics is relevant for the purposes of the Model and therefore constitutes a complementary element thereof.

Over the years, the Model as a whole has been periodically updated to reflect organizational changes and additional or revised offence categories introduced by the legislator as prerequisites for the application of Legislative Decree No. 231/2001.

Anti-corruption policy

The Parent Company has adopted a specific Anti-corruption Policy, applicable also to affiliated companies, with the aim of establishing behavioural principles to avoid and prevent corrupt practices and to provide guidelines for compliance with applicable anti-corruption provisions.

The policy was drafted in line with international anti-corruption best practices (i.e., the United Nations Convention against Corruption - Merida Convention, and the OECD Anti-Bribery Convention) and with the applicable local regulations in each country where Group companies are based or where activities potentially considered at risk are carried out.

Compliance with the document is required of employees, directors, customers, suppliers, financial partners and all parties having business relationships with the Group.

The Group prohibits any corrupt practice and - consistent with the values of honesty, integrity and transparency - does not tolerate corruption towards any party, whether in dealings with public entities or private parties, whether active (from the briber's perspective) or passive (from the recipient's perspective).

In addition to the Anti-corruption Policy, the Code of Ethics and the Model, together with their related protocols, form a regulatory framework designed to prevent the commission of corrupt practices.

Cases of corruption

In 2025, no incidents were recorded arising from corruption.

Antitrust policy

AFV Beltrame Group believes that an open and competitive market represents value for consumers and businesses alike; accordingly, it is committed to operating in the market in compliance with laws and regulations safeguarding free competition, relying on its entrepreneurial merit - not only in relationships with competitors, but also in dealings with customers, suppliers and other third parties.

To this end, the Group has adopted an Antitrust Policy, applicable also to affiliated companies, which provides specific guidance in order to:

- enable personnel to understand the regulatory framework and foster a culture of antitrust compliance;
- describe rules of conduct to be followed in relevant contexts;
- provide tools that can be used to identify the risk of engaging in inappropriate conduct.

Cases of infringement

In 2025, no incidents were recorded arising from anti-competitive conduct, antitrust breaches or monopolistic practices.

Human rights policy

The Parent Company has adopted a specific Human Rights Policy, applicable also to subsidiaries, with the aim of establishing principles of conduct to ensure respect for, protection and promotion of human rights in the course of business activities.

The Policy was drafted in line with the main international best practices (e.g., the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, the OECD Guidelines for Multinational Enterprises, and the Fundamental Conventions of the International Labour Organization - ILO) and confirms the Group's focus on human rights, committing not to violate them and not to engage in conduct that may have negative impacts - whether by action or omission - distinguishing between:

- general rights of humanity (i.e., the rights to life; freedom of thought and opinion; rights of local communities; the right to privacy; the right to personal safety and health; and respect for and protection of the environment);
- specific workers' rights (i.e., rejection of forced or compulsory labour; freedom of association and the right to organise and bargain collectively; equal remuneration and non-discrimination in employment or occupation; health, safety and respect for the environment; rejection of child labour; the right to leisure and rest).

Cases of infringement

In 2025, no incidents were recorded relating to human rights violations.

Whistleblowing policy

Following the adoption of Legislative Decree No. 24/2023, implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of European Union law, the Group's companies adopted a specific Whistleblowing Policy with the following objectives:

- identify who is authorised to submit reports;
- clarify which behaviours, events, or actions may be subject to reporting;
- communicate the channels available for submitting reports;
- explain how reports can be submitted and how they are managed, including any subsequent verification activities;
- provide information on the protections established and guaranteed.

The document was drafted in line with national and EU regulations and with the most relevant best practices, and it describes in detail how reports are managed in order to ensure compliance with regulatory requirements and the application of necessary safeguards, such as protection against retaliation, unjustified sanctions or discrimination against reporting persons.

To achieve these objectives, an internal reporting channel was activated through an IT platform that ensures - also through the use of encryption tools - the confidentiality of the identity of the reporting person, the reported person and any other individuals involved, as well as the content of the report and any documentation attached. The handling of reports is entrusted to the Whistleblowing Committee, a collegiate body composed of four members, which convenes whenever deemed appropriate.

Reports received

In 2025, one report was received, which was found not to fall within the scope of whistleblowing.



5.2 MANAGEMENT OF SUPPLIER RELATIONSHIPS

Supply chain management is a key factor in ensuring business continuity for AFV Beltrame Group. The Group manages complex procurement flows including raw materials (ferrous scrap), strategic materials (electrodes, ferroalloys, refractories), auxiliary materials and energy - each essential to support the production process. The Group has structured its purchasing model around a flexible planning strategy and proactive monitoring. The procurement of these materials and services follows a strategic approach that includes market analysis, sourcing, definition of technical specifications and continuous supplier monitoring.

The primary objective is to mitigate the risk of limited raw material availability and manage logistical instability, preventing production stoppages and delays in customer deliveries. This adaptability makes it possible to optimise the quality/price ratio and ensure the availability of materials even in volatile market conditions, while ensuring maximum reliability for our commercial partners and periodically verifying supplier reliability.

To mitigate risks linked to limited material availability, the Group adopts an approach based on:

- continuous monitoring: ongoing analysis of market fluctuations to prevent potential shortages;
- procurement planning: coordination between the central purchasing function and local units to share best practices across all Group companies and, where necessary, align inventory levels with operational needs;
- diversification and reliability: selection of national and international partners to ensure continuity, quality and on-time delivery performance.

The Group promotes supply chain management that integrates economic, environmental and social criteria. Supplier selection - particularly for strategic suppliers - is based on standards of reliability, occupational safety and quality. For all new suppliers, the Group requests, as a preferred (though not mandatory) requirement, compliance with the main international standards, such as ISO 9001 (quality management),

ISO 14001 (environmental management), ISO 45001 (occupational health and safety management) and ISO 50001 (energy management). This helps ensure that new partners align with the high sustainability and quality standards adopted by the Group. The commitment to monitoring the carbon footprint of key product categories also remains constant, including logistics service providers, by requesting certified data in order to align the supply chain with the Group's decarbonization objectives.

The relationship with suppliers does not end at the contractual stage; it continues through an audit and periodic verification process. These meetings are aimed at exchanging best practices, fostering technological innovation and improving safety standards, ensuring sustainable and shared growth across the entire value chain.

AFV Beltrame Group recognises the importance of creating value in the communities in which it operates, while operating in a sector characterised by international procurement dynamics. The Group's strategy prioritises - where technically and economically feasible - collaboration with partners operating in the relevant territories. However, the share of local sourcing is influenced by market cyclicity and diversification strategies. In this context, during FY2025, a significant portion of total purchases was covered through local supplies (62.6%), supporting the local supply chain while simultaneously reducing logistical risks linked to long supply chains. "Local suppliers" are defined as suppliers located within the same country as the company making the purchase. This figure reflects the current configuration of the supply chain, which the Group continues to monitor with the objective of balancing international competitiveness, operational efficiency and local roots, adapting procurement choices to the evolution of the macroeconomic scenario.

Overall, AFV Beltrame Group adopts a rigorous and continuous approach to supplier selection and management to ensure sustainability and resilience, pursuing cost optimisation and continuous improvement in performance.

5.3 CYBERSECURITY

The increasing digitalization of industrial and managerial processes is a key driver of competitiveness, efficiency and sustainability. However, the evolution of digital technologies is accompanied by a steady increase in the cyber-attack surface and a growing sophistication of cyber threats, which now affect all industrial sectors, including the steel industry.

Cyberattacks - including recent ones - across various industrial sectors, including steelmaking, continue to have extremely significant operational, economic and reputational impacts. The organisations affected are often leading international industrial groups that invest substantially in cybersecurity. Nonetheless, the ongoing evolution of digital technol-

ogies and the increasing sophistication of attack techniques make it clear that there is no absolute protection.

Cyberattacks are no longer exceptional events and, as also highlighted by the World Economic Forum, cybersecurity risks rank among the main global technological risks even in the short term.

Accordingly, the current environment is characterised by structured cybercrime campaigns, ransomware and advanced phishing.

Source:
World Economic Forum, Global Risks Report 2024.

According to the latest Gartner analyses on Operational Technology systems (2026), the threat landscape is marked by an unprecedented acceleration, driven by factors such as widespread cloud adoption, the interconnection of digital supply chains and the increasing use of artificial intelligence by attackers as well. Gartner forecasts that by 2027 a significant share of cyberattacks will leverage generative AI techniques, increasing the speed, scalability and effectiveness of malicious campaigns. At the same time, Gartner notes that cybersecurity has become a structural business risk, with a direct impact on the operational resilience of industrial companies. Global spending on cybersecurity is expected to grow significantly, reaching approximately USD 240 billion in 2026 - evidence that organizations are shifting their focus from prevention alone to cyber resilience and response and recovery capabilities.

From an economic standpoint, the most recent estimates indicate that global cybercrime-related costs will continue to rise significantly in the coming years, approaching values on the order of tens of trillions of dollars worldwide by 2027. Gartner further highlights that by 2028 companies will face increasing costs not only to counter attacks, but also to manage collateral effects such as disinformation, legal impacts, management liability and business continuity. In this context, cybersecurity can no longer be considered solely a technological topic; it is, in every respect, a key element of governance, risk management and business continuity, particularly critical for highly operationally intensive industrial sectors such as steelmaking. For an integrated industrial group such as AFV Beltrame Group, a cyberattack can generate significant impacts on business continuity. The risk does not relate only to data loss, but may also result in the unavailability of ERP systems, production and logistics shutdowns, as well as economic and reputational damage. The progressive integration of IT and OT (Operational Technology) systems makes cybersecurity a critical factor of industrial resilience and an essential element of the Group's sustainability strategy.

Growing attention is now directed to industrial plants, traditionally designed to ensure availability, physical safety and production continuity rather than cyber resilience. The progressive convergence of IT and OT, the interconnection of plants with corporate networks and external suppliers, and the introduction of advanced digital solutions (remote monitoring, predictive maintenance, MES/ERP integration) have significantly expanded the attack surface of industrial environments.

In this context, Directive (EU) 2022/2555 - NIS2 is particularly relevant, as it substantially extends cybersecurity obligations to industrial and manufacturing sectors, classifying many organizations as essential or important entities, explicitly including OT environments and industrial control systems (ICS), with obligations ranging from risk assessment and supply chain protection to incident management and operational continuity.

Gartner also notes that NIS2 is helping shift industrial cybersecurity from a purely technical domain to governance,

making management and boards directly accountable for the measures adopted and their effectiveness. In the OT domain, this implies moving beyond reactive or fragmented models towards integrated security programmes, aligned with recognised standards and focused on plant resilience rather than incident prevention alone.

For highly production-intensive companies, such as those in the steel sector, the impact of an OT attack does not translate solely into data loss, but may entail plant shutdowns, risks to people's safety, supply chain disruptions and significant economic damage.

AFV Beltrame Group addresses these risks through structured and growing investments in IT and cybersecurity, adopting an approach based on prevention, monitoring and incident response.

In recent years, the Group has strengthened its security model through advanced protection systems, identity and access management, backup and disaster recovery procedures, centralised monitoring of security events and 24/7 active surveillance services.

Protecting the confidentiality of corporate data and information is a fundamental pillar of the Group's IT governance. The unauthorised disclosure of strategic information could compromise competitive advantage and stakeholder trust.

The Group adopts information classification criteria, access controls and structured security incident management procedures.

Alongside technological investments, AFV Beltrame Group assigns a central role to the human factor.

Promoting a shared cybersecurity culture significantly contributes to reducing risks linked to operational errors and social engineering attacks. Through continuous training programmes and awareness initiatives, the Group promotes responsible digital behaviours and strengthens employees' ability to recognise and address cyber threats.

Sources:

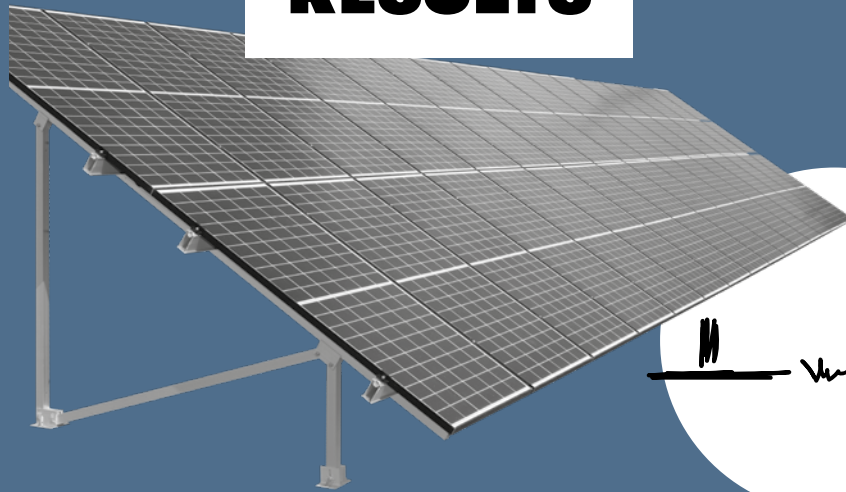
¹⁾ Gartner: "Hype Cycle for Storage and Data Protection Technologies, 2021". Gartner is a leading global information technology research and advisory company, providing analysis, forecasts and strategic advice to help organizations make informed decisions.

²⁾ Statista: Technology Market Outlook, National Cyber Security Organizations, FBI, IMF, November 2022 update.

06

CHAPTER 6

OUR SUSTAINABILITY RESULTS



PERFORMANCE

ANALYSIS

OBJECTIVES

6.1 SUSTAINABILITY PERFORMANCE

This section presents the main management and thematic indicators considered most relevant for assessing sustainability performance. All data reported refer to the reporting scope of AFV Beltrame Group, including AFV Acciaierie Beltrame S.p.A. (Vicenza, San Didero and San Giovanni Valdarno sites, and AFV German Branch), Laminés Marchands Européens S.A.S., Donalam S.r.l. (Călărași and Târgoviște sites), Stahl Gerlafingen A.G., and the hydroelectric power plants. Since the Donalam-Târgoviște site and the hydroelectric power plants were included in the reporting scope starting from 2024, environmental and social data also include their performance indicators.

A total of 113 indicators were identified, for which trends over the 2023–2025 three-year period are presented. In particular, the following were selected:

- 9 economic sustainability indicators;
- 70 environmental sustainability indicators;
- 34 social sustainability indicators.

These indicators are drawn from the numerous datasets collected and analysed for corporate management purposes. The collected data are periodically updated, analysed, and reviewed during the specific meetings held across the Group's various sites.

For information regarding the Group's economic and financial performance, please refer to the Consolidated Financial Statements available on the website: www.gruppobeltrame.com.



Plant of Vicenza, Italy



ECONOMIC SUSTAINABILITY Ensure economic efficiency and profitability for the company.

GRI 200	N. KPI	DISCLOSURE	REFERENCE
201-1	2	Economic value	●
204-1	1	Procurement practices	○
205-3	4	Corruption risks	○
206-1	2	Anti-competitive behaviour	○
N° indicators		9	

● References included in Chapter 6.2 "Economic Sustainability Indicators". ○ References included in the main body of the document.

ENVIRONMENTAL SUSTAINABILITY Ensure the availability and quality of natural resources.

GRI 300	N. KPI	DISCLOSURE	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	●
101-1	1	Biodiversity policy	○
101-2	1	Biodiversity management	○
101-3	1	Access to and sharing of biodiversity benefits	○
101-5	1	Biodiversity location	○
305-1	7	Direct GHG emissions	○
305-2	7	Indirect GHG emissions	○
305-3	7	Other greenhouse gas (GHG) emissions	○
305-4	4	Greenhouse gas (GHG) emission intensity	●
305-7	3	Significant emissions	●
306-1	1	Waste management	○
306-2	3	Impacts related to waste	○
306-3	2	Waste generated	●
306-4	5	Waste recovery	●
306-5	5	Waste disposal	●
308-1	1	Supplier assessment	○
N° indicators		70	

● References included in Chapter 6.3 "Environmental Sustainability Indicators". ○ References included in the main body of the document.

SOCIAL SUSTAINABILITY Ensure quality of life, safety, and services for citizens.

GRI 400	N. KPI	DISCLOSURE	REFERENCE
401-1	2	Hiring and turnover	●
401-2	2	Benefits	○
402-1	2	Notice period	●
403-1	2	Occupational health and safety management system	○
403-2	4	Hazards, risks, incidents	○
403-3	1	Occupational medicine	○
403-4	2	Participation in consultation	○
403-5	1	Health and 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	○
N° indicators		34	

● References included in Chapter 6.4 "Social Sustainability Indicators". ○ References included in the main body of the document.

6.2 ECONOMIC SUSTAINABILITY INDICATORS

The economic value generated by the Group and consequently distributed to stakeholders is represented by the statement of value generated, retained, and distributed shown below.

This value is calculated based on the value generated during the reporting period from the sale of goods and services and other income (financial income, other revenues, etc.), net of

depreciation, amortisation, and impairment losses, as well as the value redistributed in various forms to the Group's stakeholders.

This value has been prepared on the basis of the income statement items used in the Group's consolidated financial statements as at 31 December 2025.

EVG&D model items (€ /1000) ¹⁾	2025
Value generated	1,658,802
Revenues	1,661,044
Financial income and expenses	- 2,242
Value distributed	1,601,774
Operating costs	1,397,098
Employee wages and benefits	171,398
Payments to providers of capital	26,700
Dividends distributed to shareholders	-
Payments to public authorities	6,410
Community investments	168
Retained value	57,028

Note:

¹⁾ The values reported in the table are expressed in thousands of euros.

6.3 ENVIRONMENTAL SUSTAINABILITY INDICATORS

GRI 301-1 Materials used ¹⁾

Breakdown of materials		2023	2024	2025
Raw materials (scrap and pig iron)	t	2,236,957	2,381,813	2,549,274
Ferrous alloys	t	31,143	34,144	36,098
Fluxes	t	137,254	144,541	150,508
Electrodes	t	2,431	2,510	2,773
Oxygen	1,000 m ³	80,594	82,408	88,366

Subdivision of fluxes		2023	2024	2025
Calcium	%	67.9%	69.9%	70.4%
Fluidifiers	%	3.9%	4.3%	4.1%
Coals	%	28.2%	25.8%	25.5%

Productions		2023	2024	2025
Semi-finished products - billets	t	2,000,008	2,138,104	2,272,961
Rolled profiles	t	1,900,029	2,032,461	2,134,733

Note:

The difference resulting from the inclusion or exclusion of the IR + TGV reporting scope is essentially reflected in the integration of data relating to the production of rolled sections, whereas the remaining parameters refer to the steelmaking operations, which are not present/active at these sites.

GRI 302-1: Energy consumed within the organization ²⁾

Energy consumption by fuel type		2023	2024	2025
Natural gas	GJ	3,277,306	3,410,996	3,550,006
Diesel	GJ	53,311	53,673	50,880
LPG	GJ	1,204	1,262	951
Petrol	GJ	2,420	3,340	3,198
Electricity purchased	GJ	4,097,557	4,451,725	4,687,752
Total consumption	GJ	7,431,797	7,920,997	8,292,787
of which from renewable energy sources	GJ	1,103,944	1,861,719	2,264,236
of which from non-renewable energy sources	GJ	6,327,853	6,059,277	6,028,551

Energy sold ³⁾		2023	2024	2025
Electricity sold	GJ	-	265,495	203,437

GRI 302-3: Energy intensity

Specific energy consumption per tonne of steel produced ⁴⁾		2023	2024	2025
Natural gas for productive uses	m ³ /t finished product	48.65	46.12	45.61
Electricity purchased	kWh/t finished product	599.05	608.42	610.03
Natural gas rolling mills	m ³ /t finished product	35.26	33.60	34.26
Electricity for EAF furnaces	kWh/t semi-finished product	367.11	371.22	370.58

Notes:

¹⁾ The materials indicated in table 301-1 are non-renewable.

²⁾ The following conversion factors were used to calculate energy consumption in GJ:

- Natural gas: 35.667 GJ/1,000 m³ (source: ISPRA 2025);
- Diesel: 42.873 GJ/t (source: ISPRA 2025);
- LPG: 45.858 GJ/t (source: ISPRA 2025);
- Gasoline: 43.128 GJ/t (source: ISPRA 2025);
- Electricity: International System conversion factor equal to 0.0036 GJ/kWh.

³⁾ Following the refinement of the calculation methodology, this figure has been disclosed starting from 2025, including for previous years.

⁴⁾ Finished product = Rolled sections; Semi-finished product = Billets.

GRI 303-3: Water withdrawal ⁵⁾

Source referring to all areas		2023	2024	2024 area with water stress	2025	2025 area with water stress
Surface water	Megalitres	2,511	2,054	655	1,558	715
Groundwater	Megalitres	2,309	2,800	122	2,444	81
Sea water	Megalitres	0	0	0	0	0
Water produced	Megalitres	0	0	0	0	0
Third-party water	Megalitres	70	58	20	62	19
Total water withdrawal	Megalitres	4,891	4,911	797	4,064	816

Specific industrial water consumption per tonne of steel produced ⁶⁾

		2023	2024	2025
Water withdrawal	m ³ /t	1.80	1.80	1.51

GRI 305-4 Greenhouse gas (GHG) emission intensity ⁷⁾**Specific CO₂e emissions per tonne of finished product**

		2023	2024	2025
Direct CO ₂ e emissions (Scope 1) ⁸⁾	tCO ₂ e/t	0.15	0.14	0.14
Indirect CO ₂ e emissions (Scope 2 - Market-based)	tCO ₂ e/t	0.08	0.04	0.03
Indirect CO ₂ e emissions (Scope 2 - Location-based)	tCO ₂ e/t	0.10	0.09	0.08
CO ₂ e emissions (Scope 1 + Scope 2 - Market-based)	tCO ₂ e/t	0.23	0.19	0.17
Indirect CO ₂ e emissions (Scope 3)	tCO ₂ e/t	0.34	0.33	0.32

GRI 305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions

Emissions		2023	2024	2025
NO _x	Value kg	333,185	364,494	357,747
SO _x ⁹⁾	Value kg	124,160	119,165	242,863
Particulate matter (PM)	Value kg	17,039	17,189	19,657

Notes:

⁵⁾ With regard to water withdrawal in water-stressed areas, AFV Beltrame Group used the Aqueduct Tool developed by the World Resources Institute (WRI) to identify potentially at-risk areas. According to this analysis, the company's sites and plants were not found to be located in water-stressed areas. The WRI tool is available online at: <https://www.wri.org/our-work/project/aqueduct>.

For the analysis, the results shown under the "baseline water stress" column were considered. Areas subject to water stress are defined as those classified with an "Extremely High" risk level. All water withdrawn is freshwater (≤1,000 mg/l of total dissolved solids).

⁶⁾ The figure is calculated as the weighted average of the individual plants, considering their respective water consumption and the related production of semi-finished or finished products.

⁷⁾ Weighted average based on the finished product output of each production site, excluding Târgoviște, and also taking processing yield into account.

⁸⁾ Scope 1 data for 2025 also include direct emissions from mobile combustion sources.

⁹⁾ Excluding the San Giovanni Valdarno site and the hydroelectric power plants.

GRI 306-3 Waste generated ^{10) 12)}

		2023		2024		2025	
Total weight of waste produced							
Hazardous	t %	40,344	8	41,842	6	43,519	7
Non-hazardous	t %	481,155	92	686,041	94	538,935	93
Total	t %	521,499	100	727,883	100	582,454	100

GRI 306-4 Waste diverted from disposal ^{10) 12)}

		2023		2024		2025	
Total weight of waste diverted from disposal							
Hazardous	t %	38,384	8	40,440	6	41,942	8
Non-hazardous	t %	440,586	92	635,285	94	513,697	92
Total	t %	478,970	100	675,724	100	555,639	100

		2023		2024		2025	
Waste non destined for disposal by type of recovery operation							
Total hazardous waste	t %	38,384	8	40,439	6	41,942	8
Preparation for reuse	t %	0	0	0	0	0	0
Recycling	t %	8,616	2	19,735	3	20,728	4
Other recovery operations	t %	29,768	6	20,704	3	21,214	4
Total non-hazardous waste	t %	440,586	92	635,285	94	513,696	92
Preparation for reuse	t %	20,671	4	1,501	0	1,031	0
Recycling	t %	160,254	34	157,327	23	119,238	21
Other recovery operations	t %	259,661	54	476,457	71	393,427	71
Total	t %	478,970	100	675,724	100	555,639	100

GRI 306-5 Waste directed to disposal ^{10) 11)}

		2023		2024		2025	
Total weight of waste directed to disposal							
Hazardous	t %	1,956	5	1,401	2	1,571	7
Non-hazardous	t %	38,862	95	60,982	98	20,063	93
Total	t %	40,818	100	62,383	100	21,634	100

		2023		2024		2025	
Waste sent for disposal through disposal operations							
Total hazardous waste	t %	1,956	5	1,401	2	1,571	7
Incineration (with energy recovery)	t %	150	0	227	0	150	1
Incineration (without energy recovery)	t %	62	0	0	0	0	0
Landfill	t %	735	2	148	0	302	1
Other disposal operations	t %	1,009	3	1,027	2	1,119	5
Total non-hazardous waste	t %	38,862	95	60,982	98	20,063	93
Incineration (with energy recovery)	t %	636	2	393	1	290	1
Incineration (without energy recovery)	t %	0	0	0	0	0	0
Landfill	t %	37,759	92	60,476	97	19,677	91
Other disposal operations	t %	467	1	113	0	95	0
Total	t %	40,818	100	62,383	100	21,634	100

		2023		2024		2025	
Waste valorisation ¹¹⁾							
Fraction of waste recovered (including internal recycling and energy recovery)	%	94.3		95.1		96.2	

Notes:

¹⁰⁾ 55,338 tonnes, corresponding to approximately 10% of non-hazardous waste, were sent to on-site recovery operations during 2025.

¹¹⁾ All waste was disposed of outside the Group's facilities.

¹²⁾ During the reporting period, no non-recurring events or items related to extraordinary investments were recorded. The 2024 data were attributable to the extraordinary management of certain waste streams.

6.4 SOCIAL SUSTAINABILITY INDICATORS

The social data presented in the following tables are expressed using the headcount method as of 31/12/2025.

GRI 2-7 Information on employees ¹⁾

Total employees		2023			2024			2025		
		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Total number of employees	n°	2,136	193	2,329	2,268	265	2,533	2,074	233	2,307

Total employees broken down by type of contract and gender		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Permanent contract (Perm)	n°	2,078	184	2,262	2,216	250	2,466	2,019	222	2,241
Fixed term (Fixed)	n°	58	9	67	52	15	67	55	11	66

Total employees broken down by contractual working hours and gender		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Full-time	n°	2,116	168	2,284	2,250	238	2,488	2,062	212	2,274
Part-time	n°	20	25	45	18	27	45	12	21	33

Total employees by type of contract and geographical area ²⁾		Perm.	Fixed	Tot.	Perm.	Fixed	Tot.	Perm.	Fixed	Tot.
Italy	n°	914	8	922	917	11	928	935	21	956
Romania	n°	286	0	286	577	24	601	446	26	472
Switzerland	n°	565	2	567	492	7	499	408	5	413
France	n°	497	57	554	480	25	505	452	14	466

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	n°	903	19	922	909	19	928	939	17	956
Romania	n°	285	1	286	595	6	601	468	4	472
Switzerland	n°	544	23	567	481	18	499	402	11	413
France	n°	552	2	554	503	2	505	465	1	466

GRI 2-8 Information on workers who are not employees ³⁾

External workers		2023			2024			2025		
		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Interns	n°	4	7	11	18	7	25	10	3	13
Temporary workers	n°	41	1	42	38	0	38	65	1	66
Total	n°	45	8	53	56	7	63	75	4	79

Notes:

¹⁾ The Group has no employees on non-guaranteed hours. The number of employees refers to the headcount as at 31/12 of each year.

²⁾ In Italy, the data also include employees of AFV German Branch.

³⁾ The number of non-employee workers refers to the headcount as at 31/12 of each year.

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		2023			2024			2025		
		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Executives	n°	43	7	50	45	14	59	46	12	58
Middle managers and white collars	n°	394	158	552	440	184	624	395	172	567
Blue collars	n°	1,699	28	1,727	1,783	67	1,850	1,633	49	1,682
Total	n°	2,136	193	2,329	2,268	265	2,533	2,074	233	2,307

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		2023				2024				2025			
		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Men	n°	100	112	21	233	87	105	22	214	73	67	27	167
Women	n°	14	9	6	29	10	13	5	28	10	8	6	24
Total	n°	114	121	27	262	97	118	27	242	83	75	33	191
Men	%	35.1	9.4	3.2	10.9	31.4	8.8	2.8	9.4	31.1	6.0	3.7	8.1
Women	%	35.9	8.3	13.3	15	27.0	9.2	5.7	10.6	33.3	6.1	8.3	10.3
Total rate	%	35.2	9.3	3.8	11.2	30.9	8.8	3.1	9.6	31.3	6.0	4.1	8.3

Termination of employment contracts during the reporting period, broken down by age group and gender of the worker		2023				2024				2025			
		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Men	n°	68	95	94	257	98	209	202	509	78	118	167	363
Women	n°	12	19	3	34	15	29	39	83	8	21	27	56
Total	n°	80	114	97	291	113	238	241	592	86	139	194	419
Men	%	23.9	8	14.2	12	35.4	17.5	25.4	22.4	33.2	10.6	23	17.5
Women	%	30.8	17.4	6.7	17.6	40.5	20.6	44.8	31.3	26.7	16.0	37.5	24
Total rate	%	24.7	8.8	13.8	12.5	36.0	17.8	27.3	23.4	32.5	11.2	24.3	18.2

Total number of turnover in the reporting period, by geographical area		2023		2024		2025	
		Employees hired	Employees exited	Employees hired	Employees exited	Employees hired	Employees exited
Italy	n°	89	60	92	86	92	66
Romania	n°	24	75	47	286	74	203
Switzerland	n°	107	103	86	154	15	101
France	n°	42	53	17	66	10	49
Total	n°	262	291	242	592	191	419

GRI 403-9 Work-related injuries ^{4) 5)}

		2023	2024	2025
Injuries - employees ⁶⁾				
Fatal accidents	n°	0	0	0
Accidents at work with serious consequences (excluding deaths)	n°	2	0	4
Total recordable injury frequency rate (TIFR)	n°	100	126	101

		2023	2024	2025
Injuries - non-employee workers				
Fatal accidents	n°	0	0	0
Accidents at work with serious consequences (excluding deaths)	n°	0	0	0
Total recordable injury frequency rate (TIFR)	n°	2	0	6

		2023	2024	2025
Injuries - other workers				
Fatal accidents	n°	0	0	0
Accidents at work with serious consequences (excluding deaths)	n°	0	0	0
Total recordable injury frequency rate (TIFR)	n°	14	15	17

		2023	2024	2025
Main causes of injuries - employees				
Stumbles and slips	n°	25	19	13
Collisions and crushing	n°	37	66	41
Cuts (wounds)	n°	10	13	8
Other	n°	28	28	39

		2023	2024	2025
Main causes of injuries - non-employee workers				
Stumbles and slips	n°	1	0	0
Collisions and crushing	n°	0	0	3
Cuts (wounds)	n°	0	0	0
Other	n°	1	0	3

		2023	2024	2025
Main causes of injuries - other workers				
Stumbles and slips	n°	2	7	5
Collisions and crushing	n°	7	3	7
Cuts (wounds)	n°	1	1	3
Other	n°	4	4	2

Notes:⁴⁾ INJURIES:

- Commuting accidents are included only when transportation is organized by the organization.
- Serious injury cases refer to accidents that resulted in more than 180 days of absence.

EMPLOYEES:

- Workers who maintain an employment relationship with the organization in accordance with national law or practice.

NON-EMPLOYEE WORKERS:

- Workers who perform tasks for the organization but do not have an employment relationship with it (e.g. agency/temporary workers and interns).

OTHER WORKERS:

- Workers employed by key contractors operating at the Group's Italian and international sites.

INJURY RATE:

- (*) The rate is calculated as the ratio between the number of injuries and the total hours worked in the same period, multiplied by 1,000,000.

⁵⁾ The methodology for reporting employee and non-employee injury data has been revised and, to ensure better comparability, the 2023 and 2024 figures have been restated. In particular, data relating to non-employee workers have been separated from employee data and presented in a separate table.

⁶⁾ In 2024, 2 injuries were recorded, both resulting in less than 180 days of absence, with recovery extending into 2025. In 2025, 7 cases of injuries were recorded with duration extending beyond the reporting year.

Total hours worked by employees		2023	2024	2025
Total	hours	5,100,627	4,739,713	3,867,843

Total hours worked by non-employee workers ^{7) 8)}		2023	2024	2025
Total	hours	83,866	68,157	82,403

Safety indices - employees		2023	2024	2025
Fatal accident rate	(°)	0	0	0
Rate of injury with serious consequences (excluding deaths)	(°)	0.39	0	1.03
Total recordable injury frequency rate (TIFR)	(°)	19.61	26.58	26.11

Safety indices - non-employee workers		2023	2024	2025
Fatal accident rate	(°)	0	0	0
Rate of injury with serious consequences (excluding deaths)	(°)	0	0	0
Total recordable injury frequency rate (TIFR)	(°)	23.85	0	73.13

Safety indices - employees and non-employee workers		2023	2024	2025
Total Lost Time injury frequency rate (LTIFR) ⁹⁾	(°)	15.0	21.8	17.5

Notes:

⁷⁾ It should be noted that, as detailed data were not available, the working hours of interns for the parent company AFV Beltrame Group have been estimated.

⁸⁾ Working hours refer to the total number of hours worked by all non-employee workers during the year.

⁹⁾ LTIFR: Ratio between the number of lost-time injuries and the number of hours worked, multiplied by 1,000,000, considering both employees and non-employee workers.

GRI 404-1 Average annual training hours per employee

		2023			2024			2025		
Average training hours per capita		Men (per capita)	Women (per capita)	Tot. (per capita)	Men (per capita)	Women (per capita)	Tot. (per capita)	Men (per capita)	Women (per capita)	Tot. (per capita)
Executives	hours	22	16	21	19	20	19	19	15	18
Middle managers and white collars	hours	34	29	32	24	22	23	30	24	28
Blue collars	hours	30	38	30	26	36	26	30	96	32
Total average	hours	31	30	31	25	25	25	30	38	31

		2023			2024			2025		
Hours of training per year by type		hours	%	Tot.	hours	%	Tot.	hours	%	Tot.
Safety and environment	hours %	36,208	51		43,537	68%		30,655	43%	
Information technology	hours %	2,914	4		2,483	4%		3,775	5%	
Languages	hours %	1,376	2		646	1%		224	0%	
Industrial	hours %	15,749	22		7,773	12%		24,757	35%	
Opex	hours %	506	1		371	1%		580	1%	
Specific for department	hours %	3,718	5		5,863	9%		7,974	11%	
Transversal skills	hours %	3,934	6		1,708	3%		1,256	2%	
Other training courses	hours %	6,758	9		2,107	3%		1,829	3%	
Total average	hours %	71,162	100		64,488	100		71,050	100	

GRI 405-1 Diversity in governance bodies and employees

		2023			2024			2025		
Total employees broken down by job classification and gender		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Executives	%	1.8	0.3	2.1	1.8	0.6	2.3	2.0	0.5	2.5
Middle managers and white collars	%	16.9	6.8	23.7	17.4	7.3	24.6	17.1	7.5	24.6
Blue collars	%	72.9	1.2	74.2	70.4	2.6	73.0	70.8	2.1	72.9
Total	%	91.7	8.3	100	89.5	10.5	100	89.9	10.1	100

		2023				2024				2025			
Total employees broken down by job classification and age		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Executives	%	0	1.1	1.1	2.1	0	1.1	1.2	2.3	0	1.1	1.4	2.5
Middle managers and white collars	%	2.4	14.0	7.3	23.7	2.3	14.5	7.9	24.6	1.8	14.6	8.1	24.6
Blue collars	%	11.6	40.7	21.9	74.2	10.1	37.1	25.8	73.0	9.7	38.1	25.1	72.9
Total	%	13.9	55.8	30.3	100	12.4	52.8	34.8	100	11.5	53.9	34.6	100

		2023				2024				2025			
Total employees broken down by gender and age		<30	30-50	>50	Tot.	<30	30-50	>50	Tot.	<30	30-50	>50	Tot.
Men	%	12.2	51.1	28.3	91.7	10.9	47.2	31.4	89.5	10.2	48.2	31.5	89.9
Women	%	1.7	4.7	1.9	8.3	1.5	5.6	3.4	10.5	1.3	5.7	3.1	10.1
Total	%	13.9	55.8	30.3	100	12.4	52.8	34.8	100	11.5	53.9	34.6	100

		2023			2024			2025		
Total vulnerable employees broken down by job classification and gender		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Executives	%	0	0	0	0	0	0	0.1	0	0.1
Middle managers and white collars	%	0.1	0.1	0.2	0.3	0.4	0.7	0.2	0.3	0.5
Blue collars	%	0.7	0	0.7	1.1	0	1.1	1.5	0.1	1.6
Total	%	0.8	0.1	0.9	1.5	0.4	1.9	1.8	0.4	2.2

		2023			2024			2025		
		Men	Women	Tot.	Men	Women	Tot.	Men	Women	Tot.
Parental leave										
Total number of employees who were entitled to parental leave	n°	835	90	925	837	98	935	858	104	962
Total number of employees who have taken parental leave	n°	11	7	18	14	12	26	20	14	34
Number of whom returned to work during the reporting period after parental leave	n°	11	3	14	13	6	19	20	9	29
Number of whom still on parental leave at the end of the reporting period	n°	0	4	4	1	6	7	0	4	4
Total number of employees who returned to work after taking parental leave and remained with the organization for the 12 months following their return	n°	3	2	5	10	4	14	10	7	17

PRODUCTION

Productions		2023		2024		2025	
Semi-finished products - billets	t	2,000,008		2,138,104		2,272,961	
Rolled profiles	t	1,900,029		2,032,461		2,134,733	

TRANSPORT

Data relating to transport: Scrap purchasing		2023		2024		2025	
By truck	%	69		71		79	
By train	%	18		14		8	
By ship	%	13		15		12	
Total	%	100		100		100	

Data relating to transport: Shipping of finished products		2023		2024		2025	
By truck	%	60		71		71	
By train	%	23		14		16	
By ship	%	5		3		2	
Intermodal	%	12		12		11	
Total	%	100		100		100	

The transport data for 2025 were prepared using an optimised version of the Atlante database, which, thanks to improved data quality, enables a more accurate mapping of the different transport modes.

6.5 GRI CONTENT INDEX

Statement of use: AFV Beltrame Group has reported in accordance with the GRI Standards for the period 01/01/2025 – 31/12/2025.

GRI 1 used: GRI 1: Foundation 2021.

Relevant GRI sector standards: -

Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
GRI 2: General disclosures 2021	2-1 Organizational details	The structure of AFV Beltrame Group	20				-
	2-2 Entities included in the organization's sustainability reporting	Methodological note	11				-
	2-3 Reporting period, frequency and contact point	Methodological note	10-12				-
	2-4 Restatements of information	Methodological note	10				-
	2-5 External assurance	Methodological note; Independent Auditor's Report on the Sustainability Report	10 152-154				-
	2-6 Activities, value chain and other business relationships	History and evolution of AFV Beltrame Group; Productions; Value chain	18-19 25 28-29				-
	2-7 Employees	Social Sustainability Indicators	138				-
	2-8 Workers who are not employees	Social Sustainability Indicators	138				-
	2-9 Governance structure and composition	Appointment of Directors and Composition of the Board of Directors; Conflicts of interest; Remuneration policies; Sustainability governance structure	21 22 22 22-23				-
	2-10 Nomination and selection of the highest governance body	Appointment of Directors and Composition of the Board of Directors	21				-
	2-11 Chair of the highest governance body	Appointment of Directors and Composition of the Board of Directors	21				-
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability organizational structure	22-23				-
	2-13 Delegation of responsibility for managing impacts	Sustainability organizational structure	22-23				-
	2-14 Role of the highest governance body in sustainability reporting	Sustainability organizational structure	22-23				-
	2-15 Conflicts of interest	Conflicts of interest	22				-
	2-16 Communication of critical concerns	Appointment of Directors and Composition of the Board of Directors	21				-
	2-17 Collective knowledge of the highest governing body	Appointment of Directors and Composition of the Board of Directors	21				-
	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	22				-

Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
GRI 2: General disclosures 2021	2-20 Process to determine remuneration	Remuneration Policies	22				-
	2-21 Total annual remuneration report			2-21 a. - b. - c.	Information not available/incomplete	AFV Beltrame Group undertakes to provide this information in the medium term	-
	2-22 Statement on sustainable development strategy	Letter to Stakeholders	7				-
	2-23 Policy commitments	Corporate culture and anti-corruption	124-127				-
	2-24 Embedding policy commitments	Corporate culture and anti-corruption	124-127				-
	2-25 Processes to remediate negative impacts	Appointment of Directors and Composition of the Board of Directors; Conflicts of interest; Corporate culture and anti-corruption	21 22 124-127				-
	2-26 Mechanisms for seeking advice and raising concerns	Corporate culture and anti-corruption; Whistleblowing policy	124-125 127				-
	2-27 Compliance with laws and regulations	Corporate culture and anti-corruption	125				-
	2-28 Membership associations	AFV Beltrame Group's participation in industry associations	104-105				-
	2-29 Approach to stakeholder engagement	Analysis of the Group's operating context; Identification and assessment of impacts	40 41				-
	2-30 Collective bargaining agreements	Social sustainability indicators	139				-
Material Topics							
GRI 3: Material topics 2021	3-1 Process of determination of material topics	Materiality Analysis	39-50				-
	3-2 List of material topics	Methodological note	12				-
Active and passive corruption							
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate culture and anti-corruption; Anti-corruption policy	124-125 126				-
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption policy	126				-
Supplier relationship management, including payment practices							
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate culture and anti-corruption	124-125				-
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Supplier relationship management	128				-
GRI 308: Environmental assessment of suppliers 2016	308-1 New suppliers selected using environmental criteria	Supplier relationship management	128				-
Corporate culture							
GRI 3: Material topics 2021	3-3 Management of material topics	Corporate culture and anti-corruption	124-127				-
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Antitrust policy	126				-

Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Climate change adaptation; Climate change mitigation							
GRI 3: Material topics 2021	3-3 Management of material topics	Commitment to responsible management; The QHSEE integrated management system; Decarbonization and Climate Change; Chalibria - Carbon Neutral Steel	34				-
			27				
			59-81				
			82-84				
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	Decarbonization and Climate Change	64				-
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	Decarbonization and Climate Change	65				-
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	Decarbonization and Climate Change	66				-
	305-4 Greenhouse gas (GHG) emission intensity	Environmental Sustainability Indicators	136				-
Energy							
GRI 3: Material topics 2021	3-3 Management of material topics	Energy for the Group	54-58				-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Sustainability Indicators	135				-
	302-3 Energy intensity	Environmental Sustainability Indicators	135				-
Air pollution							
GRI 3: Material topics 2021	3-3 Management of material topics	Regulatory context; Commitment to responsible management; Pollution	30-33				-
			34				
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Environmental Sustainability Indicators	136				-
Waters							
GRI 3: Material topics 2021	3-3 Management of material topics	Commitment to responsible management; Water resource management	34				-
			87				
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Water resource management	87				-
	303-2 Management of water discharge-related impacts	Water resource management	87				-
	303-3 Water withdrawal	Environmental Sustainability Indicators	136				-
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	Regulatory context; Commitment to responsible management; Raw and auxiliary materials; By-product recovery	30-33				-
			34				
			92-93				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Environmental Sustainability Indicators	135				-

Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Waste							
GRI 3: Material topics 2021	3-3 Management of material topics	Regulatory context; Commitment to responsible management; Waste; By-product recovery	30-33 34				-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste; By-product recovery	93 94				-
	306-2 Management of significant waste-related impacts	Waste; By-product recovery	93 94				-
	306-3 Waste generated	Environmental Sustainability Indicators	137				-
	306-4 Waste diverted from disposal	Environmental Sustainability Indicators	137				-
	306-5 Waste directed to disposal	Environmental Sustainability Indicators	137				-
Impacts on the extension and condition of ecosystems							
GRI 3: Material topics 2021	3-3 Management of material topics	Commitment to responsible management; Biodiversity and ecosystems	34 88-91				-
GRI 101: Biodiversity 2024	101-1 Policy to halt and reverse biodiversity loss	Biodiversity and ecosystems	88				
	101-2 Biodiversity impact management	Biodiversity and ecosystems	88				
	101-3 Access and benefit-sharing	Biodiversity and ecosystems	88-89				
	101-5 Sites with biodiversity impacts	Biodiversity and ecosystems	88-89				
Working conditions (own workforce)							
GRI 3: Material topics 2021	3-3 Management of material topics	Workforce; Employment conditions and remuneration; Welfare; Employee health and safety;	100-101 105-106 107 112-117				-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social sustainability indicators	139				-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment conditions and remuneration; Welfare	105-106 107				-
GRI 402: Labor management and labor relations 2016	402-1 Minimum notice periods regarding operational changes	Social sustainability indicators	139				-

Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	The QHSEE integrated management system	27				-
	403-2 Hazard identification, risk assessment and incident investigation	Employee health and safety	112-117				-
	403-3 Occupational health services	Employee health and safety	112-117				-
	403-4 Worker participation, consultation and communication on occupational health and safety communication	Employee health and safety	112-117				-
	403-5 Worker training on occupational health and safety	Health and safety training	110-111				-
	403-6 Promotion of worker health	Employment conditions and remuneration; Welfare	105-106 107				-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee health and safety	112-117				-
	403-9 Work-related injuries	Social sustainability indicators	140-141				-
Equal treatment and equal opportunities for all (own workforce)							
GRI 3: Material topics 2021	3-3 Management of material topics	Workforce; Training	100-103 108-109				-
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Social sustainability indicators	142				-
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in governance bodies and among employees	Social organs; Social sustainability indicators	24 142				-
GRI 406: Non-discrimination 2016	406-1 Discrimination incidents and corrective measures taken	Diversity, inclusion and female participation	103				-
Working conditions; equal treatment and equal opportunities for all (workers in the value chain)							
GRI 3: Material topics 2021	3-3 Management of material topics	Industrial relations; Employee health and safety;	104-105 112-117				-
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers at risk of violations of freedom of association and collective bargaining	Industrial relations	104				-
Economic, social and cultural rights of communities							
GRI 3: Material topics 2021	3-3 Management of material topics	Relationship with the local community	118-121				-
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments and development programmes	Relationship with the local community	118-120				-

Standards	Disclosure	Reference	Page	Requirements Omitted	Reason	Explanation	Ref. No. Industry Standards
Material issues not associated with GRI indicators							
Substances of very high concern							
GRI 3: Material topics 2021	3-3 Management of material topics	Management of radiological aspects	85-86				-
Other work-related rights (Cybersecurity - own workforce)							
GRI 3: Material topics 2021	3-3 Management of material topics	Training; Cybersecurity training	108-109 110				-
Reported GRI indicators not associated with material topics							
Economic performance							
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Economic sustainability indicators	134				-



Plant of Vicenza, Italy

This report closes here, but the commitment it describes knows no conclusion. We are fully aware that sustainability is built day by day, through decisions both large and small, and that every figure contained within these pages marks a starting point for work still in progress.

We extend our gratitude to all those who, within and beyond our organization, have contributed to this journey, because no transition towards a more responsible future is ever achieved alone.

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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

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

We have carried out a limited assurance engagement on the Sustainability Report of the AFV Acciaierie Beltrame Group (hereinafter also “the Group”) as of December 31, 2025.

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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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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 “6.2 Economic sustainability indicators” of the Sustainability Report with those included in the Group’s Financial Statements as of December 31, 2025;
- 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:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.



- for AFV Acciaierie Beltrame S.p.A., 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, 2025, 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
May 26, 2026

This report has been translated into the English language solely for the convenience of international readers.

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