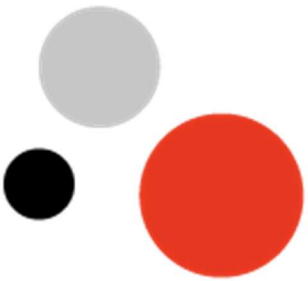
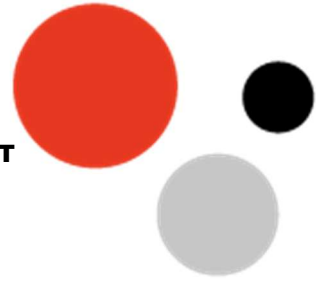




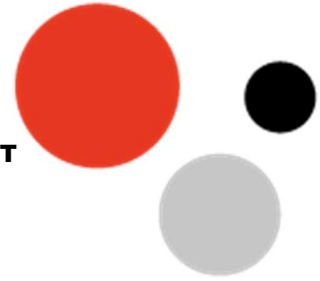
CARBON NEUTRALITY REPORT

according to ISO 14068-1:2023





| REV. | DATE | ISSUED | CHECKED | APPROVED |
|-------------|-------------|--|---|---|
| 1 | 11/11/2025 | Andrea Costa Group Sustainability Supervisor | Giovan Battista Landra Environmental & Sustainability Director | Antonio Beltrame CEO AFV Beltrame |



INDEX

1. INTRODUCTION 5

1.1 *General Information*..... 5

1.2 *Scope*..... 6

1.3 *Boundaries* 7

2. CARBON MANAGEMENT PLAN..... 8

 2.1 *Reduction Target* 9

 2.2 *Strategy - pathway* 10

3. GHG ACCOUNTING..... 14

 3.1 *Methodology*..... 14

 3.2 *Assumptions*..... 16

 3.3 *Data Quality* 17

 3.4 *Exclusions* 17

 3.5 *Emission Results*..... 18

 3.6 *GHG emission reduction & removal over the reporting period* 20

4. CARBON CREDITS..... 22

 4.1 *Offset Programs* 22

 4.2 *Offset Projects*..... 23

 4.3 *Operating functioning* 23

 4.4 *Credits Purchased*..... 24

5. ANNEX I – VALIDATION OPINION 26

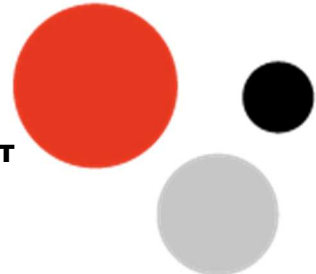
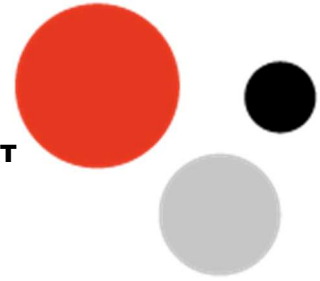


FIGURE INDEX

Figure 1: carbon neutrality boundaries 7
Figure 2: Group decarbonization pathway 9
Figure 3: Group KPI – baseline and MRYS 19
Figure 4: Group KPI – baseline and MRYS (location-based) 20

TABLE INDEX

Table 1: GWP of greenhouse gases 14
Table 2: trend KPI – market-based approach..... 19
Table 3: KPI – location-based approach..... 20

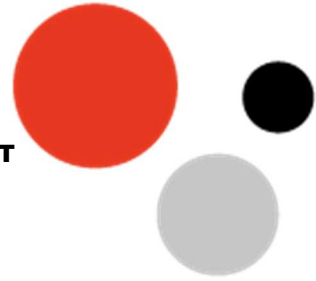


1. INTRODUCTION

This document is intended to be compliant with ISO 14068:2023, requirements for carbon neutrality report.

1.1 General Information

| | | | | | | | | | |
|--|--|-------------------------|-----------------|----------------|-------|------------------------|-------------|-----------|-------------------|
| ISO 14068 REQUIREMENTS | | | | | | | | | |
| Entities reaching Carbon Neutrality | Parent company - AFV Acciaierie Beltrame S.p.A. Controlled companies: <ul style="list-style-type: none"> - Donalam S.r.l. - Laminés Marchands Européens S.A. - Stahl Gerlafingen A.G. | | | | | | | | |
| Subject of Carbon Neutrality | Chalibria – carbon neutral steel | | | | | | | | |
| Responsible for the Carbon Neutrality plan | Group Sustainability Committee | | | | | | | | |
| Declared Unit | 1 ton of finished <ul style="list-style-type: none"> - Merchant Bars (e.g. flat bars, angles) - Beams - Rebar - SBQ or semi-finished product <ul style="list-style-type: none"> - Billets - Blooms | | | | | | | | |
| Reference standard for GHG quantification | ISO 14064-1 | | | | | | | | |
| u.d.m. | tCO ₂ e/t | | | | | | | | |
| Approach | Cradle to factory gate; market-based | | | | | | | | |
| Main contributions | <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Raw material extraction</td> <td style="width: 50%;">Electric energy</td> </tr> <tr> <td>Transportation</td> <td>Waste</td> </tr> <tr> <td>Steel scrap collection</td> <td>Natural gas</td> </tr> <tr> <td>Auxiliary</td> <td>Process emissions</td> </tr> </table> | Raw material extraction | Electric energy | Transportation | Waste | Steel scrap collection | Natural gas | Auxiliary | Process emissions |
| Raw material extraction | Electric energy | | | | | | | | |
| Transportation | Waste | | | | | | | | |
| Steel scrap collection | Natural gas | | | | | | | | |
| Auxiliary | Process emissions | | | | | | | | |
| Rationale for implementing the Report | Market request | | | | | | | | |
| Baseline | 2021 | | | | | | | | |
| Reporting Period | 2024 | | | | | | | | |
| Commitment Period | 2030 (short-term) 2050 (long-term) | | | | | | | | |



Emissions have been classified in accordance with the **ISO 14064:1** and divided in:

- Scope 1 considers direct emissions from sources that AFV Beltrame Group owns or controls directly
- Scope 2 refers to emissions caused indirectly by a facility from the energy purchased
- Scope 3 represents indirect emissions from the value chain

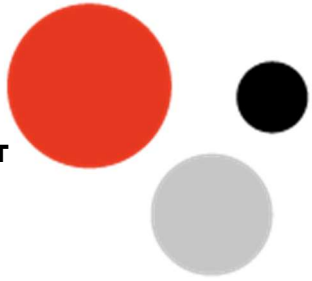
The Entity chose to classify emissions in accordance with ISO 14064:1, instead of ISO 14067, for the following reasons:

- GHG accounting has been calculating for years, at Group level, and it is the basis for other activities such as LCA studies and decarbonization pathway;
- KPI are calculated at Group level, as it is not possible to distinguish between different products, so that all finished products are assumed to have the same intensity value, expressed as tCO₂e/t; this approach allows to have specific values for different plants and country, but not for specific product. Still, it has to be noted that differences between finished products are negligible;
- billets that are produced have recipes that do not vary much, depending on the steel mill that produces them, with the exception of the mix of ferroalloys;
- GSCC allows to determine the decarbonisation path starting from emissions calculation aligned with ISO 14064:1;
- to evaluate conformity, in term of assessment of carbon neutrality claim, with local normative (e.g. French decree n.2022/539),

1.2 Scope

Products evaluated for Carbon Neutrality, so-called “Chalibria”, are both finished products as rolled bars and semi-finished products as billets or blooms, produced in all rolling mills in Italy, Stahl, LME and Calarasi plants.

Billets represents a semi-finished product in steel, which other company of the Group transforms in other semi-finished products. The production begins by melting the scrap in an electric melting furnace (EAF). The molten scrap is then cast and solidified using a continuous-casting process. AFV Beltrame Group billets are used both to feed the Group’s rolling mills and directly sold before undergoing additional treatments.



During the reporting period, the definition of the subject remains unchanged. In the case that material change to the subject occurs in the future, the process of determination and substantiation of the subject and associated GHG emissions shall be re-started based on the newly defined subject.

1.3 Boundaries

AFV Beltrame Group has defined an emissions inventory in accordance with the ISO 14064-1 standard. Carbon neutrality follows a “cradle to gate” approach, therefore including direct emissions, indirect emissions from imported energy (evaluated using the market-based approach), as well as other indirect emissions.

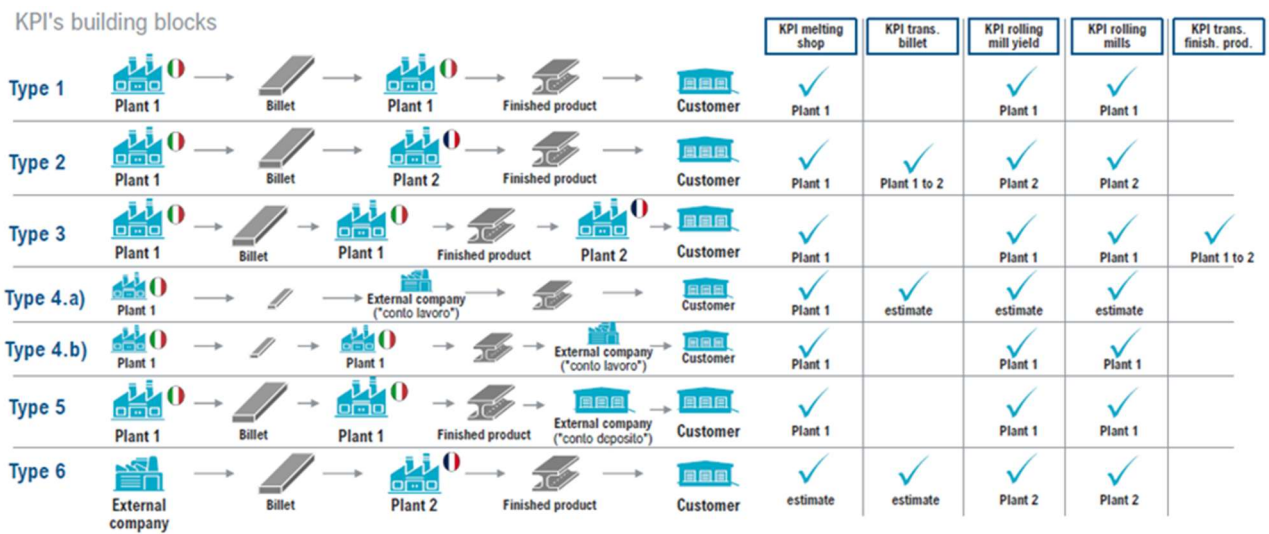
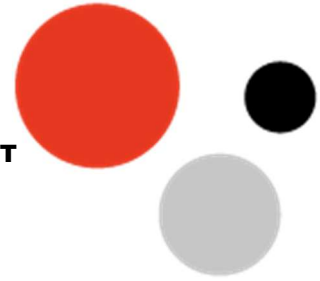


Figure 1: carbon neutrality boundaries



2. CARBON MANAGEMENT PLAN

AFV Beltrame Group has developed a comprehensive three-phase decarbonization strategy, which begins with the assessment and identification of CO₂ emissions, followed by the identification of key mitigation measures, and finalizes with the establishment of a clear target of emissions reduction.

Priority has been given to reduction initiatives occurring inside Entity's boundaries, through substituting fossil-based energy sources with low-carbon materials, such as polymer and Biochar.

To achieve the implementation of decarbonization, four types of strategic projects have been identified by the company, each aimed at reducing environmental impact and increasing sustainability:

- Energy efficiency: Optimizing production processes to minimize energy consumption and improve process efficiency
- Alternative fuels: Reducing fossil fuel consumption by introducing lower-emission alternatives
- Green energy: Increasing the share of renewable energies in the company's energy mix
- Biomethane: Adding biomethane as a cleaner burning fuel source to further reduce carbon emissions

Based on these initiatives, in 2023 AFV Beltrame Group has defined a Company-level carbon reduction targets to be achieved by 2030 and 2050 versus 2021, ensuring both a significant reduction of specific CO₂ emissions and an increase in the share of renewable energy in its operations. This comprehensive and structured approach reflects the company's commitment to contributing to global climate targets and fostering a sustainable transition within the steel industry.

The graph below shows Group's decarbonization pathway aligned with GSCC; it has to be noted that GSCC and Chalibria values differ, because of the latter does not consider external billets transportation, while GSCC does (see ch. 3.5).

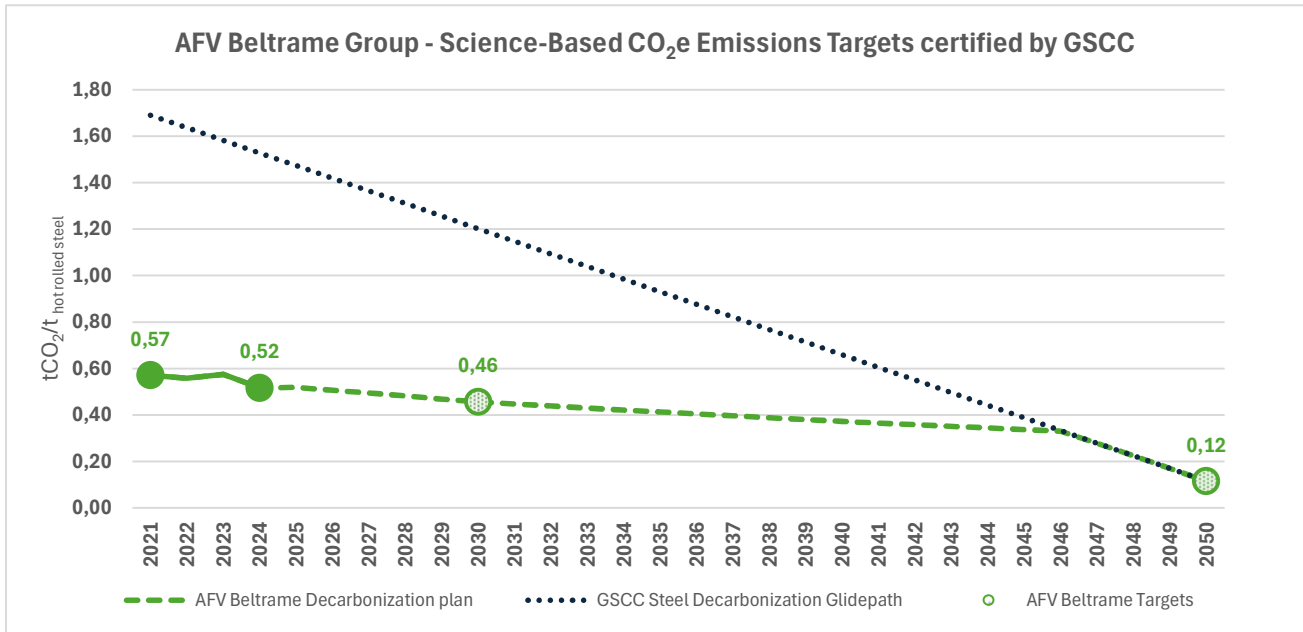


Figure 2: Group decarbonization pathway

2.1 Reduction Target

Decarbonization plan and targets have been defined at AFV Beltrame Group. Company-level and targets are defined as follows:

- 40% Scope 1+2 emissions reduction on finished products, with a market-based approach, by 2030, reaching 0,148 tCO₂e/t.
- 20% Scope 1-3 intensive emissions reduction on finished products by 2030
- Annual 2% reduction of Scope 1-3 indicator from 2031 to 2050, in order to meet GSCC requirements of 0,12 tCO₂e/t
- Up to 40% by 2030 of energy from renewable resources combining the construction of renewable energy plant, low emissions electricity procurement policies and the use of contractual instruments such as PPAs or guarantees of origin for Italy and Donalam plants. Furthermore, the Group plans to increase the use of fossil-free energy sources for LME and Stahl plants.

Above mentioned targets are publicly disclosed in Group’s Sustainability Report, and periodically updated during GEC meetings.

Currently, there is no specific Scope 3 disclosed target, but the Group has been improving its accounting calculation in order to increase inventory’s accuracy. Efforts have been made through

engaging with raw material suppliers aiming at obtaining specific emission factors, which happen to be lower than values present in databases.

This results in a decrease in Scope 3 emissions value, which may allow the group to be compliant with its decarbonization pathway.

Decarbonization initiatives are set accordingly to Entity's CAPEX plan, which is annually updated and monitored. This plan takes into account both possible emission reduction and economic impacts, in order to determine those levers that may result in concrete GHG decrease. Group's CFO collects all possible reduction initiatives and shares the plan with Board; the plan is also aligned with Group's industrial business plan.

Initiatives may be firstly evaluated but not implemented, following two main reasons: unproportionate costs or technical infeasibility.

2.2 Strategy - pathway

To reduce both direct and indirect emissions from production processes, the company has defined a series of initiatives, grouped into four main areas:

A) Production Efficiency

Projects aimed at improving production process efficiency, such as:

- Revamping reheating furnaces in rolling mills
- Installing new welding machines

In 2023, three new reheating furnaces were commissioned: TGP at LME, Kombi at Stahl, and one at Calarasi. Additionally, at Stahl, 290 light fixtures were replaced in a LED relamping initiative. A new energy monitoring platform was also implemented, in collaboration with Edison Next (a company in the Edison Group), and extended to all sites.

As part of the decarbonisation plan, major work was carried out on the ladle reheating and drying burners at the Stahl Gerlafingen steelworks in 2024. The ladle burners are equipped with methane gas-fuelled burners and are used to dry the ladles after replacing the internal refractory state or to heat them up to a temperature suitable for receiving the molten steel coming out of the electric arc furnace. As part of the project, all equipment was replaced with new or upgraded models according to the latest technology.

The new machines are now equipped with heat recuperators or burners fuelled by a mixture of natural gas and oxygen. This improvement has reduced the consumption of natural gas, the main contributor to direct CO2 emissions, in this production process by around 30%.

As part of the energy efficiency and decarbonization program of L.M.E., an important initiative to optimize the EAF process was launched in the first part of 2024.

In addition to ongoing efforts to reduce the use of coal, an ambitious goal was set and achieved to reduce natural gas consumption, with a 65% reduction between the 2022–2023 biennium and the latter part of 2024.

This result led to an annual saving of approximately 25 GWh of gas, contributing to a 10% reduction in the steel plant's direct CO₂ emissions, attributable to the lower use of natural gas.

B) Circular Economy Practices

Measures to improve the quality of scrap and other raw materials and projects to reuse materials within the production process (e.g., using recycled polymers instead of anthracite coal).

At the Vicenza plant, an SRA (Secondary Reduction Agent) injection system was introduced to partially replace injected anthracite coal.

The use of polymer has already reduced CO₂ emissions related to the use of carbon in the process by 15%, compared to 2023, when considering only the fossil carbon component in the material.

The Group's production is entirely based on the use of scrap as raw material; in fact, over 95% of all the iron used as raw material is recycled.

The Group has launched a series of initiatives aimed at improving the sustainability of its production processes, through actions focused on the quality of scrap and raw materials, the reuse of internal waste, and the progressive replacement of virgin raw materials with recycled and alternative materials.

Some examples include:

- the internal reuse of steel mill slag or the production of certified industrial aggregates, thus creating the conditions to meet green procurement requirements in the construction supply chain;
- the search for biogenic materials to partially replace fossil carbon (e.g. tests on biochar conducted at L.M.E.);
- the use of recycled products from the plastic recycling stream as a partial substitute for coal.

C) Green Energy Sourcing

Projects to procure renewable electricity, both via PPAs and through the development of in-house renewable energy systems. The Group has already launched several initiatives:

- operating photovoltaic plants, both as PPAs and on-site installations
- ongoing photovoltaic systems at Vicenza, Villadossola, Trith-Saint-Léger, and Calarasi

In 2024:

- A 1.6 MW photovoltaic system was activated in San Giovanni Valdarno
- A 2.2 MW photovoltaic system was activated in Stahl Gerlafingen
- Renewability consortium's photovoltaic plants, located in Lazio, Abruzzo and Sicily. The company has been allocated a power share of 9 MW, which will ensure an estimated annual output of about 14 GWh

In June 2023, AFV Acciaierie Beltrame S.p.A. acquired and merged Idroelettriche Riunite S.p.A., a company operating 100% renewable hydropower plants. This includes 12 plants across 10 sites in Piemonte and Veneto, producing on average 160 GWh/year. This is expected to cover up to 30% of the electricity demand of the Italian plants.

D) Hydrogen Solutions

Projects involving the use of hydrogen, such as mixing hydrogen and natural gas in rolling mill reheating furnaces in the coming years.

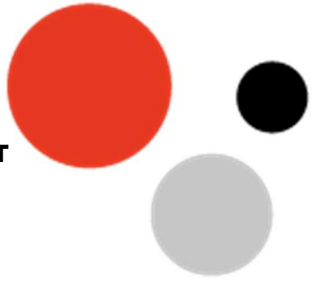
AFV Acciaierie Beltrame S.p.A., in collaboration with qualified external partners, presented the "Hydrogen Valley" project to the local community of Villadossola at the beginning of December 2024. This initiative is financed by the National Recovery and Resilience Plan (PNRR). This project will transform the decommissioned area "Ex Sisma" into a cutting-edge hub for the production of green hydrogen, contributing to the energy transition and sustainable development of the local community.

Currently, the plan includes reduction measures for Scope 1 and 2 emissions. Analysis is underway to define Scope 3 reduction initiatives and integrate them into the overall decarbonization strategy.

Ongoing projects include:

- Improving the representativeness of emissions data by refining emission factors
- Classifying and selecting raw material suppliers based on quality and ESG criteria, using sustainability questionnaires and interviews
- Increasing rail transport (upstream and downstream) and promoting intermodality
- Reducing the use of blast furnace steel (BOF) at Calarasi and Targoviste
- Evaluating the use of alternative fuels

Finally, L.M.E. has launched a study on the various heat sources generated by different steel production processes, particularly from the electric arc furnace (EAF).



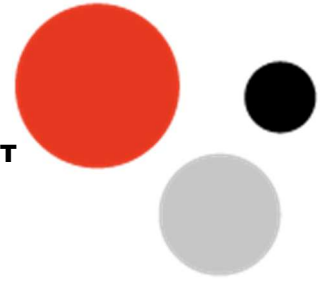
Since this heat does not find significant direct use within the production site, a dialogue was initiated with the local community to assess its recovery through a district heating network, which at the time did not yet exist.

Since 2022, important work has been carried out with various stakeholders from the Valenciennes Métropole and Porte-du-Hainaut territories to define a project aimed at creating an extended district heating network, intended to serve public and collective local users (such as the Valenciennes hospital, the university, collective housing facilities, etc.) connected to L.M.E. and other local heat sources. In 2024, a public consultation was launched for the realization of the network, while L.M.E. initiated studies to define the most efficient methods for utilizing a significant share of its recoverable heat.

The hope is that this important project can be launched in the next three years, enabling the annual recovery of an amount of heat between 20 and 40 GWh from L.M.E., thus actively contributing to reducing natural gas consumption and decarbonizing the territory.

The combined effect of all reduction measures contributes to the 2030 mid-term target.

By increasingly relying on renewable energy and efficiency technologies, the Group aims to continuously improve its emissions (and broader environmental) performance. According to the IEA's "Net Zero by 2050" roadmap, half of the emission reductions needed for climate neutrality by 2050 will require technologies that are still in demonstration or prototype stages, particularly in hard-to-abate sectors and heavy transport.



3. GHG ACCOUNTING

3.1 Methodology

AFV Beltrame Group defined its emissions inventory according to ISO 14064-1-1. The inventory includes direct emissions, indirect emissions from imported energy (market-based approach), and other indirect emissions.

The following standards were applied:

- ISO 14064-1-1: Greenhouse gases – Part 1: Specifications and guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.
- ISO 14064-1-2: Greenhouse gases – Part 2: Specifications and guidance at the project level for quantification, monitoring, and reporting of GHG emissions reductions or removal enhancements.
- ISO 14064-1-3: Greenhouse gases – Part 3: Specifications and guidance for the validation and verification of GHG assertions.

GHG emissions were calculated following the principles of UNI EN ISO 14064-1-1:2019, which represents best practice for GHG inventories and provides a solid baseline for a carbon neutrality strategy. In accordance with this standard and following the guidelines of the Kyoto Protocol, the accounting process includes reporting six types of greenhouse gases, namely:

- Carbon dioxide (CO₂),
- Methane (CH₄),
- Nitrous oxide (N₂O),
- Hydrofluorocarbons (HFCs),
- Perfluorocarbons (PFCs),
- Sulphur hexafluoride (SF₆)

These emissions are expressed in tCO₂eq (tons of CO₂ equivalent), using the 100-year Global Warming Potential (GWP) values defined by the IPCC (AR6).

Table 1: GWP of greenhouse gases

| GHG | GWP (100 YEARS) |
|------------------------------------|-----------------|
| Carbon dioxide (CO ₂), | 1 |
| Methane (CH ₄), | 27,9 |
| Nitrous oxide (N ₂ O), | 273 |

| | |
|---|-------------------------|
| Hydrofluorocarbons (HFCs), | IPCC AR6 – Table 7.SM.7 |
| Perfluorocarbons (PFCs), | IPCC AR6 – Table 7.SM.7 |
| Sulphur hexafluoride (SF ₆) | 24.300 |

(Source: IPCC AR6)

The Global Warming Potential (GWP) expresses the contribution of a greenhouse gas to the greenhouse effect relative to the effect of CO₂, whose reference potential is set to 1. Each GWP value is calculated over a specific time horizon (generally 20, 100, or 500 years). In this report, a GWP value over a 100-year period is considered.

The total emissions are then allocated to products or semi-finished goods based on the raw materials used and the energy consumed during their production.

Considering that the production of rolled products follows the production of billets, the calculation method first accounts for the specific emissions of the steel mill (or estimates them, if billets are externally sourced).

Once these emissions are known and classified into the three Scopes, the emissions from the rolling mills are calculated based on the yield of the respective rolling mill. Additional emissions from the rolling process are added to those from billet production.

Similarly, emissions related to rolled products are calculated starting from the specific emissions for the reference rolled product, excluding transportation to the customer.

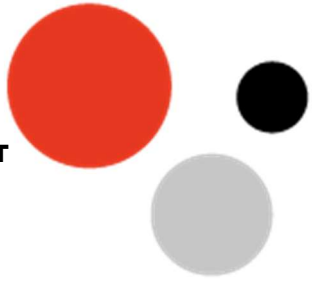
To track the possible combinations of production steps and intra-group material transfers (as illustrated in the following figure), a calculation model has been adopted based on the construction of so-called “building blocks” corresponding to the various production and transport phases.

The applied formula is therefore as follows:

$$KPI_{PF} = \frac{KPI_{acc}}{resa_{lam}} + \frac{KPI_{trasp,bill}}{resa_{lam}} + KPI_{lam} + KPI_{trasp,lam(interno)}$$

The yield indicated in the formula (also known as the "messa a mille") refers to the specific yield of the rolling mill in question, which produces the finished product.

For the definition of emission factors, specific and reputable databases were used.



The Company provides a specific procedure which presents data related to the most recent year's KPI, named "Report KPI year Y".

3.2 Assumptions

The most relevant assumptions made during the assessment are described below:

- **CATEGORY 2:** Indirect emissions from imported energy. Thanks to renewable energy production from hydroelectric plants and photovoltaic systems installed on-site, market-based emissions benefit from partial coverage of the electricity needs at Italian plants.
- **CATEGORY 3:** Emissions from raw material transport are based on analysis to map the geographic origin of key raw materials. Intragroup billet transport to steel mills is not included in the transportation category. For rolling mills purchasing billets from other Group plants, the emissions are counted as downstream transport from the supplying steel mill, avoiding double-counting.
- **CATEGORY 3:** Employee commuting emissions. Since no individual data was available for employee workdays, an average home-to-work distance was calculated for each plant.
- **CATEGORY 3:** Emissions from customer/visitor travel. This category was excluded due to its negligible contribution.
- **CATEGORY 3:** Emissions from business travel. Analysis is limited to Italian plants.
- **CATEGORY 4:** Emissions from purchased goods. In case of billets purchased from external suppliers, only the billets actually consumed during the reporting year were considered.
- **CATEGORY 4:** Emissions from purchased goods. Some raw materials were excluded either because their contribution by mass to total purchased materials was negligible, or no emission factor could be found in the literature.
- **CATEGORY 4:** Emissions from waste disposal. Only waste components destined for disposal were considered. For components designated for recycling or recovery, only transport emissions (handled by third parties) to the collection/recycling centre were included. The related environmental impact is counted under raw material sourcing. The transport emission calculation considered the number of trips and distances between waste origin and destination, assuming full intermodal transport where applicable.
- **CATEGORY 5:** Emissions associated with product use. Outgoing products may be billets (semi-finished from the steel mill) or rolled products (finished goods from mills). Typically, semi-finished products are sent to other Group or third-party facilities for further processing. In some cases, however, they are sold directly to customers who perform subsequent treatments. In those cases, emissions from these processing steps (electricity and natural gas for rolling)

were estimated based on quantities sold and average consumption data from a reference plant.

- CATEGORY 5: Emissions associated with end-of-life. It was assumed that all final products delivered to users will be recycled at the end of their life.

3.3 Data Quality

Data on the life cycle of materials or energy inputs is categorized into three types: specific data, selected generic data, and proxy data, defined as follows:

- Specific data (also known as "primary data" or "site-specific data") refers to data collected directly from the manufacturing facility where product-specific processes occur. It also includes data from other life cycle stages that can be directly linked to the product system under study. Examples include materials or electricity provided by a contracted supplier that can supply actual data for the delivered services, transportation based on actual fuel consumption, and related emissions.
- Generic data (also called "secondary data") is further divided into:
 - Selected generic data, which comes from widely available sources such as commercial and free databases that meet prescribed data quality standards for precision, completeness, and representativeness.
 - Proxy data, which also comes from common data sources but does not fully meet all the quality criteria required for selected generic data.

3.4 Exclusions

In order to apply exclusions, it is important to note that all direct emissions (Category 1) are considered significant and must therefore be reported. Likewise, all emissions related to energy consumption (Category 2) must be included. For all other sources of emissions, specific criteria must be defined to assess their significance. The materiality assessment cannot be conducted by pre-emptively excluding potentially relevant indirect emission sources—each exclusion must be properly justified.

The exclusion criterion adopted, considering data availability and traceability, is based on magnitude. Among the previously described indirect emissions, the following were excluded based on materiality:

- Emissions from LULUCF (Land Use, Land Use Change and Forestry): not applicable, as no land use changes occurred on owned properties.
- Indirect emissions from other imported energy: not applicable, since the only imported energy is electricity from the national grid.

- Emissions from customer/visitor transport: excluded due to negligible impact; this exclusion does not significantly affect total or category-level emissions.
- Emissions from capital goods: outside the scope of operational activities. Additionally, the impact is marginal when amortized over the lifespan of the assets—typically not less than 20 years—resulting in contributions to annual emissions that are two orders of magnitude lower.
- Emissions from waste disposal: only waste destined for disposal or incineration was considered. An exclusion threshold was applied: waste streams that represent less than 0.5% of the total waste generated per plant were excluded. For components destined for recycling or recovery, only transport to the collection/recycling centre was considered, and the related impact is attributed to raw material sourcing.
- Emissions from the use of assets/services: not applicable.
- Emissions from product end-of-life: not included, based on the reasonable assumption that all products will be recycled at end-of-life.
- Emissions from investments: not applicable, as no financial operations such as debt issuance, bond investments, or project finance activities were carried out.
- Biogenic emissions of CH₄ and N₂O: although these are derived from biomass components, they are treated as fossil-based emissions. Given their negligible contribution to overall emissions, they were disregarded.

3.5 Emission Results

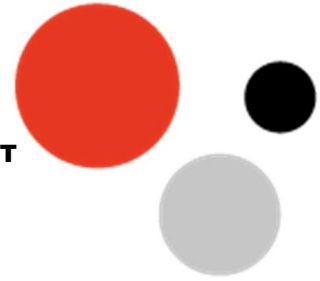
The baseline year chosen for this assessment is 2021, serving as the reference point for future evaluations. As a result, any reductions in emissions or other environmental impacts will be assessed and quantified in comparison to this baseline.

The selection of 2021 as the base year is justified as follows: it was a "standard" year of activity, during which the company was not affected by external factors such as market crises or unexpected production stoppages. Additionally, the impact of the pandemic had no repercussions on the business during that year.

Based on data referred to 2023 and 2024, results are presented in accordance with ISO 14064-1 definitions and categorized also under Scope 1, 2, and 3 emissions.

Differently from "standard" inventory, based on ISO 14064-1, KPI values that accounts for decarbonization initiatives, such as present study, do not consider:

- upstream transportation emissions from external billets supply
- downstream emissions from transportation



- fugitive emissions
- category 5: leased assets and use of products

Results with market and location approach are shown below.

Table 2: trend KPI – market-based approach

| | 2021 | 2023 | 2024 |
|--------------|--------------|--------------|--------------|
| Scope 1 | 0,144 | 0,151 | 0,142 |
| Scope 2 | 0,119 | 0,080 | 0,044 |
| Scope 3 | 0,298 | 0,339 | 0,325 |
| Total | 0,561 | 0,569 | 0,511 |

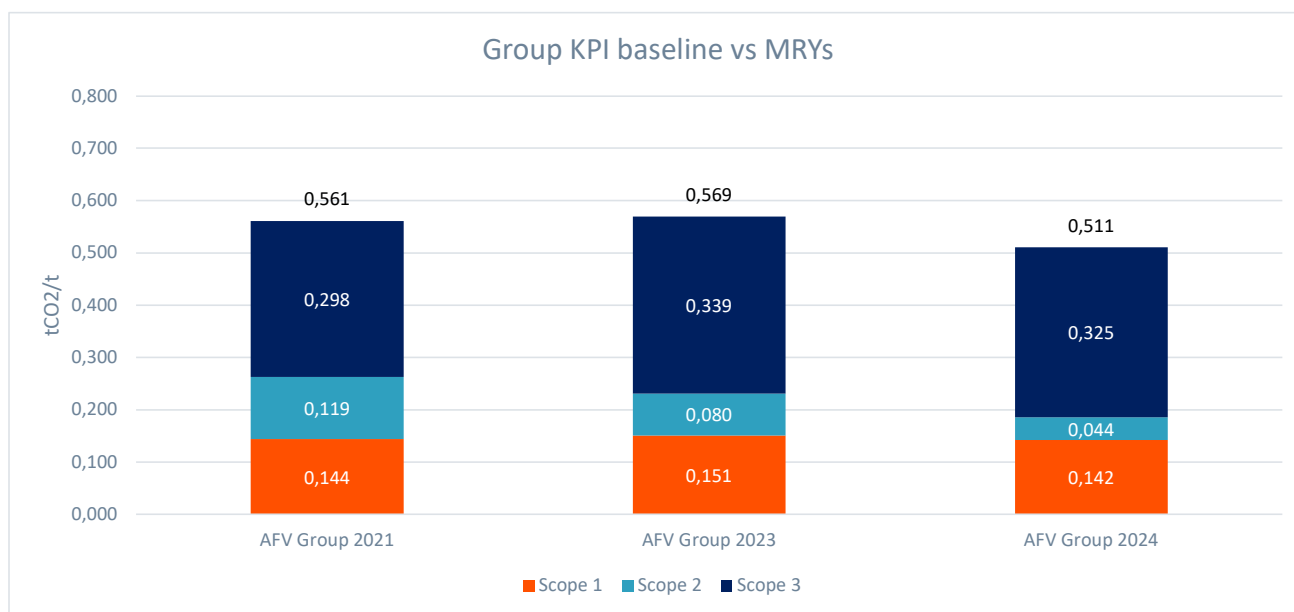


Figure 3: Group KPI – baseline and MRYS

Table 3: KPI – location-based approach

| | 2021 | 2023 | 2024 |
|--------------|--------------|--------------|--------------|
| Scope 1 | 0,144 | 0,151 | 0,142 |
| Scope 2 | 0,093 | 0,104 | 0,089 |
| Scope 3 | 0,298 | 0,339 | 0,325 |
| Total | 0,535 | 0,594 | 0,556 |

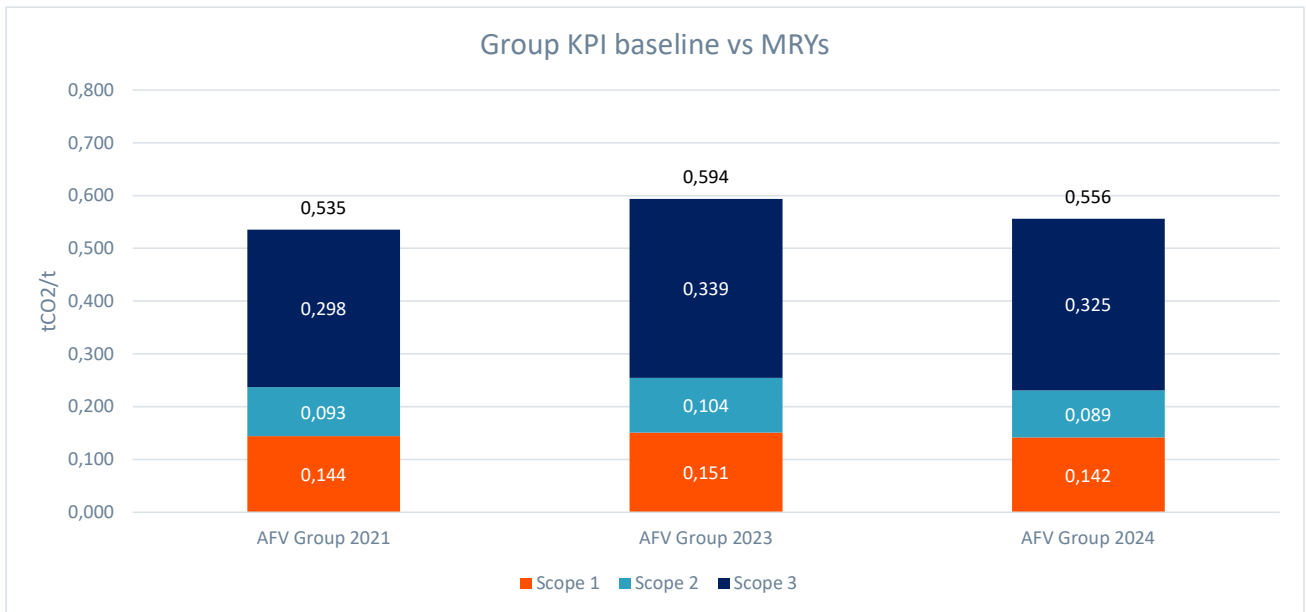


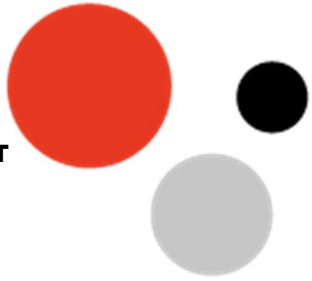
Figure 4: Group KPI – baseline and MRVs (location-based)

Overall inventory uncertainty accounts for 1,83-1,94 depending on which Scope 2 approach is considered. Uncertainty has been assessed in the GHG inventory according to ISO 14064-1 requirements.

3.6 GHG emission reduction & removal over the reporting period

Specific projects were carried out over the reporting period. Main GHG reductions are achieved by focusing on renewable energy production and purchase, with on-site generation projects and purchasing of Guarantee of Origin. On yearly basis, renewable energy share accounts for 30% of final energy consumption. These contractual instruments are tracked by AFV Beltrame Group.

No removals within the boundary are considered.



Please note that there are still unabated GHG emissions after implementing technically and economically feasible GHG emission reductions among the period of this report.

There are not significant aviation or shipping activities, nor non-GHG climate impacts that have been included in the GHG inventory.

Also, no significant GHG removals reversed have occurred through the reporting years.

Finally, GHG reduction or removals that may occur within the boundaries, and that may be transferred to another entity in the form of carbon credits would not be considered, in order to avoid double counting.

4. CARBON CREDITS

In order to achieve carbon neutrality of selected products, after GHG Accounting calculation according to ISO 14064-1, carbon credits are purchased. Following paragraphs describes programs, quantities and other details of Carbon Credits management.

The Entity only purchases so called “ex-post” credits, namely those that represent an effective reduction or removal of greenhouse gases (GHGs) from the atmosphere, after the project that generated them has been implemented and monitored. These credits are issued and certified following the actual quantification of emissions avoided or captured, based on data collected in the field, not on preliminary estimates.

4.1 *Offset Programs*

Aware of the importance of offsetting its emissions with reliable carbon credits, AFV Acciaierie Beltrame S.p.A. has identified VERRA's VCS program, Gold Standard's GS4GG and UN-REED program of UNFCCC (other credits compliant with ISO 14068) as the type of reference schemes for projects suitable for offsetting emissions from its carbon neutral products. These standards guarantee reliability, transparency and traceability of carbon credits and also allow the company to choose from a wide range of projects: these will be identified from time to time, in "lots", based on the type of initiative, geographical location, corporate mission, vintage and contribution to sustainable development. At an operational level, the activity is divided into the following phases:

- AFV Acciaierie Beltrame S.p.A., acting as parent company, purchases an amount of certificates through traders
- The certificates are deposited in the portal of the chosen program (e.g. VERRA) in the name of the trader
- AFV Acciaierie Beltrame S.p.A., based on the sales of carbon neutral products, requests the cancellation of all or part of the certificates previously purchased
- AFV Acciaierie Beltrame S.p.A. receives the certificate from the Verra portal following the cancellation mentioned above (the number of cancelled credits and the project code are shown on the certificate)
- RINA “virtually” uploads the equivalent number of purchased and previously cancelled carbon credits to its platform (DIAS)
- AFV Acciaierie Beltrame S.p.A., and its controlled companies, download the carbon credits from the platform (DIAS) corresponding to the bundles sold. The RINA certificate sent to the customer reports the number of credits used for the offsetting of the bundle and the project code

- AFV Acciaierie Beltrame S.p.A., acting as parent company, has the possibility to periodically check the residual carbon credits (available counter in the RINA-DIAS platform) and communicate them to the internal management control

4.2 *Offset Projects*

Over the years, additional reference standards for compensation initiatives may be identified. AFV Acciaierie Beltrame S.p.A. reserves the right to periodically evaluate, according to reliability, transparency and traceability criteria, the purchase of additional types of compensation credits. Voluntary carbon credits are certificates that can be purchased by companies to offset the CO2 emissions generated by their activities. These credits are generated by projects that contribute to removing or reducing the amount of CO2 in the atmosphere.

AFV Acciaierie Beltrame S.p.A. carefully selects projects that generate carbon credits, basing its purchasing process on evaluation criteria that ensure the integrity and quality of the project, such as projects related to generation of renewable energy, (e.g. as hydroelectric plants).

In addition, the following criteria are met in order to have credit programs that are aligned with the Group's vision:

- Procurement of CO2 credits from Program Operators included in the IETA-ICROA code of conduct (e.g. VCS - Verified Carbon Standard, CDM - Clean Development Mechanism, GS - Gold Standard), validated and verified by independent and reliable third-party bodies
- Selection of projects that meet the minimum eligibility criteria (additionality, permanence, no-double counting), favouring those subjects to a robust system of quantification of CO2 emissions (reduction and/or removal)
- Ensure that the projects contribute, in addition to the reduction of CO2 emissions, also to a positive impact of broader value on the environment, local communities and sustainable development (SDGs).

4.3 *Operating functioning*

RINA has developed an application platform called "DIAS" (Data Integrity Audit Service) to support audit activities related to the integrity and traceability of client data. This platform is licensed and distributed as a Cloud software-as-a-service ("SaaS") through RINA's B2B digital platform called "RINA Cube".

- This RINA digital platform, supporting audit activities, enables interested stakeholders to ensure the traceability, integrity, authenticity, and transparency of a business process.

- Traceability is ensured both through automated interfaces (APIs) and by allowing authorized parties to enter the business process data under evaluation into the platform. Each time data is entered, RINA applies a cryptographic seal to it, guaranteeing the immutability and integrity of the data.
- Through audits on the entered data, performed by experienced and qualified RINA personnel for compliance with the selected evaluation criteria (reference standards and/or client procedures) and using data sampling criteria governed by international standards (e.g., ISO 3951), statistical authenticity is ensured within reasonable uncertainty limits.
- Finally, transparency is guaranteed as interested stakeholders can independently verify the immutability of the data (both those entered by the client and outputs produced by RINA) and access a web dashboard for consultation.

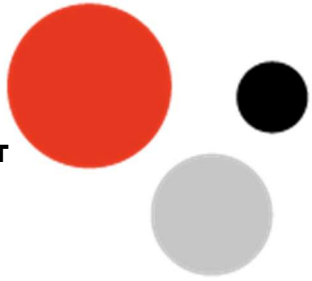
Customers will be able to order the entire range of finished and semi-finished products from AFV Beltrame Group as “Chalibria” carbon neutral products, with the exception of products from Targoviste.

Once the order has been placed, the customer will receive the standard documentation (i.e., order confirmation, CMR, quality certificate, invoice), in which it will be explicitly stated that the product is a Chalibria product. In addition to this documentation, the customer will receive a certificate (Verification Opinion) issued by RINA, which certifies the carbon neutrality of the purchased product. This certificate uniquely indicates the product identification code (i.e., tag code), the amount of CO2 offset for that product, and the type of project to which the carbon credit is linked. The “Verification Opinion” certificate will be sent to the customer via email; within the email, the customer will find a URL link that refers to the RINA platform. The “Verification Opinion” certificate is protected by a passcode for security purposes.

AFV Acciaierie Beltrame S.p.A. undertakes to have a sufficient availability of carbon credits to offset the product at the time of shipment to the customer.

4.4 Credits Purchased

AFV Acciaierie Beltrame S.p.A., acting as the Beneficial Owner, does not hold ownership of the credits, which are provided by a qualified trader. The trader retires the required quantity of credits in a single transaction on behalf of AFV Acciaierie Beltrame S.p.A., following the above mentioned procedure.



In public registries, such as Verra, to keep the collaboration between AFV Acciaierie Beltrame S.p.A. and the trader confidential, the Group's name does not appear directly. Instead, the name of the contract is listed, which uniquely links the company to the trader.

This ensures transparent traceability of the credit flow.

Once purchased, carbon credits remain in Group's portfolio until they are fully compensated.

Carbon credits used originate from carbon crediting programmes that are consistent with criteria listed by ISO 14068-1:2023, @ 11.2 and 11.3.

The Entity only purchases carbon credits with a vintage no higher than five years, as requested by ISO 14068-1:2023.

5. ANNEX I – VALIDATION OPINION



**OPINIONE DI VERIFICA
VERIFICATION OPINION**

RINA SERVICES S.p.A., attesta che l'Inventario sui GHG descritto nel Rapporto sui GHG
RINA SERVICES S.p.A., declares that the GHG Inventory described in the GHG Report
GHG Accounting Report According ISO 14064-1, Rev. 8 – 29/4/2025
GHG Accounting Report According ISO 14064-1, Rev. 8 – 29/4/2025
per il periodo di riferimento
for the reference period
01/01/2024 – 31/12/2024
predisposto dall'organizzazione
prepared by the organization

AFV ACCIAIERIE BELTRAME S.P.A.
VIALE DELLA SCIENZA, 81/A 36100 VICENZA (VI) ITALY

il cui confine organizzativo include
which organisational boundary includes
i siti dell'organizzazione AFV Acciaierie Beltrame S.p.A. (Italia) di seguito elencati
the following sites of the organization AFV Acciaierie Beltrame S.p.A. (Italy)

| | |
|--|---|
| • 36100 Vicenza (VI) – Viale della Scienza, 81/A | • 36023 Longare (VI) – Via A. Beltrame, 2 |
| • 10090 San Didero (TO) – Via Premolle, 1 | • 35010 San Giorgio in Bosco (PD) – frazione Certuro, Via VII Pontieri, 435 |
| • 52027 San Giovanni Valdarno (AR) – Piazza Giacomo Matteotti, 13 | • 36029 Valbrenta (VI) – Via San Gaetano, 84; Via Collicello, 14 |
| • 28064 Montecrestesa (VB) – frazione Cipata, il Prato s.n.c.; frazione Piaggino, 5; frazione Pontello, Via Isorno, 6; frazione Laghetto s.n.c.; Località Marleta s.n.c. | • 36100 Vicenza (VI) – frazione Debba, Viale Riviera Berica, 873 |

i siti delle Società controllate dall'organizzazione AFV Acciaierie Beltrame S.p.A. di seguito elencati
the following sites of the organization AFV Acciaierie Beltrame S.p.A.'s subsidiaries

| | |
|--|---|
| • 910125 Calarasi – 162 Str. Prelunginea Bucuresi, Romania (Donaliam S.r.l.) | • 4563 Gerlafingen – Bahnhofstrasse, Postfach, Switzerland (Stahl Gerlafingen AG) |
| • 59125 Trith Saint Leger – 2 Rue Emile Zoia, France (Laminex Marchands Europeens S.A.S) | |

è conforme ai requisiti del seguente documento di riferimento
complies with the requirements of the following reference document

ISO 14064-1:2018

Gas a effetto serra - Parte 1: Specifiche e guida, al livello dell'organizzazione, per la quantificazione e la rendicontazione delle emissioni di gas ad effetto serra e della loro rimozione
Greenhouse Gases - Part 1: Specification with guidance, at the organization level, for quantification and reporting of greenhouse gas emissions and removals

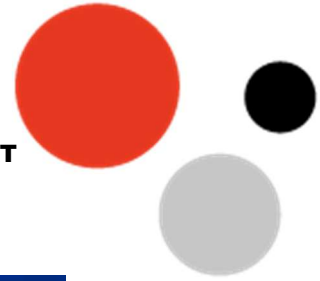
Negli allegati sono riportati i dettagli sulla quantificazione e sulla verifica
Details on the quantification and on the verification are given in the annexes

Data di rilascio: 6/5/2025
Date of issue: 6/5/2025
Data di emissione corrente: 6/5/2025
Date of current issue: 6/5/2025

Laura Severino

RINA Services S.p.A.
Laura Severino
Head of Decarb & Chain of Custody Product Management





Global Steel Climate Council®

CERTIFIED
Science-Based Emissions Target (SBET)

Certified
Science-Based
Emissions Target

AFV Beltrame Group

Member Company

AFV Beltrame Group
Viale della Scienza, 81
36100 Vicenza, Italy

AFV BELTRAME GROUP

GSCC® Member Since

March 2024

Certification Body

RINA Services SpA
Via Corsica, 12
Genova, Italy

Laura Severino
Laura Severino, Head of Decarb & Chain of Custody Product Management

Authorization

Adina Renee Adler
Adina Renee Adler, Executive Director
Global Steel Climate Council Inc.®

Corporate Average Steel Emissions Intensity (CASEI)

| | |
|------------------------------------|-------|
| Reporting Year | 2021 |
| Value: t CO ₂ e/t steel | 0.571 |

Science-Based Emissions Targets (SBET)

| | | | |
|------------------------------------|-------|------------------------------------|-------|
| Short-Term Target Year | 2030 | Long-Term Target Year | 2050 |
| | 0.457 | | 0.120 |
| Value: t CO ₂ e/t steel | | Value: t CO ₂ e/t steel | |

Statement of Scope: CASEI and SBET values were developed in conformance with the GSCC® Steel Climate Standard. Values are indicated as tons of CO₂e per metric ton of steel. For more information, visit GlobalSteelClimateCouncil.org.

Validity

| | |
|---------------------------------|---------------|
| Issue Date | 9 April 2025 |
| Expiry Date | 30 April 2030 |
| CASEI Self-Declaration Due Date | 1 May 2026 |

The CASEI and SBET values provided herein were certified by the member company's GSCC®-approved certification body and reviewed anonymously by the GSCC® Technical Committee according to the flowchart outlined in Appendix C of the Supplemental Technical Guidance. The data can also be found on the company's website, which is a requirement stipulated in The Steel Climate Standard. These values have been verified to conform to the glidepath required to achieve the Paris Climate Agreement's 1.5°C scenario goal by 2050.

1150 Connecticut Ave NW • Suite 1125 • Washington, DC 20036 USA