

Sustainability report **2024**



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Sustainability Report

2024

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“Aware that sustainability is not a destination but a continuous journey, we renew our commitment to improve every day, with our eyes set on the future.”

Roberto Spezzapria - Chairman of Compagnia Siderurgica S.p.a.

Letter to Stakeholders

| ESRS 2 GOV 4, GRI 2-22

Dear Stakeholders,

With a strong sense of responsibility, we present the 2024 Sustainability Report of our company. This document represents not only an accurate account of the results we have achieved, but also a tangible commitment to an increasingly sustainable, innovative, and inclusive industrial model.

The year 2024 was marked by global challenges, but also by significant milestones. In a sector like metalworking—historically associated with energy- and resource-intensive processes—we have made a determined choice to embark on a path of transformation.

We have invested in more efficient technologies, reduced emissions from our plants, and optimized the use of raw materials by adopting circular economy solutions and certified environmental management systems.

Over the course of the year, we pursued and achieved nearly all of the numerous social, environmental, and governance goals we had set for 2024 in our 2023 ESG Report—marking a major step forward in our sustainability journey.

Among the most significant results achieved in 2024, we highlight:

- The achievement of ISO 45001 and ISO 50001 certifications;
- The maintenance of ISO 14001 and ISO 9001 certifications, ensuring responsible management and continuous improvement;
- The installation of a photovoltaic plant, a concrete step toward reducing environmental impact;
- The deepening of near miss and incident investigations, underscoring our commitment to workplace safety;
- The review of GDPR compliance and the Privacy Register, ensuring procedures remain aligned with the company's organizational structure;
- The strengthening of corporate welfare policies, including continued coverage with supplemental health and accident insurance;
- The update of whistleblowing procedures and the implementation of training initiatives on ESG topics and business ethics;
- The enhancement of governance, including the integration of ESG criteria into supplier evaluations and the mandatory signing of the Code of Conduct;
- The reduction of plastic waste through the water dispenser project, which led to a saving of approximately 408 plastic bottles..

However, some objectives were not completed within the expected timeframe and have been rescheduled for 2025, including:

- Company-wide ESG training, to be completed in the coming months;
- Additional training on topics related to our core business (e.g., whistleblowing), included in the 2025 training plan;
- Assessment of rainwater collection, which was postponed due to ongoing construction work to expand our facilities.

The goals we set and achieved demonstrate our commitment not only to environmental protection but also to people and communities. For this reason, we have strengthened workplace safety policies, implemented targeted short-term training courses for our staff based on direct feedback from employees, and supported social initiatives in the areas where we operate.

We are fully aware that sustainability is a continuous and challenging journey. That is why we remain focused on the ongoing improvement of our processes and our responsibilities toward the environment, people, and the communities we are part of.

This Report is the result of the contribution of everyone: employees, partners, clients, suppliers, and institutions. To each of you, we extend our sincere thanks for your trust and for the role you play in our path toward responsible growth..

Happy reading,

Roberto Spezzapria

Chairman of Compagnia Siderurgica S.p.a.

History

Compagnia Siderurgica S.p.A. began its operations in 1986 with the opening of a mechanical workshop in Sarcedo, in the province of Vicenza. From the outset, the company's core business focused on the processing and cutting of carbon steel sheets. In addition, the company also began marketing a downdraft table for oxy-fuel and plasma cutting on a smaller scale. The company's key strengths lie in the extensive know-how developed over the years and in a management philosophy that has fostered the growth of an organization capable of offering comprehensive services and tailored solutions to meet any customer requirement. The high quality of its products and its commitment to customer satisfaction are demonstrated by continuous investments aimed at improving production processes and by the advanced technical expertise of its workforce, which regularly undergoes structured training programs.

The combination of organizational efficiency, technical experience, and cutting-edge equipment places the company among the leading Italian and European firms in sheet metal processing.

Its constant focus on system optimization and technological innovation is clearly reflected in its rapid response times to customer requests and in the quality of its finished products, which stand out for their high precision and excellent surface finish.

Concrete and Steady Growth

The development and growth the company has achieved over the years is the result of continuous innovation.

Today, the machinery in use incorporates the most advanced technologies in the industry—not only from a mechanical perspective, but also in terms of energy efficiency and operator safety, supported by an organized approach to managing all company production processes. Suppliers are selected and evaluated based on product quality, delivery punctuality, and ethical standards, in order to ensure excellent products are delivered in the shortest possible time. The coordination of all operational phases stems from a thorough analysis of each production process, combined with extensive industry experience built over the years and a deep passion for the work.

To maintain high quality standards, special attention is given to three key aspects

- The careful selection of skilled operators and professionals, capable of carrying out every task with precision and craftsmanship, down to the smallest detail;
- The use of Industry 4.0 machinery and technologies, which ensure quality, efficiency, and cost savings at the same time;
- The choice of top-tier suppliers, to guarantee high-level products delivered on schedule, with consistent reliability.



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Compagnia Siderurgica S.P.A.

The company's products and services

SHEET METAL CUTTING

Oxy-fuel Cutting

Oxy-fuel cutting is a flexible and cost-effective solution for thermal cutting of sheet metal up to 600 mm in thickness. This department, developed internally since the early days of the company, boasts extensive experience and a large fleet of machines, including 6 oxy-fuel systems with a working area of 3,000 × 24,000 mm. Our know-how and available equipment enable us to manufacture components ranging in thickness from 10 mm to 600 mm. Oxy-fuel technology has been enhanced with two new features: BEVEL and DRILL. As with all our processes, these technologies are distinguished by their high precision and quality.

Plasma Cutting

Plasma cutting represents the perfect balance between cutting quality, productivity, and operating costs. This process uses a plasma torch where gas is expelled through a nozzle, creating an electric arc between the electrode and the workpiece.

This arc transforms the gas into plasma, which melts the metal and enables the cutting process. Plasma cutting is ideal for producing components in carbon steel, stainless steel, and aluminum, with thicknesses ranging from 3 mm to 40 mm.

Laser Cutting

Laser cutting offers a perfect combination of efficiency and quality. This technology guarantees high precision, speed, and versatility. To meet customer demands and complete the production cycle, in 2023 we acquired a 15 kW Fiber Laser Bevel cutting system, capable of processing sheets up to 12 meters in length.

ENGINEERING

Fume Extraction Tables for Thermal Cutting

In addition to its core business, Compagnia Siderurgica also stands out as a specialized company in the design, construction, and manufacturing of high-productivity fume extraction tables for thermal cutting, all CE marked and Industry 4.0 certified.

PROCESSING SERVICES

Plate Rolling (Calendering)

Plate rolling is an essential process for the production of tubes or cones starting from flat sheet metal. It is one of the complementary services offered alongside sheet metal cutting, the core business of Compagnia Siderurgica. Thanks to our rolling machines and the experience and skills of our operators, we are able to produce

and control rolled components in a variety of geometric shapes, beyond traditional cylindrical forms.

CNC Machining

To complement its sheet cutting services, Compagnia Siderurgica also offers a CNC machining department, renowned for its high precision, capable of handling everything from small mechanical parts to large welded structures. This area is equipped with modern CNC machining centers, providing services such as milling, drilling, and boring, both to complete the cut parts and for contract manufacturing. The components produced meet hundredth-millimeter precision and are inspected by qualified technicians during sampling before full-scale production begins.

Bending

Sheet metal bending is a key forming process used to give shape to the cut component. The bending of sheet metal and custom-shaped plates is one of the most requested services offered by Compagnia Siderurgica, allowing the creation of semi-finished parts according to client specifications. Our skilled operators work in synergy with up-to-date 3D development software, which simulates the desired part while analyzing its feasibility. This successful combination of human expertise and advanced software enables highly accurate and precise bending, even in the most complex cases.

Sandblasting

Sandblasting is the most effective method for surface cleaning of sheet metal. The process is carried out using high-speed metal microbeads, which are projected onto the surface to remove impurities. This treatment thoroughly cleans the sheet surface and prepares it for subsequent applications.

Beveling

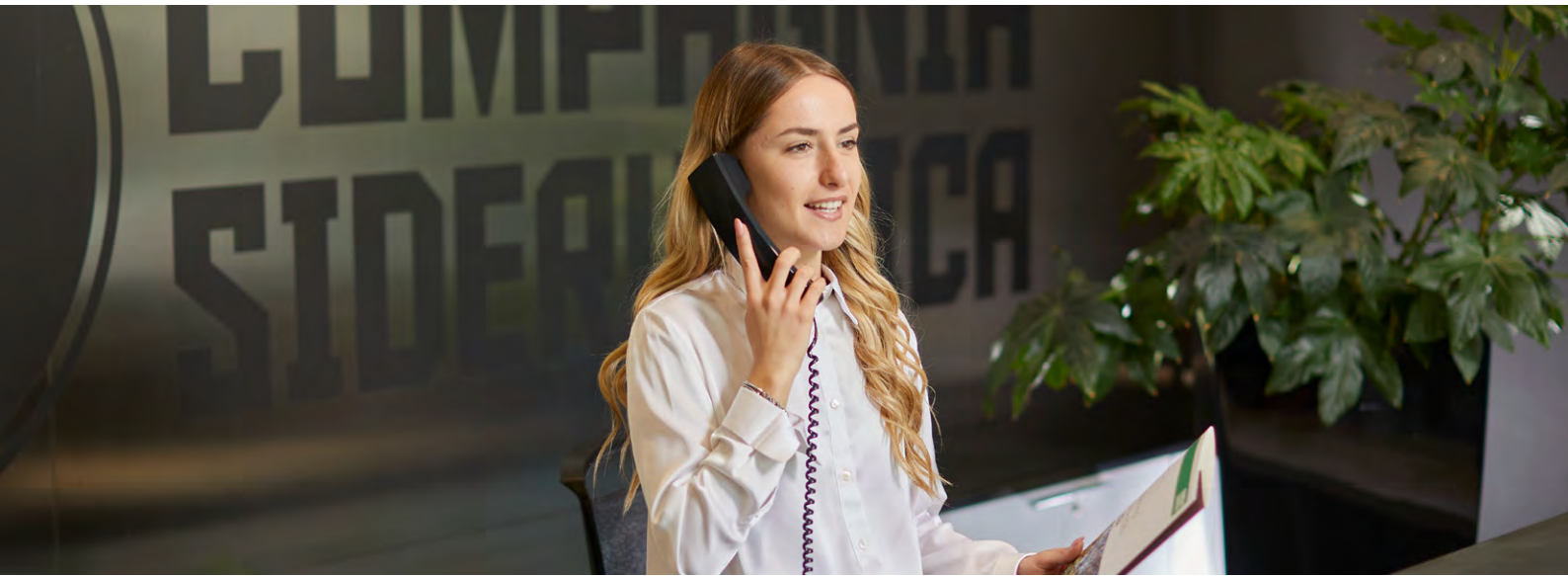
Beveling is the universal solution for preparing edges for welding. In addition to facilitating the welding process, it ensures good penetration of the molten weld pool. Beveling is one of the company's core strengths in delivering semi-finished components. It can be performed through chip removal, mechanical nibbling, or oxy-fuel cutting (Bevel). Our highly qualified staff ensures that processed products exhibit the best characteristics for correct assembly.

Warehousing & Sales

The company maintains a large stock of raw materials, available for direct sale or for processing upon specific customer request. The sale of carbon steel sheets in various thicknesses and dimensions is another valuable service that complements the company's full range of offerings.

PRODUCTS:

- Carbon steel for structural applications
- Quenched and tempered high-yield strength steels for structural uses
- Quenched and tempered wear-resistant steels
- Manganese abrasion-resistant steels
- Boiler and pressure vessel steels
- Alloy steels for medium and high temperatures
- Boiler and pressure vessel steels with HIC Test
- Corrosion-resistant steels (Corten)



Corporate Social Responsibility

For Compagnia Siderurgica, Corporate Social Responsibility (CSR) is not merely a formality, but a profound commitment that permeates the entire economic and financial cycle.

This commitment is reflected in the integration of core principles such as environmental sustainability, strict ethical conduct in business operations and stakeholder relations, business integrity, and a deep sense of product responsibility.

Driven by the goal of pursuing a business path increasingly mindful of environmental and social dynamics, the company is constantly committed to optimizing resource use, improving production efficiency, and fostering effective synergy across all corporate departments.

The significant growth experienced by the company brings with it an even greater responsibility: to vigorously promote sustainable and transparent initiatives, while operating in a context of continuous evolution.



Mission

Adaptability and responsiveness are the tools that enable the company to fulfill its mission. Meeting customer demands requires the ability to move every part of the organization as one cohesive body, coordinated to achieve a successful partnership with its clients.

The core principles that guide the company's operations are:

- Customer orientation
- Environmental sustainability
- Workplace safety
- Product and service quality

Vision

Alongside its strong corporate heritage, Compagnia Siderurgica embraces a forward-looking vision, focused on the future and on the global challenges our planet and society are called to face. In this regard, the company has always been highly attentive and sensitive to environmental issues, and is actively committed to contributing to a balance between environmental protection, people's well-being, ethical conduct, and full transparency towards partners and collaborators.

ESG Overview

ENVIRONMENT

2.015 MWh

Electricity purchased from the grid

288 MWh

Self-produced renewable energy

277 ton CO₂eq

Scope 1 emissions (direct emissions)

353 ton CO₂eq

Scope 2 emissions (indirect emissions caused by the generation/purchase of electricity)



SOCIAL

104

Employees as of 31/12

95%

Permanent employees

700

Training hours delivered

GOVERNANCE

98%

Italian suppliers

2%

Foreign suppliers

Code of Ethics

implemented within the company

€44.052.042

Direct economic value generated



CERTIFICATIONS

- QUALITY CERTIFICATION – UNI EN ISO 9001:2015
- STRUCTURAL STEELWORK CERTIFICATION – EN 1090-1 Class EXC4
- ENVIRONMENTAL CERTIFICATION – ISO 14001
- ENERGY CERTIFICATION – ISO 50001
- WORKPLACE SAFETY – Safe Work





General Information

ESRS 2

ORGANIZATION PROFILE

Strategy, business model and value chain

| ESRS 2 SBM-1, GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-6

Compagnia Siderurgica is structured as an Italian joint-stock company (Società per Azioni), with a corporate ownership primarily held by Finspe Srl, an Italian-registered holding company that owns 96% of the shares, alongside other minority shareholders. The company operates from a single site, which also serves as its registered office, located at Via Fossalunga 7, in the municipality of Sarcedo, Vicenza Province.

This facility covers a total indoor area of 20,000 square meters.

The following table provides the organizational details.

Headquarters	Type of Headquarters	ATECO Code	Revenue in thousands of Euros	Balance Sheet Assets in thousands of Euros	Employees	Owned Property as Collateral
Via Fossalunga 7, Sarcedo (VI)	Registered and administrative office	25.40.00	43.782	43.734	104	No

The main market macro-categories that Compagnia Siderurgica serves with dedication are:

- Construction and Building
- Automotive and Industrial Vehicles
- Steel Fabrication and Industrial Plant Engineering
- Energy and Renewables
- Mechanical Engineering and Machine Tools
- Transport and Logistics
- Naval and Offshore Industries

The company's core market is primarily domestic, with 76% of its revenue generated in Italy. The remaining 24% is derived from key international markets, particularly Austria, Germany, Switzerland, Sweden, and the USA. Compagnia Siderurgica actively collaborates with Confindustria, participating in consultancy and training initiatives on specific topics, as well as taking part in meetings promoted by the association.

In 2024, President Roberto Spezzapria holds the position of Vice President of Confindustria, with a delegation for credit, finance, and equity. The annual assembly represents a key networking opportunity with other local companies.

Additionally, the company is a member of SiderWeb, which provides market analysis on raw materials, and takes part in its meetings for training and networking with other players in the steel industry.

Generated economic value

The table provides an alternative interpretation of the values expressed in the financial statements and aims to highlight the company's ability to generate wealth and distribute it among its stakeholders.

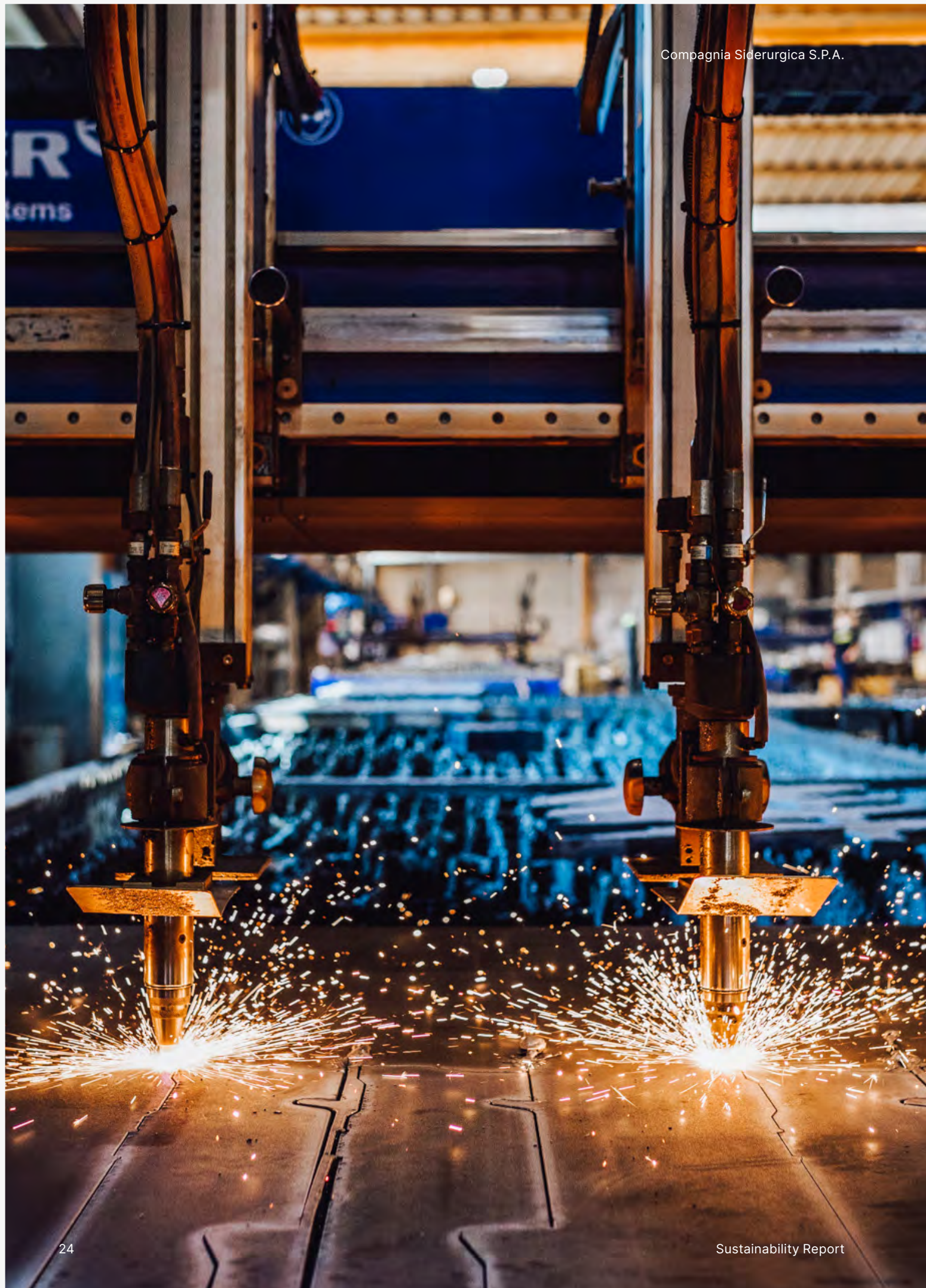
The **Directly Generated Economic Value** represents the wealth created by the company through the development of its business model and other activities, while the **Distributed Economic Value** indicates how the generated value is allocated and distributed to various stakeholders: suppliers, employees, shareholders/partners, lenders, public administration, and the community and territory.

The difference between the Directly Generated Economic Value and the Distributed Economic Value reveals the **Retained Economic Value**, that is, the remaining resources available to the company.

	2024 (€)	2023	Change 2024-2023	%
Economic value generated directly	44.052.042	52.119.763	-8.067.721	-15,5%
Economic value distributed: % on the directly generated economic value	40.657.076 92,29%	48.817.981 93,67%	-8.160.905	-16,7%
Operating costs	33.962.734	41.477.275	-7.514.541	-18,1%
Staff remuneration	6.098.398	5.975.575	122.823	2,1%
Shareholder remuneration	0	500.000	-500.000	-100%
Financier remuneration	256.040	252.011	4.029	1,6%
Public Administration remuneration*	322.657	607.570	-284.913	-46,9%
Support for the community and local area	17.247	5.550	11.697	210,8%
Economic value retained**	3.394.966	3.301.782	93.184	2,8%

* The remuneration of the Public Administration is determined net of any public contributions (operating contributions).

** the economic value retained includes any profits allocated to reserves and non-monetary items.





Sustainability Targets

ESRS 2 MDR-T



SUSTAINABILITY TARGETS

Environmental compliance



Maintaining ISO 14001 certification

SUSTAINABILITY TARGETS

Improving working conditions and inclusion



Reducing accidents, near miss investigations, and analysis of incidents/accidents



Maintaining Welfare Vouchers allocation as per the National Collective Labor Agreement (CCNL)



Maintaining extra-professional accident insurance covered by the company and supplementary health insurance

SUSTAINABILITY TARGETS

Training and skills development



ESG training and related core business topics extended to all employees

SUSTAINABILITY TARGETS

Privacy and GDPR



Proper management of personal data of natural and legal persons

BASIS FOR PREPARATION

General basis for preparation of sustainability statements

| ESRS 1, ESRS 2 BP-1, GRI 2-22, GRI 3-2

In line with ESRS Standard 1 - General Requirements and, in parallel, **GRI Standard 1 - Foundation**, the information reported meets the requirements of:

- Relevance,
- Faithful representation,
- Comparability,
- Verifiability,
- Comprehensibility.

Compagnia Siderurgica demonstrates its commitment to transparency and accountability by voluntarily publishing its Sustainability Report, through which it discloses its ESG performance despite not being subject to CSRD obligations. This document, relating to the 2024 fiscal year, represents the second edition of the report, following the first publication for the year 2023, which is available on the company's website.

Relevant information on the value chain and ESG activities

The company is working to identify, monitor, and engage its value chain from an ESG perspective. It has identified the key actions it takes with respect to the various entities that compose it and has considered the impacts, risks, and opportunities arising from these within the double materiality analysis for the purpose of identifying relevant issues (see the following table).

The company commits to collecting data from its activities involving the value chain over the next three years and to reporting the associated metrics and results.

Value chain UPSTREAM		
Key Partners	Key activities	Functions involved
Raw material suppliers (Key resources)	<ul style="list-style-type: none"> Encourage suppliers to share ESG data and strategies for a more sustainable supply chain Implement a supplier selection process that, in addition to economic criteria, also integrates ethical and sustainable aspects, favoring local partners or those with low-emission logistics 	MANAGEMENT, PURCHASING DEPARTMENT, PRODUCTION DEPARTMENT
Investors and banks	<ul style="list-style-type: none"> Obtain global ESG certifications to demonstrate commitment to sustainable business practices Adopt corporate policies that promote energy efficiency, use of renewable resources, and sustainable waste management 	MANAGEMENT, ADMINISTRATION DEPARTMENT
Internal stakeholders	Key activities directly concerning the internal organisation of the company, for the management of ESG issues in relation to the "Value proposition"	Functions involved
Owners and shareholders	<ul style="list-style-type: none"> Definition of regular meetings with Board members to discuss ESG topics (environmental, social, and governance objectives with periodic reports) 	MANAGEMENT
Employees	<ul style="list-style-type: none"> Implementation of procedures to reduce accidents and occupational illnesses, with regular safety training Active listening to improve work quality and corporate well-being 	MANAGEMENT, HUMAN RESOURCES DEPARTMENT
Certification and quality bodies	<ul style="list-style-type: none"> Adoption of certified environmental standards (e.g., AUA, ISO 14001), reduction of environmental impact from production processes, and use of sustainable raw materials (green steel) Compliance with safety and human rights standards (Code of Ethics) Quality certifications (ISO 9001, EN 1090-1:2009 + A1:2011), ESG audits, and transparent reporting (GRI, SASB) 	MANAGEMENT, QUALITY DEPARTMENT
Value chain at VALLEY	Key activities	Functions involved
Customers	<ul style="list-style-type: none"> Offer eco-friendly solutions that reduce the environmental impact for clients, improving efficiency and resource management. Ensure product safety and quality, accessibility, personal data protection, and enhanced user experience. Adopt ethical business practices, communicate transparently, and comply with regulations on privacy and consumer rights. 	MANAGEMENT, PRODUCTION DEPARTMENT, CUSTOMER CARE DEPARTMENT, LOGISTICS DEPARTMENT

BASIS FOR PREPARATION

Disclosures in relation to specific circumstances

| ESRS 2 BP-2

Where deemed significant, the data have been highlighted in a comparative manner with respect to the two previous years, and for actions extending into the future, short-term (within one year), medium-term (within five years), and long-term (beyond five years) time horizons have been considered.

In the table below, the information elements that have been included by reference are shown.

Elements of information	ESRS reference	Report page
List of relevant issues from AR16	ESRS 2 SBM-3	48
Sustainability objectives and deadlines	ESRS 2 MDR-T	27
Policies for managing relevant issues	ESRS 2 MDR-P	52
Actions to manage relevant issues	ESRS 2 MDR-A	53

Metrics for measuring ESG impacts

Sustainability reports use different metrics to assess and monitor the environmental, social and governance (ESG) impacts of organisations. The metrics are based on international standards such as the **Global Reporting Initiative (GRI)**, the **Sustainability Accounting Standards Board (SASB)**, the **Task Force on Climate-related Financial Disclosures (TCFD)** and the **Greenhouse Gas (GHG) Protocol** for measuring greenhouse gas emissions. In addition, the **European Sustainability Reporting Standards (ESRS)**, developed under the **Corporate Sustainability Reporting Directive (CSRD)**, provide a regulatory framework for ESG reporting in Europe. The metrics are also aligned with the **United Nations Sustainable Development Goals (SDGs)**, promoting sustainable and responsible business practices.

GOVERNANCE

The role of the administrative, management and supervisory bodies

| ESRS 2 GOV-1, GRI 2-25

The strategic and operational leadership of Compagnia Siderurgica in 2024 was entrusted to the Board of Directors, composed of a total of five members, supported by a Board of Statutory Auditors overseeing its activities, consisting of three regular members and two alternates, whose average age is over 50 years.

The following table provides a demographic analysis of the company’s governing body composition.

Age group	Men	Women
Up to 30 years	0	0
30-50 years	1	0
Over 50 years	4	0

At Compagnia Siderurgica, the integration of sustainability issues into corporate management is a priority, although no dedicated roles or organizational units have been established. In this regard, several existing company functions address ESG matters transversally through an informal committee. The ultimate responsibility for social and environmental policies is assigned to a member of the Board of Directors, highlighting the strategic importance the company places on these areas.

The company has embarked on a dedicated sustainability journey, supported by a team of ESG specialist consultants, bringing the first competencies on the topic into the organization.

The governing, management, and supervisory bodies, along with senior management, oversee the definition of objectives related to impacts, risks, and relevant opportunities, as well as the progress made toward achieving them.

The management division is organized into various departments structured to ensure

efficient handover from the customer to the production department, managing the order flow according to a schedule and planning that leave no room for errors, time waste, or material loss.

[View Organizational Chart](#)

GOVERNANCE

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

| ESRS 2 GOV-2, GRI 2-25

The company has adopted a platform for collecting the data necessary for the preparation of this Sustainability Report.

The dedicated information system guarantees the solidity and full traceability of the data collection and consolidation process, also in relation to the analysis of double materiality (see Focus on the next page).

The collection activity was carried out with the contribution of all company departments and was supported by a team of experts to ensure that the issues were understood.

The use of the platform allows the control body and the Board of Directors to check the status of progress of data collection in real time, to make an internal assessment of performance in the various areas of sustainability and to compare data over time.

In particular:

Addressee	Frequency	Function involved with access to the platform
Board of Directors (BoD)	<ul style="list-style-type: none">• Every 3 months• Constant access to the platform	<ul style="list-style-type: none">• Internal committee• Responsible function
Board of Statutory Auditors	<ul style="list-style-type: none">• Every 3 months• Constant access to the platform	<ul style="list-style-type: none">• Internal committee• Responsible function
Finspe Srl	<ul style="list-style-type: none">• Once a year	<ul style="list-style-type: none">• Internal committee• Responsible function

GOVERNANCE

Integration of sustainability-related performance in incentive schemes

| ESRS 2 GOV-3, GRI 2-9

The integration of sustainability performance into incentive systems represents a key element for aligning corporate goals with contemporary global challenges. The link between sustainable performance and incentives can help promote behaviors and decisions consistent with responsible and long-lasting growth, guiding corporate leadership toward achieving integrated economic, social, and environmental objectives.

Currently, the company is evaluating the opportunity to incorporate ESG performance into its incentive system, with the intention of developing a correlation aligned with its strategic sustainability goals in the coming years.

GOVERNANCE

Statement on due diligence

| ESRS 2 GOV-4, GRI 2-22

Due diligence is the process by which companies identify, prevent, mitigate, and account for how they address actual and potential negative impacts on the environment and people connected to their activities. These impacts include negative effects related to the company's own operations as well as those along the upstream and downstream value chain, including through its products or services and business relationships.

Due diligence is an ongoing process that responds to the company's strategy and business model, activities, business relationships, operational context, and procurement and sales environment, and it can lead to changes across all these aspects.

The due diligence procedure adopted by Compagnia Siderurgica includes a thorough assessment of issues related to information disclosure, as well as the prevention and combating of corruption, bribery, and extortion.

The company has conducted its assessments following the due diligence process with reference to the topics covered in the paragraphs identified in the table below, as required by the relevant standards.

Fundamental elements of due diligence	Paragraphs in the sustainability declaration
Integrate due diligence into governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
Involve stakeholders in all key stages of due diligence	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS 2 MDR-P, ESRS S1-2, ESRS S2-2, ESRS S3-2, ESRS S4-2
Identify and assess negative impacts	ESRS 2 IRO-1, ESRS 2 SBM-3
Take action to address negative impacts	ESRS 2 MDR-A, ESRS E1-1, ESRS E1-3, ESRS E2-2, ESRS E3-2, ESRS E4-3, ESRS E5-2, ESRS S1-3, ESRS S1-4, ESRS S2-3, ESRS S2-4, ESRS S3-3, ESRS S3-4, ESRS S4-3, ESRS S4-4, ESRS G1-3
Monitor the effectiveness of actions and communicate	ESRS 2 MDR-M, ESRS 2 MDR-T, ESRS E1-4/9, ESRS E2-3/6, ESRS E3-3/5, ESRS E4-4/6, ESRS E5-3/6, ESRS S1-5/17, ESRS S2-5, ESRS S3-5, ESRS S4-5, ESRS G1-4/6

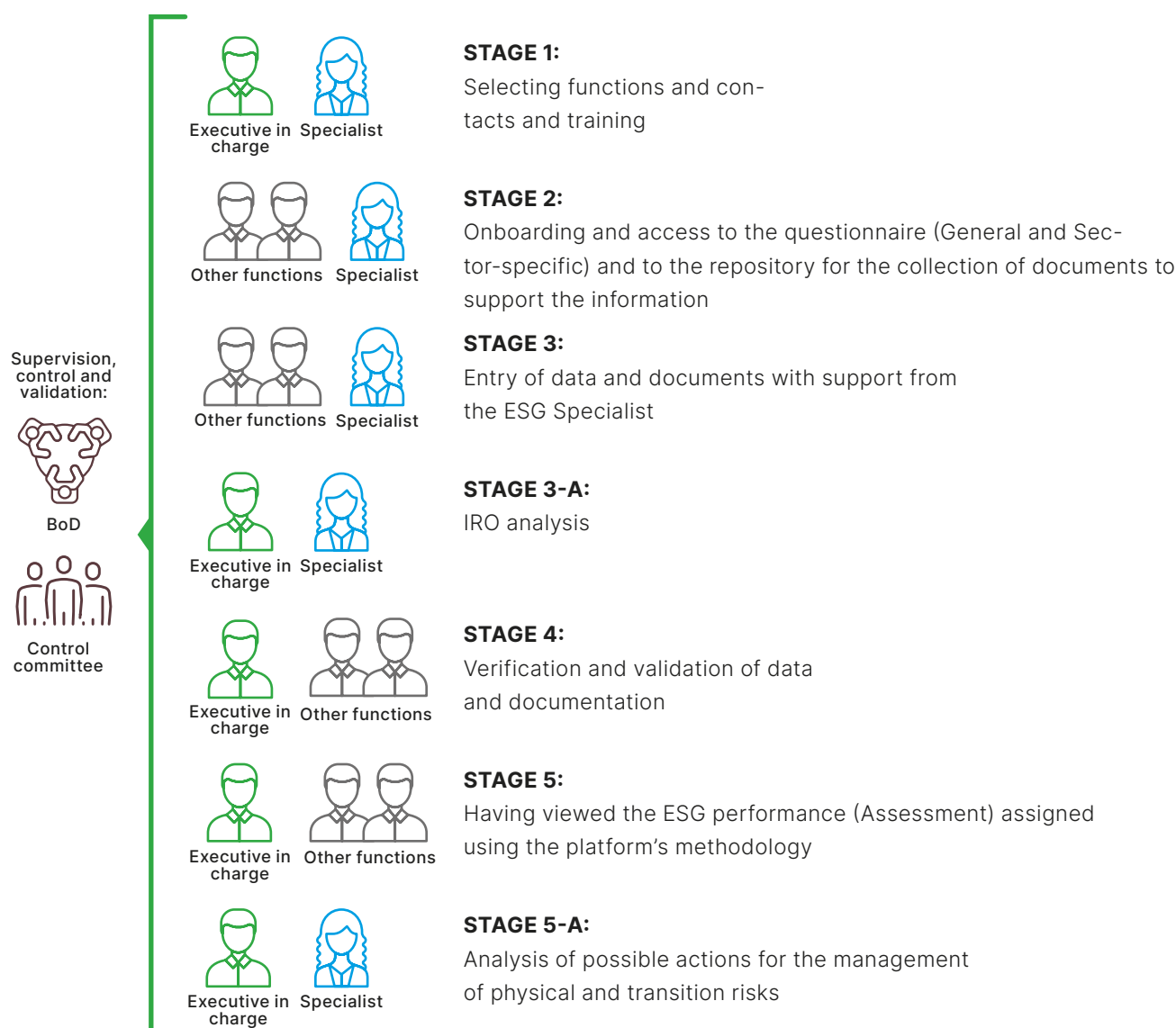


GOVERNANCE

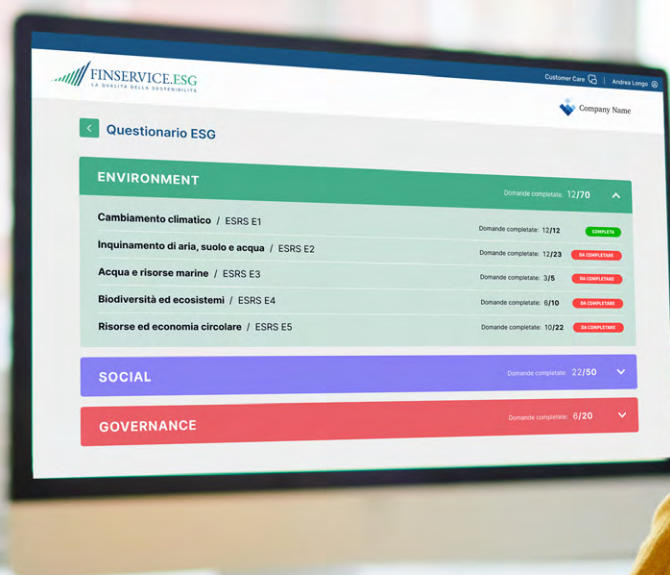
Risk management and internal controls over sustainability reporting

| ESRS 2 GOV-5, GRI 2-5, GRI 201-2

To ensure the effectiveness of **internal controls** on sustainability reporting, risk management and the reliability of the information disclosed, the company has applied the following methodology, guaranteed by the use of the **platform**:



The platform is accessible to the internal functions in charge of verification and to the auditors of the sustainability report.



TRANSPARENCY AND ACCESSIBILITY OF INFORMATION:

The data collection process in a dedicated area on the Finservice ESG platform using a methodology validated by RINA

The ESG platform is designed to record data accurately and to guarantee the quality of the information, in accordance with the reporting criteria required by the CSRD (Corporate Sustainability Reporting Directive).

The process is based on the company filling in an ESG questionnaire with the support of an ESG Specialist: the questionnaire is divided into two parts, one general and one specific to the company's sector.

The collection of data is accompanied by in-depth analyses and interviews, as well as the creation of a dedicated repository, which collects documentation relating to the various topics (policies, certifications, scores, marketing materials, etc.).

The analysis of double materiality is also conducted using a special tool available on the platform, structured to provide a complete view of the relevance of ESG issues, in terms of impacts, risks and opportunities.

The platform provides an ESG score and performance indicators to guide the company in defining sustainability priorities and objectives to be achieved.

STRATEGY

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3
GRI 307, GRI
419

The double materiality assessment, based on the ESRS (European Sustainability Reporting Standards), represents the starting point for sustainability reporting in accordance with the criteria of the CSRD (Corporate Sustainability Reporting Directive). The company was required to consider the impact of its activities from an **inside-out** perspective—namely, the actual or potential negative or positive impacts on people or the environment over the short, medium, or long term. These impacts include those connected to the company's own operations as well as its upstream and downstream value chain, including through its products and services and its business relationships. Business relationships include those within the company's value chain, both upstream and downstream, and are not limited to direct contractual relationships.

The assessment of financial materiality (**outside-in perspective**) conducted by the company was based on the principle that a sustainability matter is considered material if it has or is reasonably likely to have significant financial effects on the company—meaning it may generate risks or opportunities that influence the company's development, financial position, financial performance, cash flows, access to capital, or cost of capital over the short, medium, or long term. Furthermore, a matter is financially material if its omission, misstatement, or concealment could influence the decisions made by primary users of financial reports based on the company's sustainability statement.

Double relevance principle

INSIDE-OUT

Impact relevance

Evaluate the significant impacts of the company, negative or positive, actual or potential, on people or the environment in the short, medium or long term - including those connected to the upstream and downstream value chain.



OUTSIDE-IN

Financial relevance

Assess whether the terms of sustainability generate risks and opportunities that have - or can reasonably be expected to have - a significant influence on the development of the company, on its economic and financial situation, on its cash flows, on its access to financing or on the cost of capital in the short, medium or long term.

Time horizon: Short, medium and long term

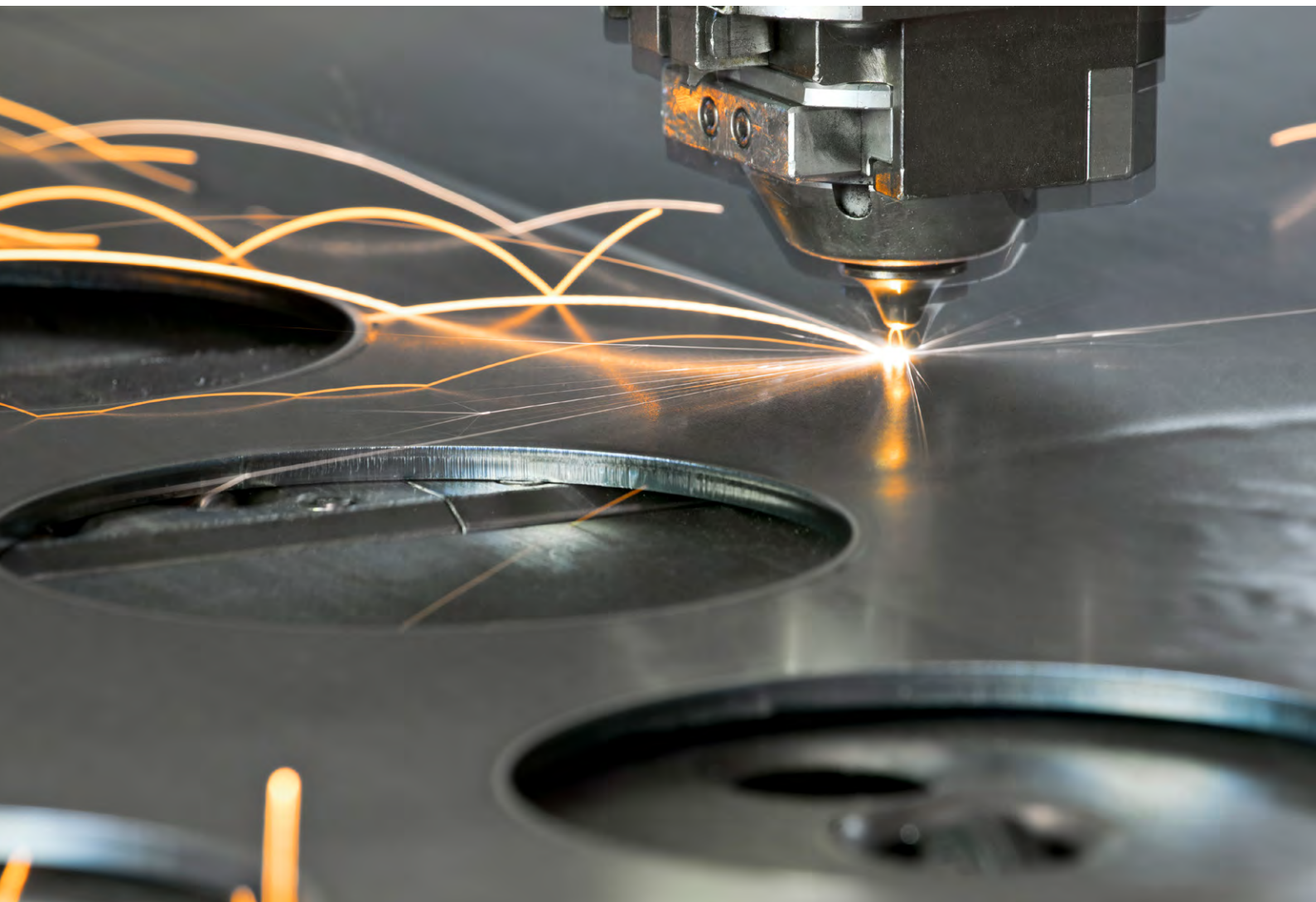
Adequate qualitative and quantitative thresholds, in line with regulations



Involvement of stakeholders inside and outside the company

Compagnia Siderurgica demonstrates its commitment to quality, environment, energy, health, and occupational safety through the achievement of important certifications. The company holds ISO 9001 certification for its Quality Management System, ISO 14001 for Environmental Management, ISO 50001 for Energy Management, and ISO 45001 for Occupational Health and Safety Management. As further proof of its ethical and responsible business conduct, Compagnia Siderurgica has obtained the ** Legal Rating.




Compagnia Siderurgica proactively manages risks and opportunities by integrating this activity into its corporate governance system, rather than confining it to a single department. To this end, it conducts in-depth analyses that take into account cybersecurity, market, financial, warehouse, liquidity, climate (both physical and transitional), social, and ethical risks. To mitigate cybersecurity risks, a phishing simulation was carried out, in addition to all actions outlined in the company's adopted privacy policy. Continuous monitoring, conducted through regular analysis meetings, enables the company to operate efficiently and in compliance with current regulations.



Outcome of the analysis assessing impacts, risks, and opportunities, as well as relevant sustainability issues




The outcome of the analysis of impacts, risks and opportunities carried out by the company in relation to sustainability issues and sub-topics is presented below, through a double materiality assessment and the assignment of relevance (see disclosure requirement IRO-1).

Impacts, risks and opportunities in the environmental sector

Positive and negative impacts (INSIDE OUT)					
Topic	Sub-topic	IRO Description	Positive/ Negative Impact	Proposed typology (real/ potential)	Relevance
ESRS E1 - Climate change	Climate change mitigation	Negative impacts on greenhouse gas emissions may result from suppliers' failure to adopt a structured transition plan or from the adoption of an inadequate plan for reducing GHG emissions, thereby worsening the overall contribution to pollution.	Negative	Potential	
ESRS E1 - Climate change	Energy	The use of energy from non-renewable sources could generate significant impacts in terms of greenhouse gas emissions, increasing the company's carbon footprint.	Negative	Potential	
ESRS E1 - Climate change	Energy	On the other hand, purchasing energy from renewable sources can generate a positive impact by supporting the production of clean energy and promoting the development of sustainable infrastructure and innovation in the energy sector.	Positive	Potential	

Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute







Impact: Negative - Risk Positive - Opportunity Negative - Negative Impact Positive - Positive Impact





Risks and opportunities (OUTSIDE IN)					
Topic	Sub-topic	IRO Description	Risk/ Opportunity	Proposed typology (real/ potential)	Relevance
ESRS E1 - Climate change	Energy	The adoption of green energy production technologies, such as photovoltaic panels, could introduce new operational risks, such as the risk of fires that may damage company infrastructure.	Risk	Potential	
ESRS E1 - Climate change	Energy	Self-production of energy through photovoltaic panels can reduce operating costs, creating a financial opportunity by lowering energy consumption.	Opportunity	Potential	
ESRS E2 - Pollution	Air pollution	Poorly managed production may generate negative environmental impacts, such as air pollution, leading to fines, penalties, and legal costs due to regulatory violations, as well as reputational risk that could harm the company's image.	Risk	Potential	

Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute

Impact: Negative - Risk Positive - Opportunity Negative - Negative Impact Positive - Positive Impact

Impacts, risks and opportunities in the social sector




Positive and negative impacts (INSIDE OUT)					
Topic	Sub-topic	IRO Description	Positive/ Negative Impact	Proposed typology (real/ potential)	Relevance
ESRS S1 - Own Workforce	Work conditions	Employment, Working Hours, and Wages The absence of adequate measures can undermine job stability, lead to working hours that do not comply with standards, and result in inadequate wages, negatively impacting workers' well-being and company productivity.	Negative	Potential	
ESRS S1 - Own Workforce	Work conditions	Employment, Working Hours, and Wages The adoption of effective policies helps ensure stable employment, fair working hours, and adequate wages, with positive effects on workers' well-being, the social fabric, and the economic development of the local area.	Positive	Potential	
ESRS S1 - Own Workforce	Work conditions	Social Dialogue and Collective Bargaining Structured social dialogue and strong collective agreements offer greater protection for workers, promote a collaborative environment, and reduce the risk of disputes.	Positive	Potential	
ESRS S1 - Own Workforce	Work conditions	Positive impacts on working conditions can be generated through policies, processes (including regular monitoring), and timely and effective remedial actions. Health and Safety – Implementation of systems for the prevention and management of workplace accidents and injuries, prompt and effective responses to adverse events (including commuting accidents), and equitable access to safety training sessions for all workers.	Positive	Potential	
ESRS S1 - Own Workforce	Equal treatment and opportunities for all	The lack of inclusion and equal opportunity policies can lead to discrimination, wage gaps, and barriers to career growth, compromising employee well-being and the company's image.	Negative	Potential	
ESRS S1 - Own Workforce	Equal treatment and opportunities for all	The adoption of inclusive practices, such as fair recruitment processes, corporate welfare policies, and diversity training, creates a fairer and more engaging work environment, enhancing productivity and the company's attractiveness.	Positive	Potential	

Risks and opportunities (OUTSIDE IN)					
Topic	Sub-topic	IRO Description	Risk/ Opportunity	Proposed typology (real/ potential)	Relevance (1-5)
ESRS S1 - Own Workforce	Work conditions	Failure to address these aspects may result in job losses, work overload, wages below industry standards, and subsequent impacts on employee motivation and turnover. The lack of constructive dialogue with workers can lead to tensions, strikes, loss of trust in the company, and non-compliance with labor regulations.	Risk	Potential	
ESRS S1 - Own Workforce	Equal treatment and opportunities for all	Unequal treatment or incidents of discrimination can trigger internal conflicts, talent loss, reputational damage, and potential legal consequences, negatively affecting corporate stability.	Risk	Potential	
ESRS S1 - Own Workforce	Equal treatment and opportunities for all	Promoting diversity and inclusion through professional development programs, pay equity, and skills recognition leads to a more motivated, innovative, and competitive work environment, increasing employee retention and satisfaction.	Opportunity	Potential	
ESRS S4 - Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of Expression An opportunity to enhance transparency for consumers by providing clear and accurate product information, such as origin and sustainability.	Opportunity	Potential	

Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute

Impact: Negative - Risk Positive - Opportunity Negative - Negative Impact Positive - Positive Impact

Impacts, risks and opportunities in the governance sector

Positive and negative impacts (INSIDE OUT)					
Topic	Sub-topic	IRO Description	Positive/ Negative Impact	Proposed typology (real/ potential)	Relevance
ESRS G1 - Business Conduct	Corporate culture	An ineffective or non-inclusive corporate culture can lead to a disorganized work environment, lacking commitment to sustainability and employee rights. This may harm the company's reputation, create inequalities and low motivation among workers, and potentially impact the quality of products and services offered.	Negative	Potential	
ESRS G1 - Business Conduct	Corporate culture	A strong corporate culture focused on sustainability and social responsibility fosters positive relationships with employees, customers, and local communities. Valuing diversity, promoting inclusion, and adopting ethical behavior can enhance employee well-being, attract new customers, strengthen community ties, and improve the company's reputation.	Positive	Potential	
Risks and opportunities (OUTSIDE IN)					
Topic	Sub-topic	IRO Description	Risk/ Opportunity	Proposed typology (real/ potential)	Relevance (1-5)
ESRS G1 - Business Conduct	Corporate culture	A company that fails to develop a strong and consistent entrepreneurial culture risks facing challenges in human resource management, customer loyalty, and talent attraction. Poor internal practices can also lead to legal issues, social conflicts, or reputational damage, undermining long-term stability and growth.	Risk	Potential	

Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute




Impact: Negative - Risk Positive - Opportunity Negative - Negative Impact Positive - Positive Impact




The relevant issues and their interactions with the company's strategy and business model




Taking into account internal assessments of the context and discussions with experts, the organisation completed the materiality analysis on ESG issues, defining the list of material topics that will form the basis of the 2024 sustainability reporting process. The following table highlights the material and financial impacts of the relevant issues, explaining where, in the business model, in operations and in the upstream and downstream value chain, the impacts, risks and opportunities are concentrated and how the company deals with them.


Sustainability issues	Material impact (inside out)	Financial impact (outside in)
ESRS E1 - Climate change	The issue of atmospheric emissions is a sensitive one across the entire metalworking sector. The topic of energy is particularly significant. The energy sources used include natural gas, fuel, and electricity. In this regard, the company ensures constant monitoring of energy indicators through its integrated management system. Additionally, a photovoltaic system is in place, generating self-produced energy equivalent to approximately 20% of total consumption, and a portion of the purchased electricity comes from renewable sources.	In a context of increasingly evident climate change, adapting to extreme weather events is a crucial aspect for ensuring business continuity. The company acknowledges the importance of this issue and has implemented protective measures to address potential risks. In particular, the company has always maintained specific insurance coverage to protect itself from the effects of extreme environmental events, aiming to ensure greater resilience and operational security.
ESRS E2 - Pollution	The company's activities generate notable environmental impacts, primarily related to fine particulate matter. These impacts could negatively affect public health, ecosystems, and air quality in the surrounding areas. Improving industrial practices and adopting cleaner technologies help reduce these effects, ensuring a lower environmental impact and enhancing the company's reputation.	The risks associated with pollution include non-compliance with environmental regulations, which could lead to sanctions and reputational damage. Failure to manage environmental risks can also result in financial losses due to legal actions and penalties. Acknowledging the sensitivity of this issue, the company complies with industry regulations and has obtained ISO 14001 certification.
ESRS E3 - Water and Marine resources		Water consumption during business processes and for hygiene purposes is a physiological and unavoidable aspect, but the company is particularly committed to managing it responsibly and efficiently. In recent years, water intensity (consumption per unit of production) has shown a consistent decrease, which reduces financial risks related to water use.
E4 - Biodiversity and ecosystems		

   Non-negligible issues (in the context of voluntary disclosure)

 Non-material topics, not addressed in the report - for the reasons for non-relevance, please refer to ESRS 2 IRO-2.

Sustainability issues	Material impact (inside out)	Financial impact (outside in)
ESRS E5 - Resource use and Circular economy		Compagnia Siderurgica is committed to environmental protection by preventing unlawful discharges and emissions and complying with all regulations regarding the treatment of hazardous waste. Its production processes are low-impact and do not involve the use of polluting chemical substances. Ferrous scrap is delivered to a specialized company, where it is regenerated into new raw material.
ESRS S1 - Own Workforce	Workforce management is a critical issue for all companies. The company upholds gender equality in hiring and compensation processes, operating in accordance with both national and international best practices, with a focus on mitigating health and safety risks. Ongoing training and active listening are the foundations for creating, developing, and maintaining each employee's professional skills. Additional initiatives for employees are also in place, such as supplementary insurance coverage for non-work-related injuries.	The company's strong focus on workplace safety and low employee turnover reduces operational and financial risks related to workplace accidents, absenteeism, and the loss of critical skills. Moreover, workforce stability enhances the company's ability to innovate, increase productivity, and generate sustainable value for all stakeholders.
ESRS S2 - Workers in the value chain		
ESRS S3 Affected communities	Compagnia Siderurgica acknowledges its responsibilities toward the local community, actively contributing through cultural, sports, social, and volunteer initiatives. These include projects in partnership with the Municipality of Sarcedo, Welfare Care, Telethon, and amateur sports organizations.	
ESRS S4 Consumers and end-users	Customer satisfaction is at the core of Compagnia Siderurgica's business. The company collects regular feedback through dedicated surveys and maintains continuous dialogue through personalized visits by Area Managers and regular phone contact. Each product is accompanied by a warranty certificate, and material traceability is guaranteed, with the majority of materials sourced from within the European Union.	Compagnia Siderurgica collects customer feedback through a dedicated satisfaction questionnaire and maintains ongoing dialogue via personalized visits from Area Managers and regular phone contact. The company strongly believes that a solid and continuous relationship is essential for building customer loyalty and constantly improving service quality.
ESRS G1 - Business Conduct	Corporate governance plays a fundamental role in ensuring ethical and transparent practices, helping to build long-term trust and sustainability. In this context, the continuous review and updating of internal regulations — including the Code of Ethics and corporate policies (e.g., Model 231) — is essential. Although the direct external impact may appear limited, this ensures responsible and transparent corporate conduct, prevents corruption risks, and strengthens the company's reputation with customers, investors, and stakeholders.	The review and updating of internal regulations, such as the Code of Ethics, represent an opportunity to strengthen brand reputation by highlighting the company's commitment to best practices and social responsibility. This approach not only improves internal relationships but also fosters new partnerships and opportunities, generating a positive impact on the company's market positioning and access to financing.

   Non-negligible issues (in the context of voluntary disclosure)

 Non-material topics, not addressed in the report - for the reasons for non-relevance, please refer to ESRS 2 IRO-2.

STRATEGY

Summary of the material issues relevant to the company

CROSS-CUTTING STANDARDS		
ESRS 1 General requirements		
ESRS 2 General Disclosure		
TOPICAL STANDARDS		
ENVIRONMENT	SOCIAL	GOVERNANCE
ESRS E1 Climate change	ESRS S1 Own Workforce	ESRS G1 Business Conduct
ESRS E2 Pollution	ESRS S2 Workers in the value chain	
ESRS E3 Water and Marine resources	ESRS S3 Affected communities	
ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
ESRS E5 Resource use and Circular economy		

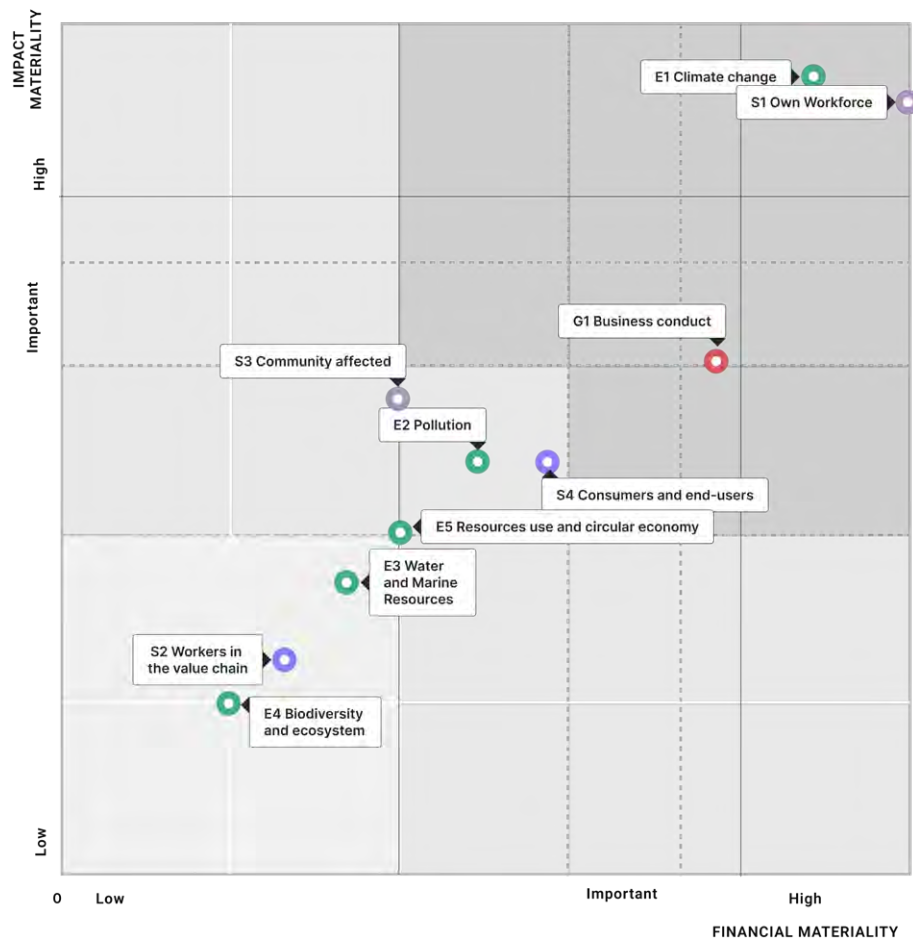
not relevant, not covered in the report
relevant and strategic issues, in-depth
Non-negligible topics (voluntary disclosure)

STRATEGY

The double materiality map

The double materiality map offers a further graphic representation of the thresholds of relevance of the impacts generated and suffered by the organisation, resulting from the relevance analysis approved by the highest governing body of the company. The positioning of the issues on the axes is functional to the definition of the priorities of the strategy and the business model, as well as to the measurement over time of the objectives achieved.

LEGEND:
Environmental Topics
Social Topics
Governance Topics



In light of the analysis carried out, the company has highlighted a series of activities that impact on the business model and which are illustrated below in the **ESRS 2 MDR-A**.

At the beginning of each ESG pillar, the double materiality maps for each area will be presented.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2 IRO 1
GRI 2-25

The matrix reflects the company's point of view on the materiality that has been considered both in terms of material impacts, therefore regarding the relevant impacts of the company, negative or positive, actual or potential, on people or the environment in the short, medium or long term, and in terms of financial impacts, i.e. whether the information is material to the primary users of general purpose financial reports in making decisions about providing resources to the entity.

The analysis was developed with the involvement of the Board and the relevant issues included in this report determine the priorities of the sustainability strategy and are explored in this Report.

The analysis is implemented through the consultation of external and internal sources:

Internal:

- Annual reports;
- Risk matrix;
- Policies;
- Employee surveys;
- Customer data.

External:

- Sustainability Business Model Canvas;
- Sustainability Accounting Standards Board;
- United Nations Human Rights Tool;
- International Labour Organization;
- UN Sustainable Development Goals.

In carrying out the assessment of relevance, the company relied on regular dialogue with stakeholders (IG1, par. 107).

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2 IRO-2
GRI 3-3

The current list of relevant topics by principle is available in the Relevance Matrix in SBM-3.

ESRS E4 - BIODIVERSITY AND ECOSYSTEMS – TOPIC NOT RELEVANT

The company does not operate within or near protected areas or zones at risk from a biodiversity perspective. Therefore, this topic is not considered relevant for the purposes of the analysis. The total area of the company, including offices, plants, and owned properties, amounts to 35,500 sqm. Below is the specification regarding the use of the company's land..

Type of land use	Area in the reporting year (m ²)
Total paved area	35.000
Total site area dedicated to natural habitat	500
Total off-site area dedicated to natural habitat	0

ESRS S2 – WORKERS IN THE VALUE CHAIN – TOPIC NOT RELEVANT

Although the company does not currently identify the issue of workers in its value chain as a potential risk, it is committed to further investigating this topic in the near future.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies adopted to manage material sustainability matters

ESRS 2 MDR-P
GRI 2-22,
GRI 2-25

In the table below, the policies adopted by the company to deal with sustainability issues deemed relevant, with external links to resources that can be consulted. Where present, references to more than one material issue are also given as the policy addresses more than one issue. Further details of the policy, its scope and the tools provided to address the issues are given in the thematic chapter.

Adopted Policy	Summary Content	Sustainability Issue(s) Addressed	Link
Corporate Policy	Outlines strategies and guidelines for achieving objectives and managing risks, considering ESG aspects, i.e., environmental, social, and governance topics.	<ul style="list-style-type: none"> Improvement of energy performance; Ensuring Safety and Health in its activities; Resource use and Circular economy; Business Conduct 	Corporate Policy URL
Code of Ethics	Establishes the values, principles, and behaviors that the company and its representatives commit to respecting towards stakeholders and the environment.	<ul style="list-style-type: none"> Conduct criteria in business management; Health, safety, environment 	Code of Ethics URL
MOG 231	Regulates the administrative liability of legal persons, companies, and associations without legal personality, pursuant to Article 11 of Law 29 September 2000, No. 300.	<ul style="list-style-type: none"> Definition of protocols, procedures, and responsibilities; Business Conduct 	MOG 231 URL
Whistleblowing	Provides a protected and confidential channel through which employees and third parties can report, in good faith, alleged unlawful conduct or relevant irregularities, actively contributing to organizational transparency and integrity.	<ul style="list-style-type: none"> Transparency and integrity 	Whistleblowing URL
Privacy Policy	The company commits to processing personal data lawfully, fairly, and transparently, ensuring data are collected for specific, explicit, and legitimate purposes and retained only as long as necessary to achieve those purposes.	<ul style="list-style-type: none"> General Data Protection Regulation (GDPR) 	Privacy Policy URL

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources in relation to material sustainability matters

ESRS 2 MDR-A
GRI 2-25

For the company, it is essential to adopt targeted strategies to reduce its impacts while simultaneously promoting a conscious use of resources and integrating sustainability into its daily operations.

Starting from the identification of relevant sustainability issues, the company has outlined a series of actions, projects, and activities aimed at mitigating the effects and risks generated by its operations on ESG aspects.

CATALOGUING OF PROJECTS ACCORDING TO ESG STANDARDS INTERNATIONAL

The following table lists the Company's projects related to ESG issues and their progress in terms of monitoring. The projects are catalogued according to the ESRS (European Sustainability Reporting Standard), defined by the CSRD (Corporate Social Responsibility Directive) which allows for the identification of the materiality related to the Company's projects. The table also highlights the objectives to be achieved, the resources used and the metrics that will allow the target to be verified.

The in-depth analysis of the projects/actions, represented in the table, is referred to the individual thematic sections.

Scope	Activity	ESRS	Targets	Metrics	Timeframe	Activity status	Budget
Climate change	Energy consumption efficiency improvement	ESRS E1-1 Transition plan for climate change mitigation	<ul style="list-style-type: none"> Reduction of electricity consumption GHG reduction 	Application of the GHG Protocol supported by an energy diagnosis (comparison from project start over 3 years) Annual consumption monitoring	Continuous improvement	In progress	N/A
		ESRS E1-5 Energy consumption and mix					
		ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions					
Own Workforce	ESG training	ESRS S1-1 Policies related to own workforce	<ul style="list-style-type: none"> Increase in ESG-related skills Promotion of an ethical culture within the company 	Training hours	2 years	In the planning phase	N/A
	Whistleblowing training	ESRS S1-13 Training and skills development metrics					






Environment: Environmental Information


MATERIAL TOPICS


Environmental Information

Relevant Issues for the Company

ESRS E1	Climate Change	Climate change adaptation
		Climate change mitigation
		Energy
ESRS E2	Pollution	Air pollution
		Pollution of water
		Pollution of soil
		Pollution of living organisms and food resources
		Substances of concern
		Substances of very high concern
		Microplastics
ESRS E3	Water and Marine resources	Water
		Marine resources
ESRS E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss
		Impacts on the state of species
		Impacts on the extent and condition of ecosystems
		Impacts and dependencies on ecosystem services
ESRS E5	Resource use and Circular economy	Resources inflows, including resource use
		Resources outflows related to products and services
		Waste

 Irrelevant topics not covered in the report

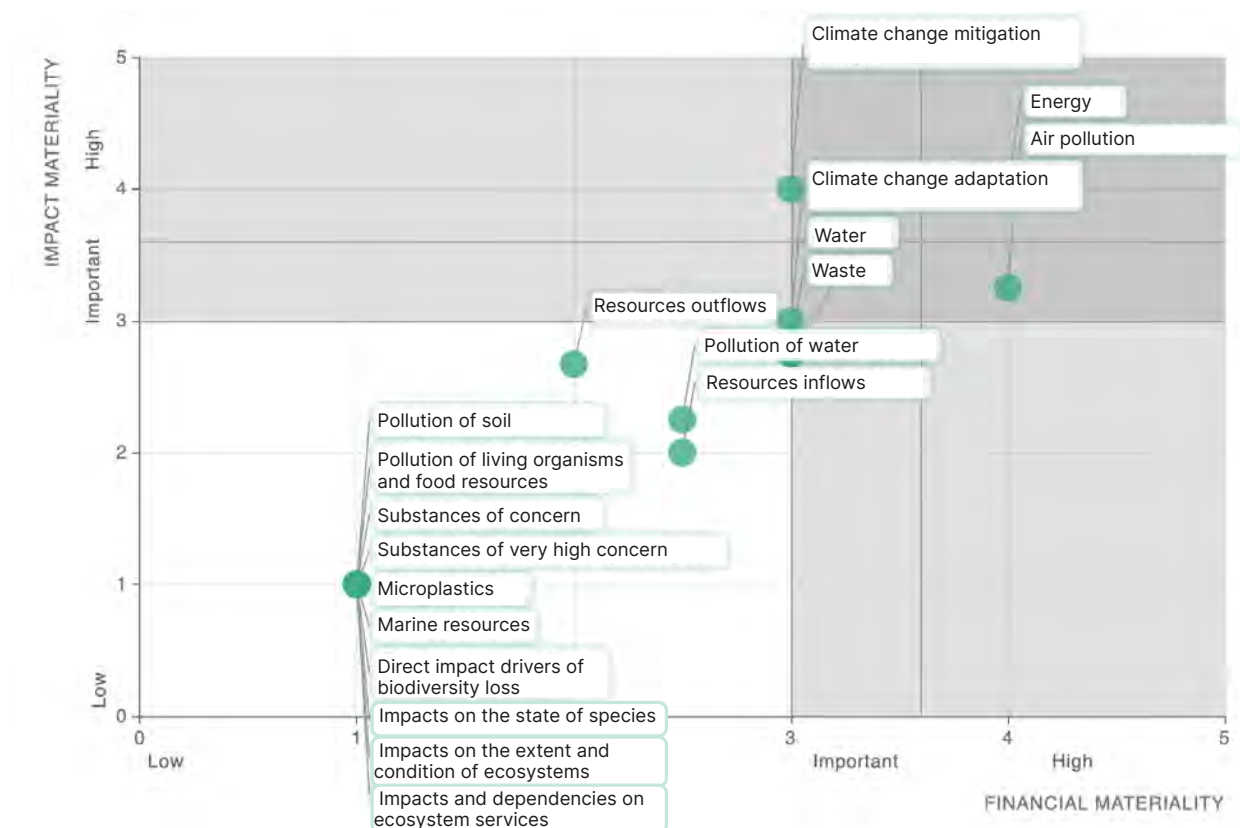
 relevant and strategic issues, in-depth

 Non-negligible issues (in the context of voluntary disclosure)

MATERIAL TOPICS

Environmental Information

Relevant Issues for the Company



DOUBLE MATERIALITY MAP

RELEVANT ISSUES

- Climate change mitigation
- Energy

NON-NEGLECTIBLE ISSUES

- Climate change adaptation
- Air pollution
- Water
- Resource use and Circular economy

NOT RELEVANT ISSUES

- Pollution (except for air pollution)
- Marine resources
- Biodiversity and ecosystems

MATERIAL TOPICS

ESRS E1 - Climate change

CLIMATE CHANGE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to climate change mitigation and adaptation

ESRS E1-2
GRI 2-22,
GRI 2-25,
GRI 3-1



ISO 14001
Certified
Environmental
Management
System

The climate crisis has highlighted the vulnerability of infrastructure and supply chains, making it essential to define strategies to prevent, mitigate, or correct such negative effects—especially through collaboration between the public and private sectors. Specifically, individual organizations can contribute by identifying the environmental impacts arising from their activities and commercial relationships and by defining sustainable strategies to manage the climate crisis with a view to improving profitability, productivity, and employment.

Compagnia Siderurgica demonstrates a concrete commitment to environmental sustainability and energy efficiency through the adoption of certified management systems. The implementation and maintenance of an Environmental Management System compliant with the ISO 14001 standard attest to the company’s determination to monitor and minimize its environmental impact by managing significant aspects and continuously improving its environmental performance.

At the same time, the certification of its Energy Management System according to the ISO 50001 standard underscores Compagnia Siderurgica’s commitment to optimizing its energy consumption, increasing efficiency, and reducing its overall energy footprint. The adoption of these international standards reflects the company’s strategy oriented toward environmental responsibility and conscious resource use.

Demonstrating its proactivity in risk management, including those related to climate change, Compagnia Siderurgica has conducted a specific assessment of the physical risks it may face. Following this analysis, the company has obtained adequate insurance coverage aimed at mitigating the potential impact of extreme events linked to climate change. Details of the insurance policy are summarized in the following table.

Type of Risk	Insurance Coverage	Start Date (dd/mm/yyyy)	Expiry Date (dd/mm/yyyy)	Insured Amount (€)	Maximum Coverage (€)	Possible Deductible (€)
Flood, inundation and overflow	Buildings and machinery	1/01/2024	31/12/2024	27.842.100*	13.921.050	15.000
Earthquake	Buildings and machinery	1/01/2024	31/12/2024	27.842.100	13.921.050	25.000
Hail	Buildings and machinery	1/01/2024	31/12/2024	/	19.489.470	10% with a minimum of €1,500
Frost	Buildings and machinery	1/01/2024	31/12/2024	/	30.000	1.500

* The third-party liability coverage amounts to €500,000; demolition and clearance expenses amount to €250,000; electrical phenomenon coverage amounts to €50,000.

CLIMATE CHANGE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources in relation to climate change policies

ESRS E1-3
GRI 302-1,
GRI 302-4

The issue of climate change represents one of the most significant challenges of our time: it is essential to develop strategies aimed at reducing greenhouse gas emissions, preserving natural resources, and adapting to ongoing changes.

Based on a thorough analysis of its energy consumption, carried out through a specific audit, Compagnia Siderurgica has implemented an advanced system for monitoring energy use and key operational parameters, supported by the purchase of dedicated measuring devices. This system allows, first, the precise identification of critical areas in order to optimize their management; second, an accurate assessment of the potential benefits derived from energy efficiency interventions during the design phase; and finally, the reporting of the actual results achieved.

Demonstrating its commitment to the energy transition, the company made a total investment of €250,000 in 2024 for the installation of a new photovoltaic system. Compagnia Siderurgica has also already planned further energy efficiency measures as part of its continuous improvement approach. In particular, the replacement of the oxy-cutting machine with a state-of-the-art model is scheduled for the current year (2025). Additionally, between this year and 2026, the replacement of 4 inverters in the filters will be completed.

CLIMATE CHANGE - METRICS AND TARGETS

Energy consumption and mix

ESRS E1-5
GRI 302-1



**54% of the
energy used
comes from
renewable
sources**

The company's energy consumption is crucial to outlining the impact in terms of consumption efficiency and its environmental consequences. Having a monitoring system allows the identification of priority areas to optimize resources and pursue energy efficiency strategies. During 2024, the company's total energy demand amounted to 2,304 MWh. Of this total, a significant share—42%—was met through the purchase of electrical energy from renewable sources. An additional contribution, approximately 12%, was provided by self-produced energy from the company's photovoltaic system, bringing the coverage of energy demand from renewable sources to 54%.

The plant was initially installed in 2011 with a capacity of 42.2 kW and was later expanded during 2021/2022 with the installation of an additional 300.12 kW on the new warehouse, reaching a total capacity of approximately 342 kW. The system became operational during the reporting year, and at full capacity, it is estimated that the self-produced energy from this plant will be able to cover 20% of the company's total energy demand.

The table below shows the details of the energy consumed during the year.

Sources	MWh	GJ
Electricity purchased from the grid	2.016	7.257
Total energy purchased from the grid from renewable sources	858	3.089
Electricity from self-produced renewable sources	1.158	4.168
Photovoltaic	288	1.037
Total energy consumed within the organization	2.304	8.294

CLIMATE CHANGE - METRICS AND TARGETS

Gross Scopes 1, 2, 3 and Total GHG emissions

ESRS E1-6
GRI 305-1,
GRI 305-2

Greenhouse gas (GHG) emissions are commonly classified into different categories called "scopes" according to the Corporate Reporting and Accounting Standard of the GHG Protocol, an international standard for measuring and managing emissions.

Scope 1 emissions are generated by the organization's direct combustion activities, such as methane gas combustion within company facilities, other internal industrial processes, and emissions from company-owned vehicles.

Scope 2 emissions are associated with the purchase and use of electricity, steam, heat, or cooling from sources external to the organization. These emissions result

from the production chain of the energy carrier used by the company but are not emitted directly on-site.

Scope 3 emissions cover the upstream and downstream activities of the company, involving the entire value chain. Upstream activities include waste generated, goods and services purchased, transportation, business travel, and distribution.

Downstream actions consider investments and services to customers, leased goods, product disposal, and emissions generated by suppliers within the supply chain.

The energy carriers used by Compagnia Siderurgica are:

- natural gas, for the operation of the thermal power plant and cutting systems;
- fuel, for the operation of the company vehicle fleet;
- electricity purchased from the grid.

The company owns a vehicle fleet, with the breakdown by fuel type shown in the table below.

Fuel Type	Category	N. Vehicles
Diesel	Euro 6 o sup.	6
	Euro 5	1
Hybrid/Electric	Mild hybrid	2

Regarding the calculation of greenhouse gas emissions, the estimate was made using the conversion factor provided by the GHG Emission Protocol. The results of the analysis, broken down by categories, are presented in the following table.

Scope	Ton CO ₂ eq
Scope 1 (direct emissions)	277,46
Scope 2 (indirect emissions)	353,33
Scope 3 (other indirect emissions)	nd
Total emissions	630,79

CLIMATE CHANGE - METRICS AND TARGETS

GHG removals and GHG mitigation projects financed through carbon credits

ESRS E1-7
GRI 305-5

The absorption of greenhouse gases (GHGs) and emission mitigation projects represent one of the most urgent challenges of our time, in a global context that is increasingly focused on environmental sustainability. GHG absorption refers to the capacity of ecosystems—such as forests, soils, and oceans—to capture and store carbon dioxide (CO₂) and other harmful gases, thereby helping to reduce the concentration of these pollutants in the atmosphere.

In parallel, GHG emission mitigation projects aim to reduce the amount of greenhouse gases released by human activities through the adoption of innovative technologies, sustainable agricultural practices, and the implementation of renewable energy sources.

The Company has embarked on a path to assess its environmental impact by conducting both a comprehensive energy audit and a calculation of its greenhouse gas emissions, expressed in CO₂ equivalent (CO₂e), in 2023. This analysis has made it possible to identify the main emission sources and their respective percentage impact. Although a specific reduction target has not yet been set, the Company is committed to decreasing its CO₂ emissions into the atmosphere in the coming years.

MATERIAL TOPICS

ESRS E2 - Pollution

POLLUTION - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to pollution

ESRS E2-1
GRI 305-6,
GRI 305-7



Voluntary Monitoring of Pollutants

Monitoring pollution of natural resources is essential to manage the impact of business activities. This refers not only to greenhouse gas emissions, but also to the release of chemical agents, volatile substances, or materials that may be dispersed into the air, water, or soil, posing environmental risks and health hazards for living beings.

Air emissions are particularly significant in the metalworking industry, and *Compagnia Siderurgica SpA* has long demonstrated a proactive commitment to this issue through continuous monitoring. The company holds the *Integrated Environmental Authorization* (AUA) No. 308/2023, issued on 19/12/2023, following plant modifications stemming from recent investments. This authorization, valid for fifteen years from the date of issuance (expiring in December 2038), certifies the environmental compliance of the company's operations.

Moreover, the adoption of an integrated management system enables *Compagnia Siderurgica SpA* to effectively oversee environmental analyses and their outcomes. Throughout the reporting year, the company operated without causing environmental damage and without incurring fines or penalties for environmental violations. In accordance with its Environmental Management System, the company voluntarily monitors pollutants potentially emitted into the atmosphere, maintaining a detailed registry of these substances.

This control is implemented through a scheduled monitoring plan of its emission points: four stacks are subject to annual testing, while the remaining plants are monitored biennially. The measurements are conducted by an accredited external laboratory, which performs direct sampling to ensure data accuracy.

MATERIAL TOPICS

ESRS E3 - Water and Marine resources

WATER AND MARINE RESOURCES - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to water and marine resources

ESRS E3-1 GRI 303-2, GRI 303-3	<p>The sustainable management of water resources is essential, as water is a shared and valuable resource that must be preserved.</p> <p>The Company actively promotes a conscious and responsible use of water resources by implementing targeted actions to reduce and contain consumption in the medium and long term, also through dedicated monitoring. The adopted environmental management system includes continuous monitoring of water consumption to promptly identify any leaks caused by possible pipeline or system failures, or by inefficient use.</p> <p>The Company's water supply comes from external sources, specifically through the municipal aqueduct. Water is used exclusively for sanitary purposes. Moreover, in accordance with the integrated management system, constant monitoring is carried out on first rainwater and runoff water from company yards.</p>
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WATER AND MARINE RESOURCES - METRICS AND TARGETS

Water consumption

ESRS E3-4 GRI 303-3	<p>Water consumption measures the amount of water used by the organization that is no longer available for use by the ecosystem or the local community during the reporting period. Water withdrawal refers to the total volume of water drawn from surface water, groundwater (including rainwater), seawater, or supplied by third parties, for any use during the reference period. Water discharge, on the other hand, refers to the total amount of discharged water, including both used and unused water, released as surface water, groundwater, seawater, or provided to third parties, no longer used by the organization during the reporting period.</p> <p>The total amount of water withdrawn by the company during the reporting year is 1,242 m³.</p> <p>The table below shows data relating to the company's water consumption, withdrawal, and discharge.</p>
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Type of site	Water stress level	Withdrawal source	Water withdrawal (m³)	Water discharge (m³)	Water consumption (m³)
Legal and administrative headquarters	Medium-High	Spring water	1242	1242	0

MATERIAL TOPICS

ESRS E5 - Resource use and Circular economy

RESOURCE USE AND CIRCULAR ECONOMY - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to resource use and circular economy

ESRS E5-1 GRI 2-22

Circular economy refers to an economic system in which the value of products, materials, and other resources is maintained for as long as possible, enhancing their efficient use in production and consumption to reduce the environmental impact of their use. This is achieved by minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy.

The goal is to maximize and preserve the value of resources, products, and technical and biological materials by creating a system that enables durability, optimal use or reuse, refurbishment, remanufacturing, recycling, and nutrient cycling.

Compagnia Siderurgica is actively committed to environmental protection, paying utmost attention to preventing unlawful discharges and emissions of harmful materials and strictly complying with regulations for the treatment of waste or processing residues considered at risk.

The processes carried out are characterized by a low environmental impact, as they do not involve the use of chemicals that could pollute water, air, or soil. The amount of waste produced in 2024 mainly consists of production scraps, specifically ferrous waste, a category that is generally recovered almost entirely.

RESOURCE USE AND CIRCULAR ECONOMY - METRICS AND TARGETS

Resource inflows

ESRS E5-4
GRI 301-1,
GRI 301-2



Traceability of raw materials and quality certificate

The company can optimize the impacts of its activities, in terms of material consumption, through the design of products and services based on the principles of the circular economy.

This strategic approach involves a series of choices for the company, as previously mentioned, including:

- the use of renewable sources and materials derived from recycling and/or reuse;
- extending the product lifecycle through modular design;
- the recovery and recycling of raw materials that enable repair, regeneration, and reintroduction of products to the market after upgrading, or to generate new products for different purposes.

All materials are traceable and accompanied by a quality certificate, and they are managed according to an effective control process, from receipt to delivery. Each supply is therefore accompanied by a raw material certificate, and when special needs arise, the company's specialized technicians can perform non-destructive testing on the material (ultrasound, liquid penetrant tests).

Additionally, the company relies on an Accredia-accredited laboratory for destructive testing (chemical analyses, z-tests, or mechanical tests at different temperatures) as well as for material requalification, issuing test reports that complete the documentation provided.

For the production of its products, the company purchased 33,982 tons of raw materials, of which 3,834 tons come from recycled sources, representing approximately 11% of the total.

RESOURCE USE AND CIRCULAR ECONOMY - METRICS AND TARGETS

Resource outflows

ESRS E5-5
GRI 301-3,
GRI 306-3

With the goal of achieving the international target of "Zero Waste to Landfill," which aims to reduce to 10% the amount of waste sent to landfill by 2035, the company needs to adopt a strategy focused on redesigning the life cycle of waste by considering it not as scrap, but—where possible—as resources to be reused.

This approach allows balancing practices that necessarily involve incineration or landfill processes, aiming to eliminate or significantly reduce the portion of waste to be disposed of. For this purpose, it is essential for the company to monitor waste collection data and understand how the waste can be managed.

The total amount of waste produced by the company amounts to 7,974 tons. These processing scraps, consisting mainly of ferrous material, are sent to a specialized



99% of the waste is recovered

company that handles their regeneration to create new raw materials. All waste treatment suppliers are local, operating within a maximum radius of 20 km from the company headquarters and complying with current legislative requirements.

In this regard, the company annually prepares the Single Environmental Declaration Model (MUD), indicating the CER codes of the waste transported during the year. As highlighted in the following summary, the breakdown of waste by type shows that the total weight of recovered waste is 7,884 tons, representing 99% of the total waste, mainly composed of ferrous scrap. The product, made entirely of ferrous material, is 100% recyclable.

Waste category	CER code and description	Total waste produced (kg)	Waste destined for recycling or reuse (kg)	Waste destined for disposal (kg)	Type of disposal
Non-hazardous waste	100912 - Asbestos-free particles	85.580		85.580	Landfill
Non-hazardous waste	120101 - Ferrous metal filings and turnings	20.630	20.630		Recycling
Non-hazardous waste	120102 - Ferrous metal dust and particulate matter	809.520	809.520		Recycling
Non-hazardous waste	120121 - Used cutting tools and grinding materials, different from those listed under 120120	290	290		Recycling
Non-hazardous waste	120199 - Waste not otherwise specified, ferrous scrap	7.027.389	7.027.389		Recycling
Non-hazardous waste	150101 - Paper and cardboard packaging	3.570	3.570		Recycling
Non-hazardous waste	150103 - Wooden packaging	9.060	9.060		Recycling
Non-hazardous waste	150106 - Packaging in mixed materials	8.970	8.970		Recycling
Non-hazardous waste	150203 - Absorbents, filter materials, wiping cloths, and protective clothing	150	150		Recycling
Non-hazardous waste	160216 - Components removed from out-of-service equipment	660	660		Recycling
Non-hazardous waste	170405 - Ferrous metal and steel scrap	3.420	3.420		Recycling
Non-hazardous waste	170411 - Electrical and communication cables not containing hazardous substances	180	180		Recycling
Non-hazardous waste	080318 - Used printing toner	10	10		
TOTAL Non-hazardous waste		7.969.429	7.883.849	85.580	

Waste category	CER code and description	Total waste produced (kg)	Waste destined for recycling or reuse (kg)	Waste destined for disposal (kg)	Type of disposal
Hazardous waste	120109 – Emulsions and solutions for machinery, not containing halogens	5.150		5.150	Landfill
Hazardous waste	150202 – Absorbents, filter materials, wipes, and protective clothing contaminated by hazardous substances	120	120		Recycling
TOTAL Hazardous waste		5.270	120	5.150	
TOTAL Waste		7.974.699	7.883.969	90.730	








Social: Social Information


MATERIAL TOPICS


Social Information

Relevant Issues for the Company

ESRS S1	Own Workforce	Work conditions
		Equal treatment and opportunities for all
		Other work-related rights
ESRS S2	Workers in the value chain	Work conditions
		Equal treatment and opportunities for all
		Other work-related rights
ESRS S3	Affected communities	Communities' economic, social and cultural rights
		Communities' civil and political rights
		Rights of indigenous peoples
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users
		Personal safety of consumers and/or end-users
		Social inclusion of consumers and/or end-users

 Irrelevant topics not covered in the report

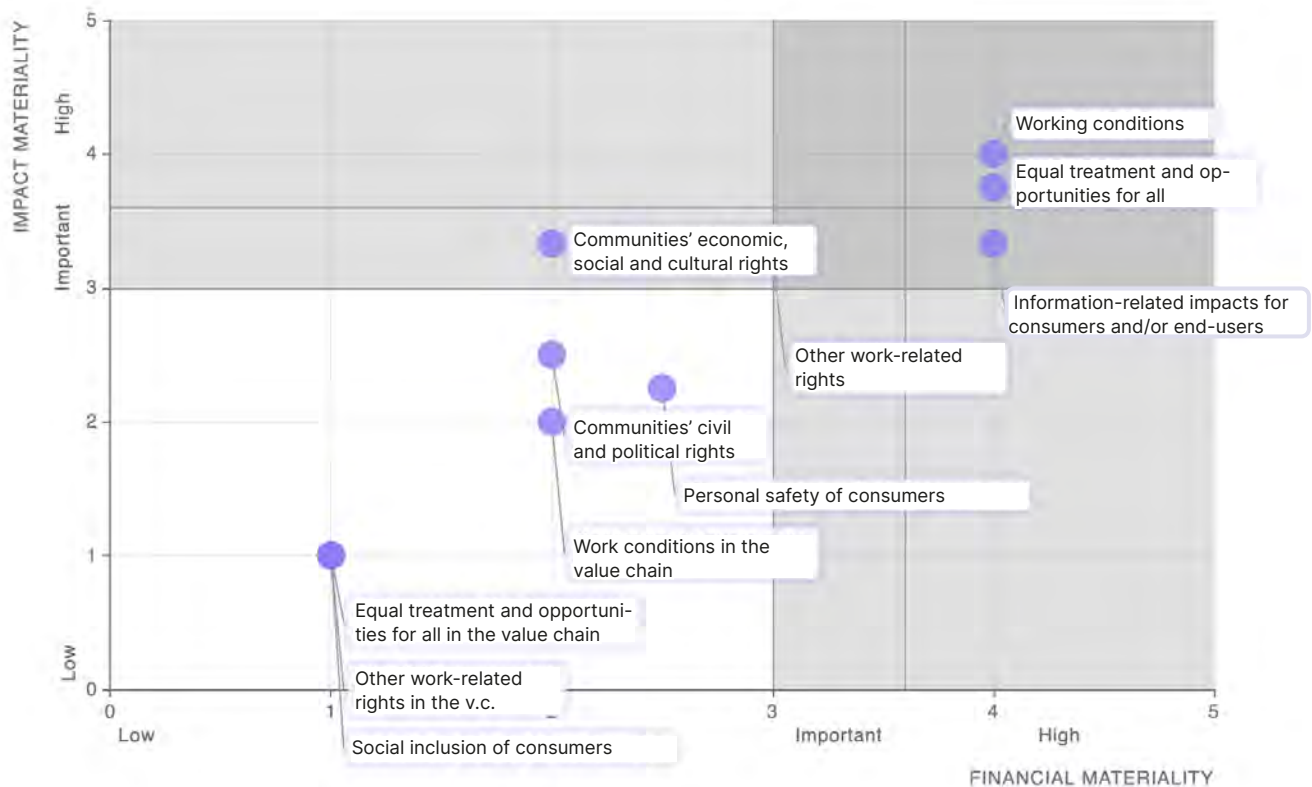
 relevant and strategic issues, in-depth

 Non-negligible issues (in the context of voluntary disclosure)

MATERIAL TOPICS

Social Information

Relevant Issues for the Company



DOUBLE MATERIALITY MAP

RELEVANT ISSUES

- Work conditions
- Equal treatment and opportunities for all
- Information-related impacts for consumers and/or end-users

NON-NEGLIGIBLE ISSUES

- Other work-related rights
- Communities' economic, social and cultural rights

NOT RELEVANT ISSUES

- Workers in the value chain
- Communities' civil and political rights
- Rights of indigenous peoples
- Personal safety of consumers and/or end-users
- Social inclusion of consumers and/or end-users

MATERIAL TOPICS

ESRS S1 - Own Workforce

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to own workforce

ESRS S1-1 GRI 403-1	<p>The company, to raise awareness among its employees, implements training programs to provide the necessary instructions for their protection and makes available the means and tools to ensure a safe working environment.</p> <p>At the same time, employees are expected to assume specific responsibilities and play an active role, contributing directly or through their representatives to the implementation of the company's safety system.</p> <p>Collaboration between employer and employee is essential to guarantee health and safety. This partnership begins with training and extends to the adoption of best practices, in compliance with national, European, and sector regulations.</p> <p>Human resources play a crucial role as the driving force behind the success and growth of Compagnia Siderurgica. From recruitment to personnel management, employees' skills and motivation directly influence the operational efficiency and innovation of the organization. Investing in human resource development helps create a positive environment, fosters internal talent, and promotes corporate cohesion—key elements for addressing challenges and achieving sustainable long-term results for the company.</p> <p>For this reason, Compagnia Siderurgica consistently invests in creating and maintaining a cohesive and motivated work environment. Refresher courses and active listening form the foundation for developing and maintaining each employee's professional skills, always paying close attention to personal well-being. Moreover, the company has policies and practices in place regarding social matters to protect employees' health, hygiene, and safety. The following table provides details related to these policies.</p>
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Policy/Procedure Area	Description	Approval Date	Communication Method	Policy/ Procedure Owner	Target
Employee health, hygiene, and safety (e.g. management of workplace health and safety)	ISO 45001 certification	22/01/2025	Company website	Employer	Injury reduction

The Company actively promotes respect for and protection of the individual in their moral, cultural, physical, and professional integrity, with the aim of fostering the growth of the professional assets of every member of the workforce and, consequently, the overall development of the organization.

The behavior of those who work with and for Compagnia Siderurgica—in interactions with clients, employees, suppliers, the community, and institutions—must consistently be guided by principles of honesty, fairness, impartiality, and absence of prejudice.

Recognizing people and collaborators as a strategic and valuable resource, the company is committed to promoting their development and the growth of their professional assets in order to enhance its own competitiveness and value. In this perspective, respect for and protection of the moral, cultural, physical, and professional integrity of each employee is encouraged.

Therefore, those who work with and for the Company are required to refrain from any form of discrimination based on nationality, gender, age, disability, health status, sexual orientation, political or union opinions, philosophical or religious beliefs.

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes to remediate negative impacts and channels for own workers to raise concerns

ESRS S1-3
GRI 405-1,
GRI 406-1

Through active listening and employee engagement, companies can not only address emerging issues but also continuously improve their practices and policies, thereby contributing to a healthier and more sustainable work environment.

To prevent discrimination and harassment in the workplace, Compagnia Siderurgica implements proactive initiatives during the recruitment process and enforces reporting procedures for misconduct (whistleblowing).

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on own workforce

ESRS S1-4
GRI 403-1



“Azienda Sicura” recognition

The protection of employee health and safety is a fundamental pillar for companies aiming at regulatory compliance and sustainability. Careful management of these aspects not only reduces the risks of workplace accidents and related penalties but also provides opportunities to improve the working environment, increase productivity, and attract and retain talent.

Risk analysis related to health and safety enables the identification of areas for improvement and the implementation of safer and more sustainable practices. Investing in wellness and safety programs not only protects employees but also helps promote a responsible corporate culture and strengthens a positive company image.

Compagnia Siderurgica has implemented an internal system dedicated to managing the health and safety of its employees. The company is constantly committed to monitoring risks connected to production activities, with the primary goal of enhancing prevention through targeted training, staff awareness, and rigorous control and audit activities. As a testament to its commitment, the company has maintained the “Azienda Sicura” certification from INAIL, linked to the “safe work” project.

Compagnia Siderurgica places great importance on Sustainable Work, considering it essential for the dignity, safety, equity, and well-being of people. The company is committed to combating all forms of exploitation by promoting dialogue on these topics. Sustainable Work is seen as a driver for continuous professional development, work-life balance, and individual and organizational satisfaction, removing barriers to entry, retention, and growth in the labor market, while enhancing inclusion and equity.

To promote a safe work environment and a safety-oriented mindset at all organizational levels, Compagnia Siderurgica implements a proactive and structured approach. This includes the active involvement of the board and employees in safety planning, continuous communication on new procedures, thorough evaluation of company risks, ongoing training programs with practical sessions, and detailed recording of all incidents, including near misses.

To further strengthen safety, the company adopts a color-coded system for protective helmets in production departments, assigning specific roles to each color within operational organization and emergencies: yellow for workers, red for firefighting,

green for first aid, and orange for department managers. It is also worth noting the increase in the frequency of general inspections on lifting equipment from annually to semi-annually.

OWN WORKFORCE - METRICS AND TARGETS

Characteristics of the undertaking's employees

ESRS S1-6
GRI 2-7,
GRI 2-8

Compagnia Siderurgica is committed to creating and maintaining a cohesive and motivated work environment. Continuous professional development and active listening are the cornerstones on which the growth of each employee's skills is based, with constant attention to individual well-being.

In 2024, Compagnia Siderurgica's workforce consisted of 95% full-time employees, with only one part-time contract. Additionally, the company demonstrates its commitment to building a stable team and long-lasting working relationships, oriented towards a long-term vision, with nearly all employees (except for four individuals) hired on permanent contracts.

All 104 employees of the company are based in Italy and are distributed by age group and gender as follows:

Age group	Men	Women
Up to 30 years	9	5
30-50 years	50	7
Over 50 years	30	3

In the table below, the number of full-time and part-time employees is shown, distinguished by professional classification, at the end of the reporting year.

Type of Contract/Classification	Men	Women
Full-time	86	15
Executives	1	0
Middle Managers	0	1
Clerical Staff	25	12
Workers	60	2

Type of Contract/Classification	Men	Women
Part-time	2	1
Executives	0	0
Middle Managers	0	0
Clerical Staff	0	1
Workers	2	0

In the following table, the details by contract type.

Type of contract/position	Men	Women
Permanent contract	85	15
Executives	1	0
Middle managers	0	1
Employees	25	12
Workers	59	2
Fixed-term contract	3	1
Executives	0	0
Middle managers	0	0
Employees	0	1
Workers	3	0

The contracts activated since the beginning of the year amount to 14 people. The table shows details relating to the new hires.

Age group	Men	Women
Up to 30 years	4	3
30-50 years	4	1
Over 50 years	1	1
Total newly hired employees	9	5

The number of contracts terminated since the beginning of the year is 13. The following table provides the demographic overview of the terminated contracts.

Age group	Men	Women
Up to 30 years	2	0
30-50 years	3	2
Over 50 years	5	1
Total terminated contracts	10	3

The number of internships and traineeships activated in the last year is 6. The table shows the origin of the interns/trainees.

School of origin	Men	Women
IPSIA SCOTTON	2	0
ITIS CHILESOTTI	3	0
LICEO CORRADINI	1	0

OWN WORKFORCE - METRICS AND TARGETS

Characteristics of non-employee workers in the undertaking's own workforce

ESRS S1-7
GRI 2-8

The company makes use of non-employee workers and collaborators. In the following table, the breakdown of non-employee workers by gender and age.

Age group	Men	Women
Up to 30 years	0	0
30-50 years	0	0
Over 50 years	1	1

OWN WORKFORCE - METRICS AND TARGETS

Collective bargaining coverage and social dialogue

ESRS S1-8
GRI 2-30

Collective bargaining and social dialogue are fundamental elements for managing human resources within a company. Through collective bargaining, companies can establish clear and shared agreements regarding work conditions, wages, and benefits, contributing to creating an atmosphere of trust and transparency. Compagnia Siderurgica applies the national collective labor agreement (CCNL) for the metalworking industry to its staff, which includes 104 employees and 2 non-employee collaborators.

OWN WORKFORCE - METRICS AND TARGETS

Adequate wages

ESRS S1-10
GRI 405-2

The issue of adequate wages for employees directly affects motivation, productivity, and the overall well-being of workers. Fair compensation not only reflects the value of the work performed but is also a fundamental element for attracting and retaining talent in an increasingly competitive labor market. Companies that invest in adequate wages demonstrate a commitment to social responsibility and sustainability, contributing to creating a positive and inclusive work environment. The company's employees receive salaries that are adequate and aligned with applicable reference standards. The full-time entry-level salary for the lowest occupational category, excluding interns and apprentices, is €1,719.67, corresponding to the minimum compensation established by the applicable national collective labor agreement (CCNL). After the probation period, the company provides an individual "superminimo" (additional minimum payment). Subsequent salary increases are determined in accordance with the provisions of the collective agreement applied.

OWN WORKFORCE - METRICS AND TARGETS

Social protection

ESRS S1-11
GRI 403-1,
GRI 403-6

Social protection for employees is a fundamental element for well-being and stability within a company. It refers to the set of measures and policies adopted to ensure workers' economic security, health, and social support.

The company provides social protection for its employees through public programs or benefits offered by the company, covering loss of income due to significant life events (e.g., illness, unemployment from the moment the worker starts employment with the company, work-related injuries and acquired disabilities, parental leave, retirement).

Compagnia Siderurgica offers RCA (third-party liability) insurance policies for its employees and, specifically, provides an additional voluntary insurance policy covering accidents with disability points and serious domestic accidents.

OWN WORKFORCE - METRICS AND TARGETS

Persons with disabilities

ESRS S1-12
GRI 2-7

The company invests in and promotes an inclusive corporate culture, valuing the unique skills of each individual and thereby improving the overall performance of the organization. In this context, the company has the opportunity to demonstrate its commitment to a more inclusive and sustainable society. In the reporting year, the company employed employees belonging to protected categories under Law 68/99 or disadvantaged individuals under Law 381/91, totaling 6 resources.

OWN WORKFORCE - METRICS AND TARGETS

Training and skills development metrics

ESRS S1-13
GRI 404-1,
GRI 404-2

Investing in the growth of employee skills not only improves individual performance but also helps create a motivating and innovative work environment. The company promotes continuous training programs, demonstrating a commitment to enhancing the abilities of its collaborators and supporting their adaptability to market changes.

Continuous training represents a fundamental pillar of initiatives aimed at personnel. During the reporting year, 700 hours of training were provided, involving a total of 66 employees, of which 58 were men and 8 were women. Beyond mandatory training, the programs covered topics such as communication, leadership, and analysis of the company climate.

For the 2025 fiscal year, a structured training plan is planned, which will include specific modules on the advanced use of numerically controlled machines and industrial technical drawing, along with sessions dedicated to developing managerial and communication skills for personnel management leaders.

OWN WORKFORCE - METRICS AND TARGETS

Health and safety metrics

ESRS S1-14
GRI 403-9

Constant monitoring of employee health and safety metrics is a crucial element for the company. This approach not only ensures the well-being of workers but also helps create a more productive and motivating work environment.

During the reporting year, workplace injuries occurred among employees, but none resulted in fatalities. The following table shows the recorded cases for the year.

I giorni persi per infortunio e per malattie professionali durante l'anno di rendicontazione, sono stati pari a 51.

Type of Personnel	Number of Injuries	Number of Occupational Disease Cases
Employees	8	0
Non-employees	0	0

OWN WORKFORCE - METRICS AND TARGETS

Work-life balance metrics

ESRS S1-15
GRI 401-3,
GRI 403-1, GRI
403-6

For the company, investing in policies and actions that promote work-life balance improves employee well-being and also contributes to greater productivity and job satisfaction.

Regarding work-life balance policies, it is noted that during the reporting period, one employee became entitled to parental leave and actually took it. At the same time, the company plans to distribute Welfare Vouchers in accordance with the provisions of the National Collective Labor Agreement (CCNL) and aims to implement a reward system.

MATERIAL TOPICS

ESRS S3 - Affected communities

AFFECTED COMMUNITIES - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes for engaging with consumers and end-users about impacts

ESRS S3-2
GRI 413-1

The engagement of affected communities is a crucial element for companies that aim to responsibly manage the impacts of their activities. This process not only fosters transparent and open communication but also enables a better understanding of the expectations and concerns of various stakeholders.

Through active dialogue, companies can gather valuable feedback, identify potential risks and opportunities, and build trusting relationships with communities. Moreover, an inclusive approach to community engagement helps ensure that corporate decisions are aligned with collective interests, thereby promoting sustainable and responsible development.

In this context, the company is committed to integrating the voices of communities into its decision-making processes, recognizing the value of participatory governance.

Compagnia Siderurgica is actively committed to encouraging young people to enter the workforce. In this regard, it has promoted targeted training programs within local schools, as demonstrated by the project involving the creation of a model Formula 1 car using 3D printing, developed in collaboration with a local high school.



AFFECTED COMMUNITIES - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on affected communities, and approaches to managing material risks

ESRS S3-4
GRI 413-1



**€17,250 invested in
the community**

The company recognizes the importance of addressing the significant impacts its activities may have on affected communities. To ensure a responsible and sustainable approach, it is essential to implement targeted initiatives that not only mitigate associated risks but also create opportunities to enhance community well-being.

Proactive risk management requires an in-depth assessment of local needs and continuous dialogue with stakeholders. Through effective strategies, the company can contribute to balanced development, promote social cohesion, and generate shared value. The effectiveness of such actions is measured not only by immediate results but also in the long term, through strengthened community relationships and improved corporate reputation.

Compagnia Siderurgica is actively committed to supporting the well-being of the local community through various cultural, sports, and social initiatives. This dedication is reflected in meaningful collaborations with the Municipality of Sarcedo—such as projects to reorganize municipal spaces—with Welfare Care for social support, and with Telethon for medical research. The company has invested a total of €17,250.00 in community-related projects. In addition, it is committed to financially supporting local amateur volleyball teams.

MATERIAL TOPICS

ESRS S4 - Consumers and end-users

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to consumers and end-usersESRS S4-1
GRI 417-1**Certified UNI EN
ISO 9001:2015 and
EN 1090**

Companies strive to ensure customer well-being by offering safe, high-quality products and services that enhance their lives, while also safeguarding data and privacy.

To mitigate potential negative impacts on customers, businesses must adopt sustainable practices, ensure transparency and accountability throughout the supply chain, and actively listen to customer feedback to adjust corporate strategies accordingly.

The quality and traceability of processed materials are essential conditions that clearly define the company's identity within its reference market. This information is of critical importance, allowing customers to make fully informed decisions.

Each delivery is accompanied by a certificate detailing the raw material used, which is predominantly sourced from within the European Union. The company collaborates with Accredia-accredited laboratories to perform additional tests or analyses, resulting in test reports that supplement the provided documentation.

As a testament to its commitment to high quality standards, the company holds UNI EN ISO 9001:2015 and EN 1090 (Execution Class EXC4) certifications.

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes for engaging with consumers and end-users about impactsESRS S4-2
GRI 416-1

In a context where sustainability and social responsibility are increasingly central to corporate strategies, it is essential to establish an active dialogue with customers. This process not only enables the collection of valuable feedback on consumer perceptions and expectations, but also fosters greater transparency and trust.

For Compagnia Siderurgica, customer satisfaction is a key factor for success. The company conducts a meticulous analysis of its clients' needs in order to assess the



Great focus on customer satisfaction

effectiveness of the services provided and to identify areas for improvement. To this end, Compagnia Siderurgica gathers customer feedback through dedicated questionnaires as well as by maintaining ongoing relationships via targeted visits by area managers and regular phone contact.

In order to build customer loyalty, Compagnia Siderurgica firmly believes that the customer relationship must be given constant attention and care.







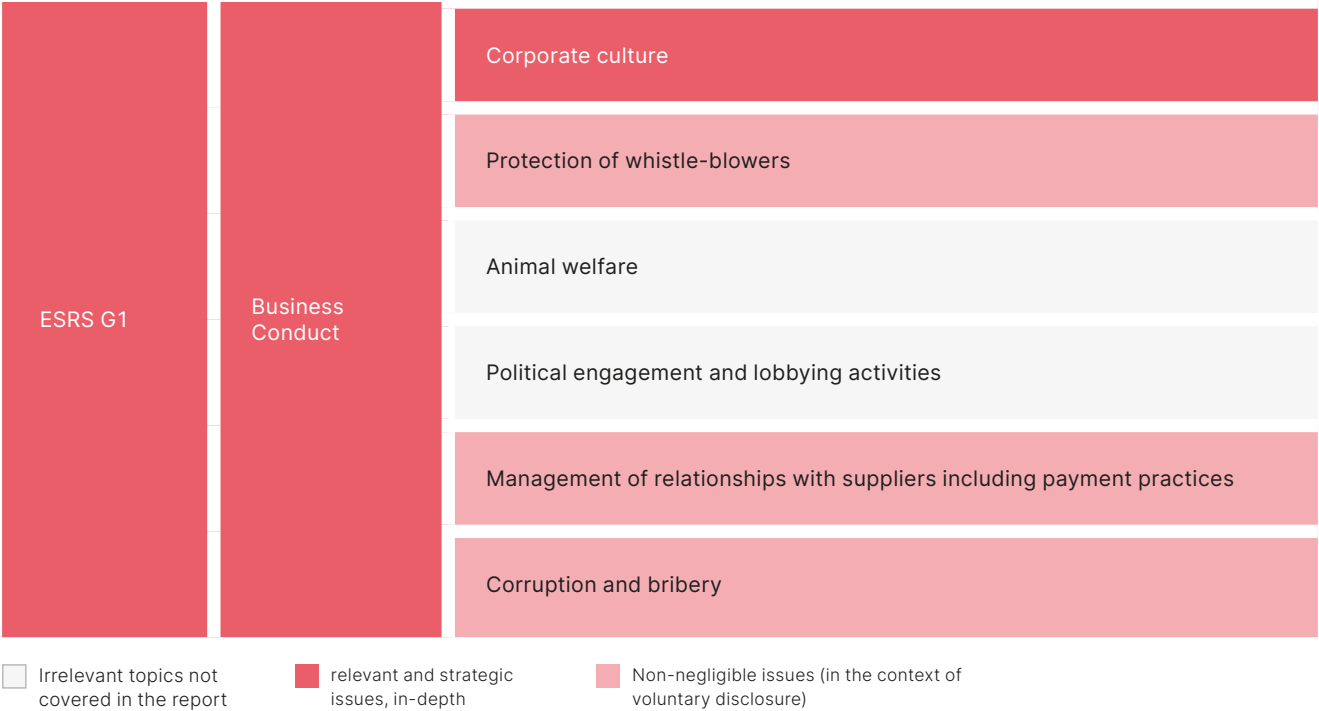
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Governance Information

MATERIAL TOPICS

Governance Information

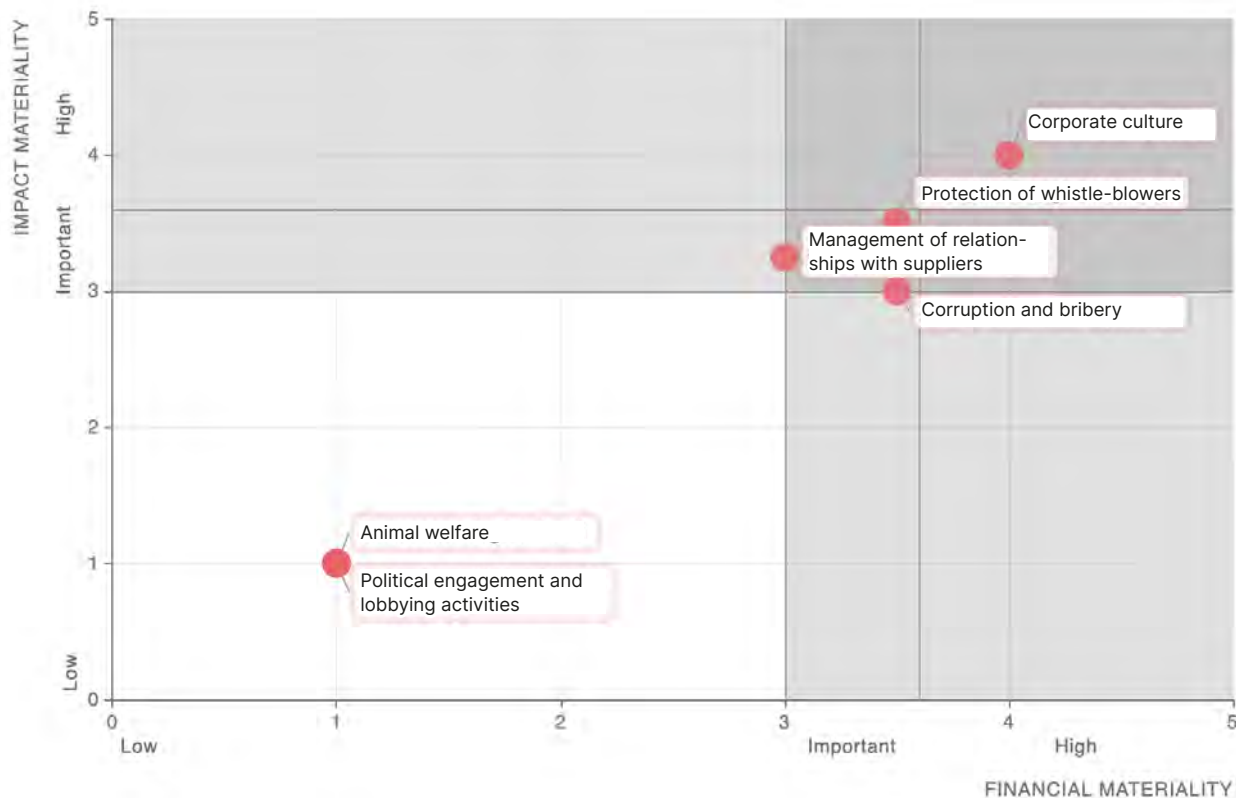
Relevant Issues for the Company



MATERIAL TOPICS

Governance Information

Relevant Issues for the Company



DOUBLE MATERIALITY MAP

RELEVANT ISSUES

- Corporate culture

NON-NEGLIGIBLE ISSUES

- Protection of whistle-blowers
- Management of relationships with suppliers including payment practices
- Corruption and bribery

NOT RELEVANT ISSUES

- Animal welfare
- Political engagement and lobbying activities

MATERIAL TOPICS

ESRS G1 - Business Conduct

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Corporate culture and Business conduct policies and corporate culture

ESRS G1-1
GRI 2-22,
GRI 3-2

Culture is the foundation of governance choices aimed at integrating the management of economic, environmental, and social impacts into the corporate strategy.

To achieve this integration, alignment of the organization's structure and composition is necessary, which must adopt social responsibility policies, activate environmental sustainability initiatives, be actively involved in local social issues, and create employment opportunities within the community.

These actions not only reduce reputational risks but also generate business opportunities and contribute to the long-term well-being of the system.

Compagnia Siderurgica bases its operations on a solid governance and responsibility management system. Compliance with the rules of the Organizational and Management Model 231, along with the establishment of clear Codes of Conduct and the implementation of specific management tools, forms a structured framework aimed at preventing the commission of crimes and promoting ethical and responsible corporate behavior.

At the core of these principles lies the company's Code of Ethics, a document that outlines the values, principles, and behavioral guidelines that all employees, collaborators, and stakeholders are required to observe in carrying out their activities and in their interactions with the company. The following table provides details of the adopted procedures.

Policy/Procedure Area	Description	Approval Date	Communication Method	Training on the topic
Organizational, Management, and Control Model (MOG 231)	Code of Conduct	28/11/2018	Website	Yes
Code of Ethics	Behavioral Rules	28/11/2018	Website	Yes

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Management of relationships with suppliers

ESRS G1-2
GRI 308-1, GRI
414-1



Regular supply chain monitoring

The company aims for continuous improvement of positive impacts and reduction of negative ones across its entire value chain.

To achieve this goal, monitoring the supply chain and identifying suppliers that may be at risk—because they do not integrate or manage ESG issues within their organization—is essential.

For this reason, assessing the maturity level of its supply chain in terms of ESG topics is particularly relevant, especially within the relationships the organization has with strategic suppliers.

The analysis of the 47 most significant suppliers, representing 96% of the annual purchase volume, shows a significant geographic concentration, with almost all located within a 400 km radius. The supply chain is subject to regular monitoring, and supplier evaluation is an integral part of the integrated management system. This system includes periodic reviews of the supplier base, identifying any critical issues through on-site inspections and the request for environmental certifications.

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Prevention and detection of corruption and bribery

ESRS G1-3
GRI 2-26,
GRI 2-29,
GRI 205-1,
GRI 205-2,
GRI 205-3

Daily interactions with stakeholders, especially those of an economic-financial nature, require clear regulations that enable the company to identify corruption risk situations and adopt targeted procedures to prevent or address them.

To promote a culture of integrity and transparency, the company has implemented a structured whistleblowing policy and procedure, compliant with current regulations protecting whistleblowers in both public and private work environments. A dedicated reporting channel has been activated, accessible via a specific link, ensuring maximum confidentiality regarding the subjects and facts reported, as well as the anonymity of the whistleblower. The company guarantees all employees clear and comprehensive communication about how this secure and confidential reporting me-

chanism functions.

As part of its preventive measures against corruption and bribery, the whistleblowing procedure is a fundamental tool. At the same time, the company conducts periodic audits of its internal control procedures—such as those related to accounting and procurement—and adopts a payment transparency policy that follows a strict internal authorization process, the details of which are available in the table below.

Policy/Procedure Area	Description	Communication Method	Policy/Procedure Owner	Target
Payment Transparency Policies	Internal Authorization Process	Internal Training	CFO	Done

BUSINESS CONDUCT - METRICS AND TARGETS

Payment practices

ESRS G1-6 GRI 205-1, GRI 205-2	<p>Payment practices within a company must be managed with the utmost care and responsibility. It is essential to implement clear and transparent procedures that ensure legality and ethics in every transaction. Companies must avoid practices that could be perceived as attempts at corruption or favoritism, ensuring that every payment is justified and properly documented. Training staff on current regulations and adopting rigorous internal controls are key steps to prevent misconduct and maintain the company's reputation.</p> <p>The company has implemented internal tools, such as codes and regulations, aimed at ensuring transparency in commercial negotiations and payment procedures. Although these tools have not yet been formalized in separate documents, their guidelines and application have been validated through a specific report by the Supervisory Body (Organismo di Vigilanza, OdV).</p>
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Methodological note



Glossary

To enable all stakeholders to gain a better and more in-depth understanding of the topics covered in the report, we have included a glossary with the terminology used throughout the document.

To further facilitate consultation, two QR codes have also been provided—one in Italian and one in English—offering additional explanations of the terms and acronyms used in the Sustainability Report.

This appendix presents the acronyms within the Sustainability Report

Acronym	Definition
CDP	Carbon Disclosure Project
CO2	Carbon Dioxide
CSRD	Corporate Sustainability Reporting Directive
GOV-1 Disclosure Requirement	Disclosure Obligation - The Role of Administration, Management, and Oversight Bodies
GOV-5 Disclosure Requirement	Disclosure Requirement - Risk Management and Internal Control Management on Sustainability Reporting
SBM-1 Disclosure Requirement	Disclosure Requirements - Market Position, Strategy, Business Model, and Value Chain
IRO-1 Disclosure Requirement	Disclosure Requirement - Description of Processes to Identify and Evaluate Material Impacts, Risks, and Opportunities
DNSH	Do no significant harm
EFRAG	European Financial Reporting Advisory Group
EMAS	Eco-Management and Audit Scheme
ESRS	European Sustainability Reporting Standards
ESRS 1	European Sustainability Reporting Standard 1: General Requirements
ESRS 2	European Sustainability Reporting Standard 2: General Information
ESRS E1	European Sustainability Reporting Standard E1: Climate Change
ESRS E2	European Sustainability Reporting Standard E2: Pollution
ESRS E3	European Sustainability Reporting Standard E3: Water and Marine Resources
ESRS E4	European Sustainability Reporting Standard E4: Biodiversity and Ecosystems
ESRS E5	European Sustainability Reporting Standard E5: Resource Use and Circular Economy

ESRS G1	European Sustainability Reporting Standard G1: Corporate Conduct
ESRS S1	European Sustainability Reporting Standard S1: Own Workforce
ESRS S2	European Sustainability Reporting Standard S2: Workers in the Value Chain
ESRS S3	European Sustainability Reporting Standard S3: Affected Communities
ESRS S4	European Sustainability Reporting Standard S4: Customers, Consumers, and End Users
EU	European Union
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
SDGs	Sustainable Development Goals

Tabella termini definiti dall'ESRS	Definizione	ESRS
Actions	The actions refer to: 1) actions and action plans (including transition plans) undertaken to ensure that the enterprise achieves its set goals and through which the enterprise seeks to address material impacts, risks, and opportunities; and 2) decisions supporting these actions with financial, technological, human, or other resources.	ESRS 1 General requirements
Stakeholders in the value chain	Value chain actors are individuals or entities upstream or downstream of the value chain. An entity is considered downstream of the enterprise (e.g., distributors, customers) when it receives products or services from the enterprise; it is considered upstream of the enterprise (e.g., suppliers) when it provides products or services used in the development of the enterprise's own products or services.	ESRS 1 General requirements
Administrative, management and supervisory bodies	The governing bodies with the highest decision-making authority in the enterprise, including its committees. If there are no administrative, management or supervisory bodies of the enterprise, the chief executive officer and, if such a function exists, the deputy chief executive officer should be included. In some jurisdictions, governance systems consist of two levels, where supervision and management are separate. In such cases, both levels are included in the definition of administrative, management and supervisory bodies.	ESRS 2 General Information

Affected communities	People or groups living or working in the same area that has been or may be affected by the operations of a reporting enterprise or its value chain. Affected communities can range from those living near the company's operations (local communities) to those living at a distance. Affected communities include both indigenous populations directly and potentially affected.	ESRS S3 Affected communities
Atmospheric pollutants	Direct emissions of sulfur dioxide (SO ₂), nitrogen oxides (NO _x), non-methane volatile organic compounds (NMVOCs), and fine particulate matter (PM _{2.5}) as defined in Article 3, points 5 to 8, of Directive (EU) 2016/2284 of the European Parliament and of the Council; ammonia (NH ₃) as indicated in that directive; and heavy metals (HM) as indicated in Annex I of that directive.	ESRS E2 Pollution
Corruption	To induce someone dishonestly to act in one's favor by giving them a gift of money or another incentive.	ESRS G1 Business Conduct
Business Model	The system of transforming inputs by the enterprise through its set of business activities into outputs and outcomes aimed at fulfilling the strategic objectives of the enterprise and creating value over the short, medium, or long term. The company may have one or more business models.	ESRS 2 General Information
Trade relations	The relationships that the enterprise maintains with business partners, entities within its value chain, and any other non-state or state entity directly connected to its business operations, products, or services. Business relationships extend beyond direct contractual relationships and include indirect relationships within the enterprise's value chain, beyond the first level, and equity positions in joint ventures or investments in corporate entities.	ESRS 1 General requirements
Carbon dioxide equivalent (CO₂)	The amount of carbon dioxide (CO ₂) emissions that would cause the same integrated radiative forcing or the same temperature change, over a specific time horizon, as a quantity emitted of a greenhouse gas (GHG) or a mixture of GHGs. CO ₂ eq is the universal unit of measurement used to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to assess whether releasing (or avoiding releasing) different greenhouse gases has an equivalent impact on a common basis.	ESRS E1 Climate change
Child labor	Child labor refers to work that deprives children of their childhood, potential, and dignity, and is detrimental to their physical and mental development. It includes work that: i. is mentally, physically, socially, or morally dangerous and harmful to children; and/or ii. interferes with their schooling: depriving them of the opportunity to attend school; forcing them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. For the purposes of this definition, a child is defined as a person under the age of 15 or the completion of compulsory schooling, whichever is higher. There may be exceptions in some countries where economies and educational structures are not sufficiently developed, and a minimum age of 14 years is applied. These exceptional countries are specified by the International Labor Organization (ILO) in response to a special request from the concerned country and in consultation with representative employers' and workers' organizations.	ESRS S1 Own workforce
Circular economy	An economic system in which the value of products, materials, and other resources of the economy is maintained for as long as possible, improving their efficient use in production and consumption, thereby reducing the environmental impact of their utilization, minimizing waste, and the release of hazardous substances throughout their life cycle, including through the application of the waste hierarchy.	ESRS E5 Resource use and Circular economy

Principles of the circular economy	The circular economy is based on three principles, guided by design: (i) Eliminate waste and pollution; (ii) Keep products and materials in use at their highest value; and (iii) Regenerate natural systems.	ESRS E5 Resource use and Circular economy
Climate change adaptation	Climate change adaptation refers to the process of adjusting to actual and expected climate change and its impacts. (based on Regulation (EU) 2020/852)	ESRS E1 Climate change
Climate change mitigation	Climate change mitigation refers to the process of reducing greenhouse gas emissions and containing the increase in global average temperature well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as stipulated by the Paris Agreement. (based on Regulation (EU) 2020/852)	ESRS E1 Climate change
Collective bargaining	Collective bargaining encompasses all negotiations conducted between an employer, a group of employers, or one or more employers' organizations on one side, and one or more trade unions or, in their absence, worker representatives duly elected and authorized by them in accordance with national laws and regulations on the other side, for: determining working conditions and terms of employment; and/or (i) determining working conditions and terms of employment; and/or (ii) regulating relationships between employers and workers; and/or (iii) governing relationships between employers or their organizations and a workers' organization or workers' organizations.	ESRS S1 Own workforce
Consumer	Consumers are individuals who purchase, consume, or use goods and services for personal use, either for themselves or others, and not for resale or commercial purposes. Consumers include both actual and potential end-users.	ESRS S4 Consumers and end-users
Corporate Culture	Corporate culture expresses goals through values and beliefs. It guides the company's activities through the sharing of group conventions and norms, such as values or mission statements or a code of conduct.	ESRS G1 Business Conduct
Corruption	Abuse of entrusted power for private gain, which may be instigated by individuals or organizations. It includes practices such as facilitation payments, fraud, extortion, collusion and money laundering. It also includes the offering or receiving of any gift, loan, reward or other advantage to or from any person as an inducement to do anything dishonest, illegal or a breach of trust in the conduct of the company's business. This may include benefits in cash or in kind, such as free goods, gifts and holidays, or special personal services, provided in order to obtain an improper advantage, or which may involve moral pressure to receive such an advantage.	ESRS G1 Business Conduct

