

2023

SUSTAINABILITY REPORT

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LETTER TO STAKEHOLDERS

We opened with a quote from our father, we always end with him: «never forget that we are temporary managers of a more important asset than us: the company».

«We will continue to invest and grow, also expanding into sectors that we do not cover today: I would like, one day, to buy or build a steel mill». We decided to open this IV Sustainability Report with the words with which our father Steno responded, in 2010, to an interview conducted by Siderweb about the projects he had in mind for the future of the group. There are two reasons.

2023 marked the tenth anniversary of his death and in 2023 **his dream of buying a steel mill came true**. In fact, the acquisition of five plants distributed between Europe and the United States dates back to last January, including, in fact, an electric furnace steelworks for special steels in Sheffield, in the United Kingdom. It is **the largest acquisition made so far in our history**: an operation that has allowed us to achieve important industrial synergies, continuing the development path for increasingly sustainable and competitive products. We have strengthened our business in the flooring market and strengthened the stainless steel portfolio with long products, a market in which they had a small presence and in which we are now a significant player in Europe.

Marcegaglia is today one of the protagonists of the national and international steel scene with some specific basic characteristics: constant growth; a high quality of products and processes; a significant contribution of added value on the market; a network of suppliers and customers to which we are linked by true partnership relationships; a strong focus on sustainability. An attention that has led us for some time to take several concrete actions to reduce energy consumption and CO₂ emissions. Our engineering departments and the Research & Development division are committed to designing and implementing digitalization and integrated automation solutions; to developing high-performance and low-carbon footprint productions; to optimizing metallurgical processes, with particular regard to plant productivity, in order to guarantee process innovation, maximum worker safety and energy efficiency.

Virtuous companies have a clear concept that **development, progress and sustainability** are a unique value. We can and must safeguard the planet on which we live, keeping our productions competitive and at the same time improving people's quality of life, combating as much as possible the inequalities that divide peoples and territories.

The merit of an entrepreneur is also this: correctly carrying out their business objectives, knowing well that the value of the company is above all what it generates for all those who can live, grow and improve around it and together with it. Employees, customers, suppliers, territories: the context that makes a company a great social asset.

Antonio and Emma Marcegaglia



OUR FIGURES

6,612

EMPLOYEES

- 13% women
- 93% with permanent contract
- 11.5 million hours worked
- 17.82% injury frequency rate

2,968 GWh

ENERGY USED

- 94% waste for recovery
- 56,199 tCO₂ avoided with rail transport
- 5,5 million m³ recirculated and reused water

14 YEARS

MARCEGAGLIA FOUNDATION ACTIVITIES *

(*) the data refer to the 2023 Financial Statements, with reference to the activities carried out in 2022.



5.9

MILLION TONNES SOLD

7.8

BILLION EUROS IN TURNOVER

91%

PRODUCTS SOLD COVERED BY EPD

34

PRODUCTION PLANTS ACROSS 4 CONTINENTS AND 11 COUNTRIES

STRATEGIC GOALS

10.1.0.0.0

- 10 BILLION EUROS IN TURNOVER
- 1 BILLION EUROS IN EBITDA
- 0 DEBT
- 0 INJURIES
- 0 EMISSIONS



RATING

The activity of measuring and evaluating the ESG performance of companies directly or indirectly controlled by Marcegaglia Steel is increasingly required by all actors in the supply chain; it is in fact used to investigate the positioning on environmental, social and governance issues.

ESG ratings are configured as reports that measure the **solidity of a company**, evaluating it systematically through specific platforms based on specific calculation logics. Their importance is also linked to the fact that, for investors, they can be a key indicator of potential risk and future return, providing a clearer view of an organisation’s commitment and strategies in these fields.

Below are the three main ratings to which Marcegaglia Steel periodically undergoes and the related results: **Ecovadis**, **CDP (Climate Change)** and **ESGe Rating of Cerved Rating Agency SpA**.

Ecovadis

Marcegaglia is excited to share the **medals** released by the EcoVadis platform; these milestones, which are part of a broader journey, reflect the **ongoing commitment to reduce the environmental impact** of operations and promote **social responsibility**.



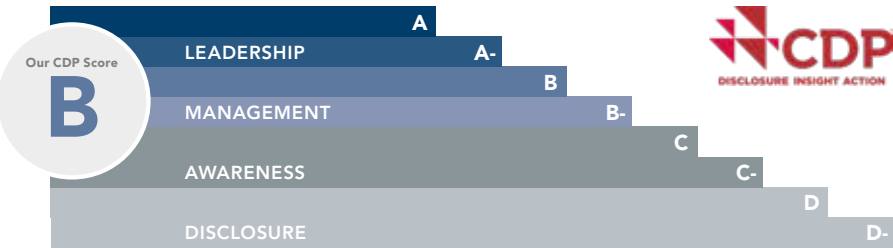
CDP Carbon Disclosure Project

The Carbon Disclosure Project (CDP) – an international non-profit organization - provides companies, local authorities, governments and investors with a global system of environmental measurement and reporting, in particular it offers a method to measure, detect, manage and share information on **climate change** globally. For this reason, Marcegaglia has approached the Climate Change module, obtaining a **“B” rating**, thus falling among the 37% of companies that have reached the **“Management” level**, in line with the European regional average (B) and exceeding the average of the manufacturing sector of metal products (C).

PLATINUM GOLD SILVER

RATING “B”

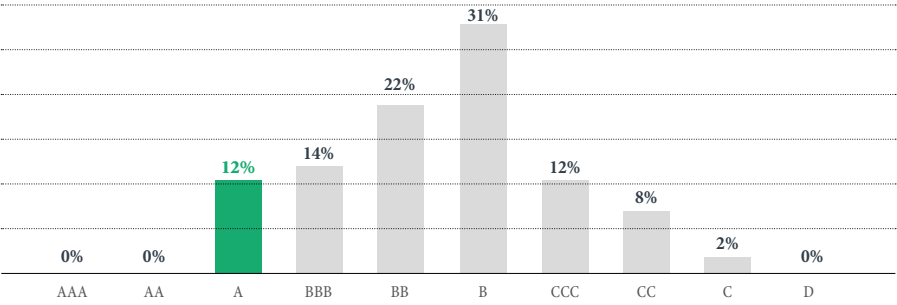
The outcome is based on the evaluation of measures taken or planned to reduce greenhouse gas emissions through energy efficiency projects and the increasing use of renewable energy.



Cerved Rating Agency

CATEGORY “A”

Special mention should be made of the rating of the **Cerved Rating Agency SpA**, which has placed Marcegaglia Steel SpA in **category A**, in which only 12% of the companies belonging to the metal production and processing sector are located. The rating shows a **high capacity in managing risks and taking advantage of opportunities related to ESG factors**, positioning several points above the median of the sample of companies in the sector analysed. The outcome obtained have resulted from certain strengths such as careful monitoring of environmental performance and the commitment to the external disclosure of the impacts exerted on the environment, the presence of high-coverage EPDs, the implementation of ESG screening criteria in supplier qualification procedures, the presence of high contractual protections for employees’ jobs and the strengthening of governance safeguards using an advisory board.



MARCEGAGLIA’S COMMITMENT IN THE WORLD

UN Global Compact

Our active involvement in the United Nations Global Compact continues, a global initiative whose approach is based on the integration of the Global Sustainable Development Goals (SDGs) and the promotion of Ten Principles concerning **human rights**, quality **labour standards**, **environmental protection** and the **fight against corruption**. To date, the Italian network consists of over 600 actors, belonging to the most diverse production sectors, and non-profit organisations (private foundations, business associations, universities, etc.).



Palermo Annual Forum

On 17 and 18 October 2023, Marcegaglia participated in the **eighth edition of the Italian Business & SDGs Annual Forum**, promoted by the UN Global Compact Network Italy, which took place at the Palazzo Reale of Palermo and saw the involvement of 120 participants. The event brought together representatives of Italian companies from different sectors, with the patronage of the Sicilian Regional Assembly, the Sicilian Region – Presidency, the City of Palermo, Sicindustria/Enterprise Europe Network and the University of Palermo.

The Annual Forum was a moment of discussion and sharing between managers and representatives of large companies and SMEs, universities and non-profit organisations to take stock of the contribution of the private sector in the advancement of the SDGs by the year 2023, a mid-term year compared to 2030. The central theme of this edition was **sustainability as an irreversible and necessary approach** to foster competitiveness and resilience in the markets and in the long term.

The **integration of sustainability into the business** has reached a level of maturity that highlights the real impact generated and the potential of the private sector. Through specific strategies and initiatives, we aim to create shared value not only within, but also beyond the company boundaries, leading to tangible and positive change.

A special emphasis has been placed on measuring impact, which is not limited to mere reporting, but should be transformative in nature; it is critical to assess the extent to which the firm’s activities are in tune with its mission and business strategy, selecting effective partnerships and monitoring short- and long-term results accurately and dynamically.

Measuring one’s own impact and performance is essential for defining improvement objectives and represents a tangible demonstration of the company’s will, capacity and responsibility in shaping a sustainable future.

CREATING SHARED
VALUE BEYOND
COMPANY BOUNDARIES



Climate Ambition Accelerator

Marcegaglia participated in the **second edition** of the Climate Ambition Accelerator, a 6-month course that aims to accelerate climate action by companies participating in the UN initiative of all sizes, sectors and geographical origins, supporting them in the implementation of ambitious commitments on **reducing emissions**.

The initiative gave the opportunity to grow and learn by comparing and discussing one’s experiences, perspectives, and challenges with those of one’s peers in group sessions. Networking moments become both an opportunity to connect with industry experts and an experience of exchange and mutual benefit.

Through the UNGC’s clear and engaging programme, methodologies, requirements and processes necessary to fully embrace the net zero concept were explored, obtaining an illuminating overview of the tangible benefits and diverse applications of this cutting-edge vision.

First Movers Coalition

Marcegaglia Steel is one of the first Italian companies to join the First Movers Coalition, the international initiative launched at COP26 in Glasgow in 2021, linked to the World Economic Forum, which focuses on **decarbonization**, starting from the supply chain of the 7 so-called “hard to abate” industrial sectors: aluminum, aviation, chemicals, cement, shipping, steel and trucking.

First Movers Coalition catalyzes the adoption of emerging climate-critical technologies, leveraging the collective purchasing power of its members. Member companies are creating primary markets for essential climate technologies, driving investment and accelerating supply to meet business needs. This momentum fosters rapid evolution and cost reduction for such technologies, laying the foundation for a sustainable and resilient future.

As a member of the First Movers Coalition, companies in the steel sector are committed to **purchasing low CO₂ raw materials**. All this is made possible thanks to the participation in the First Movers Coalition Near-Zero Steel 2030 Challenge.

Responsible Steel™

Participation in ResponsibleSteel™ sees the Marcegaglia Group engaged in the most relevant sector organization worldwide, the first global initiative to contribute to the development of a steel industry that responds to the need **to produce and transform in an increasingly responsible and sustainable manner**.



Energy Efficiency Movement

Marcegaglia, together with about 500 other movers in 43 countries, became part of the Energy Efficiency Movement (EEM) in 2023, a knowledge-sharing forum that acts as a global voice of the industry: impartial, apolitical and that promotes a holistic view of the complex challenges and solutions of **energy efficiency**, representing the private sector before investors, public sector decision-makers, academia, non-governmental organizations and civil society. Marcegaglia also believes that thanks to innovation, the sharing of knowledge and skills, the adoption of available high energy efficiency technologies, strategic investments and appropriate regulations and incentives, it is possible to optimise energy efficiency and accelerate progress towards a decarbonised future for all.



Decarb Fast Track

Marcegaglia Steel has been selected to join the “Decarb Fast Track” programme, launched by METRON, Dalkia, BNP Paribas and AWS, which aims to save 100,000 tonnes of CO₂ and reduce energy consumption by up to 10% by providing 100 industrial companies with an **energy management and optimisation** solution. The sites involved since 2023 in this project are Casalmaggiore, Forlimpopoli, Ravenna, Gazoldo degli Ippoliti, San Giorgio di Nogaro. The implementation of this innovative energy management solution allows **real-time monitoring** and **analysis of energy consumption**; in addition, customised support is provided by experts for a period of 2 years in order to identify, implement or finance energy performance projects. The programme aims to help accelerate the decarbonization of the industrial sector and inspire more industrial actors to implement energy optimization strategies and wants to position itself as a powerful and accessible lever for the energy transition. In a context of climate change and rising energy prices, companies should take action; the programme supports the ambition of a collective effort involving the optimisation of energy consumption.



Federacciai

Marcegaglia is historically part of Federacciai, the Federation of Italian steel companies, the trade association that aims to promote all initiatives in the economic, financial, technical and scientific fields that can be beneficial for the Italian steel industry which is at the top of the national economic system and the European market. At the end of 2023, Federacciai had 124 member companies that manufacture and process more than 95% of Italian steel production.



Within this scenario, Federacciai pursues the aim of protecting, supporting and connecting companies producing and processing steel and related steel products and, as the authoritative voice of the sector, promotes innovative industrial policies in support of the sector through initiatives ranging from economics to politics, to science and technology.

CEIP

As part of the efforts related to the green transition in the Italian steel sector and the achievement of European objectives to reduce climate-altering emissions, in 2023 the Group, through Marcegaglia Carbon Steel SpA, became part of the Consorzio Elettrosiderurgici Italiani per il Preridotto (CEIP Scarl), in order to verify the opportunities for the construction of production plants of the so-called preridotto, also known as Direct Reduced Iron (DRI). In this regard, a collaboration with the company DRI d'Italia is already active to build **DRI hydrogen plants**, always in the process of decarbonising the Italian steel sector and identifying **innovative technological solutions for the production and processing of steel**.

ESTA




Among the associations of which Marcegaglia is a member, special mention should be made of the ESTA (European Steel Tube Association), which represents European tube producers, a sector that directly employs about 62,000 workers. The aim of the Association is to maintain the competitiveness of EU industry with regard to government regulations, costs, technology, availability of **raw materials**.

Our contribution to the UN 2030 Agenda (SDGs)

On 25 September 2015, the 193 member countries of the United Nations signed the 2030 Agenda for Sustainable Development, an action plan for people, planet and prosperity. In a context of continuous evolution and with an integrated vision of the different dimensions of development, Marcegaglia aims to explore and illustrate how it embraces the United Nations Sustainable Development Goals (SDGs), a global framework that guides the mission of creating value not only for employees and shareholders, but also for the communities in which the Group operates and for the environment that is shared.

1

NO POVERTY




GOAL 1

End poverty in all its forms everywhere

Marcegaglia Onlus Foundation:
Rwanda project

2

ZERO HUNGER



GOAL 2

End hunger, achieve food security, improve nutrition, and promote sustainable agriculture

Marcegaglia Onlus Foundation:
Rwanda project

4

QUALITY EDUCATION



GOAL 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Marcegaglia Onlus Foundation:
Resilio Project
Rwanda Project
Marcegaglia employee scholarship project
Networked Project for Autonomy
Selmi Sustainability Project
Academy Marcegaglia
Casa Marcegaglia

5

GENDER EQUALITY



GOAL 5

Achieve gender equality and empower all women and girls

Marcegaglia Onlus Foundation:
Rwanda project
With the CAV against domestic violence
DAFNE women on the way
Zeus Protocol
Motivo Donna Project
Atelier Bebrél Project
Networked Project for Autonomy
Mentorship Milano
Self-Regulatory Code in favour of maternity

7

AFFORDABLE AND CLEAN ENERGY



GOAL 7

Ensure access to affordable, reliable, sustainable and modern energy for all

Greenhouse gas reduction
(energy efficiency, photovoltaic panels)
and logistics and transport optimisation

8

DECENT WORK AND ECONOMIC GROWTH




GOAL 8

Promote lasting, inclusive and sustainable economic growth, full and productive employment and decent work conditions for all

Continuous improvement in performance related to **health and safety** at work and training for at least 80% of the employees of Marcegaglia Steel's Italian companies on **Social Responsibility**

9

INDUSTRY, INNOVATION AND INFRASTRUCTURE




GOAL 9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Industrial development projects consistent with national, regional and local plans for the reduction of environmental impacts
EPD
Carbon Capture Storage (CCS)
Photovoltaic systems
H2GS
First Movers Coalition Near-Zero Steel
2030 Challenge
Joining ResponsibleSteel™
Energy Efficiency Movement
Decarb Fast Track

10

REDUCED INEQUALITIES



GOAL 10

Reduce inequality within and among countries

Extension of the scope of the **Social Responsibility** certificate to Marcegaglia Holding Srl

11

SUSTAINABLE CITIES AND COMMUNITIES



GOAL 11

Make cities and human settlements inclusive, safe, resilient and sustainable

Cultural support
Festivaletteratura (Literature Festival)
Raccontiamoci le mafie (Let's talk about the mafias)
FAI
Support to:
Associazione POSTUMIA
Orchestra della Camera di Mantova
Cinema del Carbone
Teatro Sociale di Mantova
Comune di Boltiere
Siderweb
Solidarity funds for flood-affected areas in Emilia-Romagna
Support for local initiatives
the Artusiana Festival in Forlì
Activities dedicated to sport and students

12

RESPONSIBLE CONSUMPTION AND PRODUCTION



GOAL 12

Ensure sustainable consumption and production patterns

Management of production cycles for the efficient use of natural resources, the optimisation of the consumption of chemical substances, the reduction of waste

13

CLIMATE ACTION



GOAL 13

Take urgent action to combat climate change and its impacts

Commitment to the adoption of techniques to limit energy consumption that have an impact on climate change

15

LIFE ON LAND



GOAL 15

Protect, restore and facilitate the sustainable use of the ecosystem

Attention to biodiversity
Definition of the policy that includes the DAFNE VI and Fruit trees seedlings projects
Management of green areas owned
Management of the Bosco del Rugareto

16

PEACE, JUSTICE AND STRONG INSTITUTIONS



GOAL 16

Promote peaceful and more inclusive societies for sustainable development; provide access to justice for all and create efficient, accountable and inclusive organisations at all levels

Engagement of all suppliers through the IUNGO portal that takes into consideration human rights, labour, environment, ethics, health and safety

17

PARTNERSHIPS FOR THE GOALS



GOAL 17

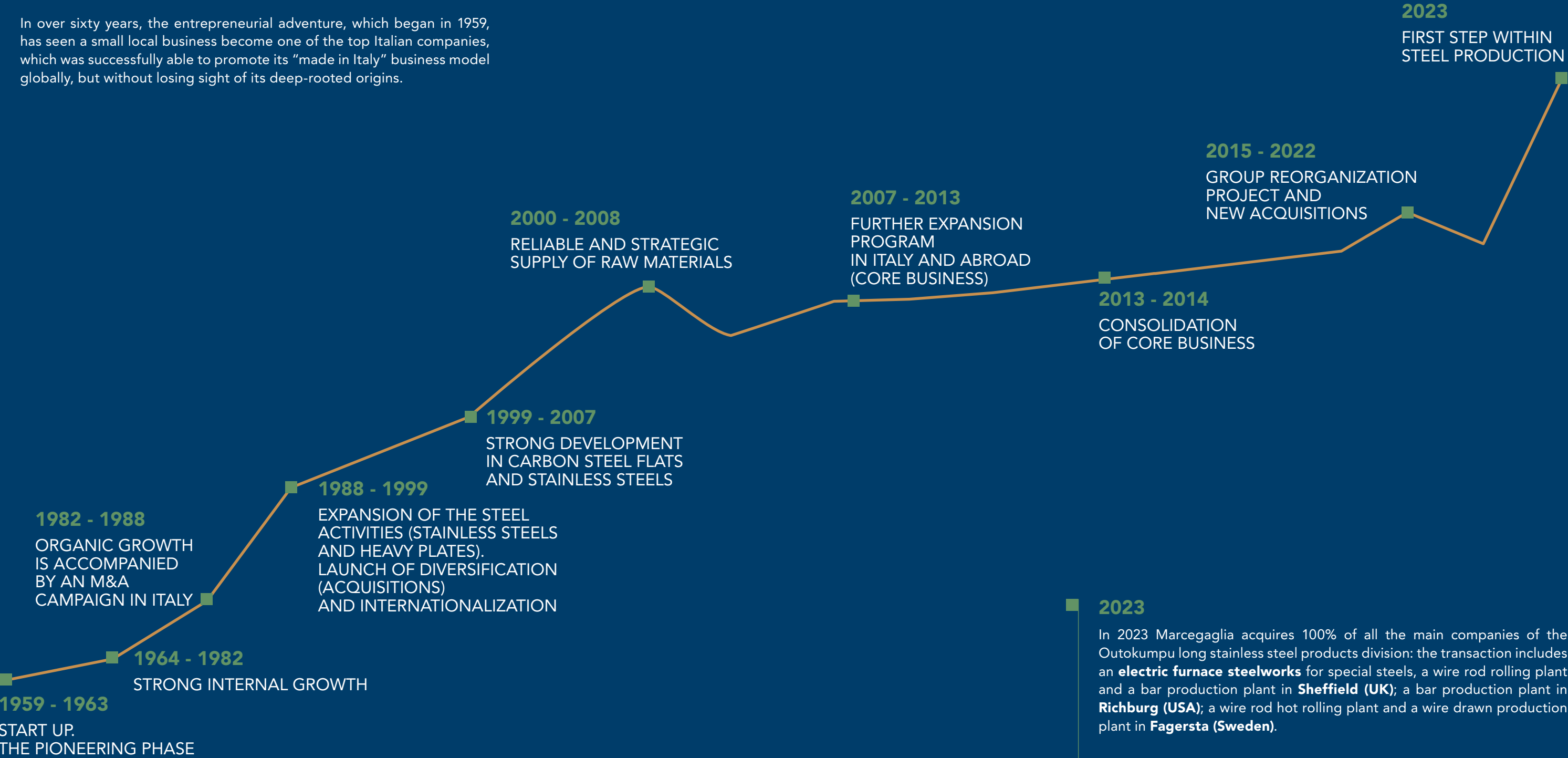
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Participation in international initiatives
UN Global Compact
ResponsibleSteel™
First Movers Coalition
Energy Efficiency Movement
Decarb Fast Track

OUR HISTORY

The Group’s history is first and foremost **the story of a family**: that of Steno, Mira, Antonio and Emma Marcegaglia.

In over sixty years, the entrepreneurial adventure, which began in 1959, has seen a small local business become one of the top Italian companies, which was successfully able to promote its “made in Italy” business model globally, but without losing sight of its deep-rooted origins.



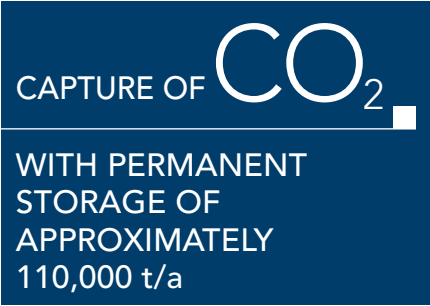
INNOVATION OF PROCESSES AND PRODUCTS

Marcegaglia, which has been engaged in R&D activities for years, has projects under construction, projects under development, projects under analysis and ideas that will soon be implemented.

PROJECT TITLE	MAIN TARGET	PROJECT SUB TARGET	INDUSTRIAL SITE
CCS PROJECT	Capture and storage of CO ₂ emissions from the cogeneration plant	<ul style="list-style-type: none">• Leverage in decarbonization thanks to the use of biogenic raw materials	Ravenna
GREEN DRI	Production of pre-reduced iron from iron oxides from steelmaking and biochar processes	<ul style="list-style-type: none">• Promote waste recovery• Carbon neutrality of HTA processes	Ravenna and San Giorgio di Nogaro
MODIPLANT	ZIN1 electrification	<ul style="list-style-type: none">• CO₂ reduction (scope 1)• Productivity increase• Expansion of the AHSS product range	Ravenna
NGO ELECTRICAL STEELS	NGO products for electric motors	<ul style="list-style-type: none">• Large production cycle flexibility• Proprietary technology (patent filing in progress)	Ravenna
MAGMOVE PROJECT	Characterization of magnetic materials for automotive applications	<ul style="list-style-type: none">• Relationship between process parameters and magnetic properties	
MADELEN PROJECT	Development of magnetic steel products; Application in electric motors.	<ul style="list-style-type: none">• Optimisation of current production cycles• Expansion of the product range	Ravenna
SMART HOT ROLLING	Hot Rolling Process Digitalization and Innovation; New Mathematical Models	<ul style="list-style-type: none">• Efficiency and Sustainability• Increased productivity• TMCP (thermomechanical treatment in process control) products for special applications	San Giorgio di Nogaro
SURFACE ENGINEERING	Products with special Zn-Al-Mg coatings with high corrosion resistance	<ul style="list-style-type: none">• New range of high-performance products• Proprietary technology (patent filing)	Ravenna
DIGI-INOX	Digitization and Innovation of the STAINLESS STEEL A&P process	<ul style="list-style-type: none">• Increased productivity, quality improvement (Tensil-Pro and Pickling model)• Expansion of the product range	Gazoldo degli Ippoliti

CCS (Carbon Capture Storage) Project

Carbon Capture and Storage (CCS) is a crucial technology to start the decarbonisation process. This technology aims **to reduce carbon dioxide (CO₂) emissions** from industrial and energy sources, capturing the gas before it is released into the atmosphere and storing it permanently (storage) or using it in other applications (usage). CCS can be implemented in several sectors, including the production of energy from fossil fuels, the manufacturing industry and the production of cement. The implementation of CCS can contribute significantly to the reduction of CO₂ emissions and can be an important solution to address climate change, enabling a more gradual transition to a low-carbon economy. However, it is important to note that CCS is not a definitive solution to the problem of climate change, but



rather a part of a mix of solutions needed to achieve emission reduction targets and limit global warming. In the mix of solutions that are being applied in the Marcegaglia Group we find, in addition to CO₂ capture, the electrification of processes, the partial replacement of methane with hydrogen, energy efficiency. Precisely in this holistic approach **Marcegaglia Ravenna** is planning the **installation of a CO₂ Capture plant** from the exhaust gases of the existing cogeneration plant of the metallurgical plant located in Ravenna, for the permanent capture of CO₂ (about 110,000 t/y). The cogeneration plant is in a strategic position to use an existing conduit capable of transporting CO₂ to the CCS hub in Ravenna-Casalborsetti (ENI-SNAM) for permanent storage. The technology chosen for the CO₂ capture plant is the KM CDR™ process, an amine-based CO₂ capture process licensed by Mitsubishi Heavy Industries Engineering (MHIENG). The reliability and high efficiency of this technology, which guarantees up to 98% CO₂ capture, will contribute to reducing the emissions of the cogeneration plant and therefore contribute to the significant reduction of emissions of the entire group. The plant will consist of a CO₂ Capture unit and a CO₂ Compression and Purification unit. The last phase will be the sending of the CO₂, via pipeline, to the CCS hub in Ravenna-Casalborsetti for its permanent storage.

Green-DRI Project

The process and the **I-Smelt plant system** are aimed at the production of sponge iron (DRI) starting from iron oxides (iron ore or oxides from steelmaking processes). The process involves the grinding of iron oxides and biochar and the subsequent production of briquettes by the addition of an organic binder (starch). The briquettes are then brought to a temperature between 1050 °C and 1450 °C thanks to an electric resistance furnace in order to activate the reduction reaction of iron oxides in metallic iron, thus obtaining the iron sponge or DRI (figure below). The horizontal configuration of the reduction furnace allows the use of briquettes (oxides and biochar) that must not have specific mechanical resistance characteristics, unlike what happens in traditional vertical reduction furnaces (for example in gas pre-reducers and blast furnaces).

- The objectives of the designed process are as follows:
- **obtain zero-CO₂-emitting iron sponge** to charge in electric furnaces to compensate for scrap shortage;
 - promote the use of poor quality ore through their mixing with better chemical quality materials using iron oxides from steelmaking processes;
 - Implement a process characterized by carbon neutrality through the exploitation of electricity from renewable sources and carbon-based reducing agents (biocarbon) that do not involve net CO₂ emissions, as they are biogenic in nature.

MODIPLANT Project

Currently, the heating furnaces used in steel production are mainly based on methane burners, with an obvious environmental impact due to CO₂ emissions. The main objective is therefore to decarbonise this process, through the introduction of hybrid heating technologies that combine electrification and gas combustion. This solution offers the opportunity to exploit synergies between different technologies, through the concept of “**hybrid heating**”.

The partial electrification of the furnaces will be carried out through the installation of induction heating systems and areas with radiant pipes with electrical resistors. Various technologies are examined to reduce CO₂ emissions in the industrial sector, from renewable electricity sources to the direct use of hydrogen. However, the main challenge is to reduce emissions from energy-intensive industries. In this context, the integration of electricity represents the best strategy to reduce the use of fossil fuels and CO₂ emissions in the EU. To promote this technological transition, the European Commission has launched the RFCs-2022-CSP- Big tickets for Steel programme, within which the Research and Development Project ‘MODIPLANT’ (MODular hybrId Technology for the steel PLANT) has been proposed.

This project aims to partially electrify the heating process of steel strips in a galvanizing line in Marcegaglia Ravenna, with the aim of **reducing CO₂ emissions and maintaining high standards of quality and economic sustainability**. MODIPLANT provides for the installation of a longitudinal flow induction furnace at the Marcegaglia Ravenna plant, with the option of an electric radiant pipe section. This system will be integrated into galvanizing line no. 1 and will use electrical power still in the technical evaluation phase. The technology will be tested through a long campaign of tests to evaluate its performance on a wide range of products.

Fossil fuel consumption and direct CO₂ emissions are expected to be reduced in the range of 40-60%.

R&D projects for the development of electric steels (Magmove and Madelen)

The development of **magnetic steels for electric motors** is a very important field of research and development worldwide and focused on the field of electric mobility and energy efficiency. **Magnetic steels are materials designed to maximise magnetic permeability** and minimise magnetic losses, making them ideal for applications in electric motors, transformers and other electrical devices. The development of magnetic steels requires significant investments in research, development, and dedicated production facilities but also requires a multidisciplinary collaboration among metallurgists, engineers and process technologists.

INTRODUCTION OF HYBRID HEATING TECHNOLOGIES THAT COMBINE ELECTRIFICATION AND GAS COMBUSTION





DEVELOPMENT OF MAGNETIC STEELS AS A COMMITMENT OF MARCEGAGLIA R&D

Consistent with this global trend, the Marcegaglia group's strategy in the development of Non Grain oriented magnetic steels (NGOES) has also moved in this direction through the programming of some plant investments in Ravenna, including the new SMS-DEMAG reversible rolling mill and the active participation in basic research projects funded by Magmove (ERDF RP Regional Call) and Madelen (MIUR Call), which aim to increase metallurgical knowledge and skills in the magnetic steel sector. The very sharp reduction in Italian production in this product segment, which took place around 2006 with the closure of the Terni plants, has in fact led to a significant reduction in scientific interest on the part of both industry and academia.

The development of magnetic products on the initiative of R&D Marcegaglia has brought together a group of universities and scientific institutions (University of Bologna, University of Modena-Reggio Emilia, INRIM, CNR) that have resumed their interest in expanding the topics related to the metallurgy of magnetic steel. As part of the projects financed by Magmove (ERDF RP Regional Call) and Madelen (MIUR), the following activities will be developed:

- **characterisation of the materials:** research study on the magnetic and mechanical properties of various magnetic steels to identify those with optimal performance for electric motor applications;
- **chemical composition optimisation:** modify the chemical composition of magnetic steels to improve their magnetic performance, reduce losses and optimise mechanical strength;
- **advanced production processes:** develop innovative manufacturing processes to produce magnetic steels with controlled microstructures and optimized magnetic properties;
- **evaluation of motor performances:** test magnetic steels in prototypes of electric motors to evaluate their performance in real conditions of use, including energy efficiency, thermal stability and durability;
- **scalability and sustainability:** consider the aspect of large-scale production of magnetic steels and the environmental sustainability of manufacturing processes.

Both projects aim to verify the results through the creation of a prototype of a new generation electric motor with improved performance.

All this is made possible thanks to a consortium of laboratories and companies representing the entire supply chain linked to the production of electric motors with complementary skills ranging from the production and characterisation of magnetic materials to their final use in the automotive sector.

The active collaboration of companies with a high innovative vocation in research activities will lead to a virtuous process of technology sharing and to define a good industrial research practice.

Smart Rolling

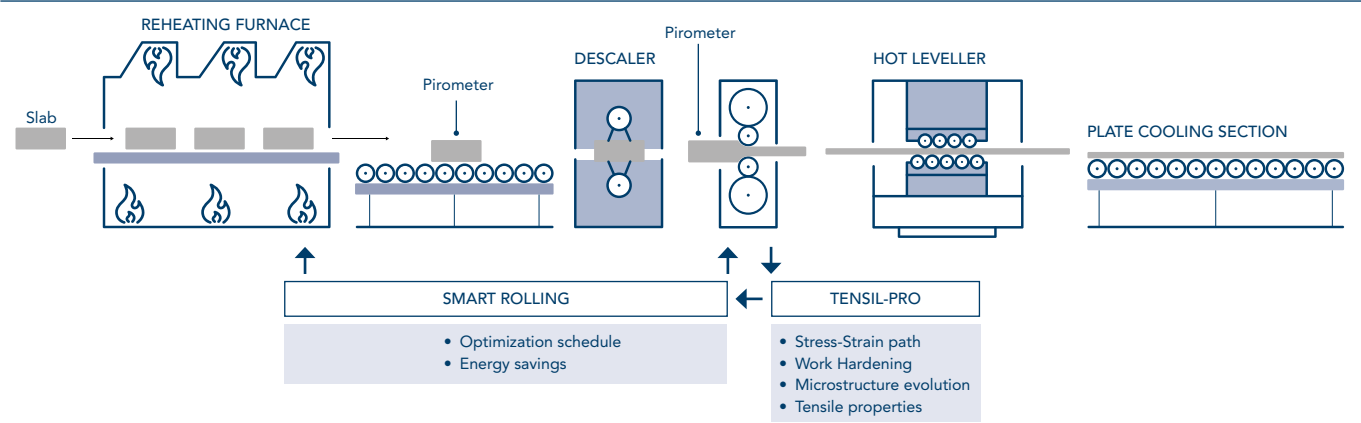
The “Smart Hot Rolling” project aims to produce high thickness and high quality sheets that have high resistance to brittle fracture by implementing virtual sensors and metallurgical models capable of automatically optimizing the performance of hot rolling process plants.

The implementation of “Smart Rolling” will also allow the production of sheets with a **thermo-mechanical control production cycle (TMCP) with reduced energy costs** by adopting the innovative approach of incremental plasticity in the metallurgical field. The benefits will be an **increase in productivity**, a significant **reduction in greenhouse gas emissions and operating costs**, meeting the most demanding requirements and technical specifications of European customers/ users.

The innovative element of the project is the industrial application of a new methodology based on the calculation of work hardening, a technology already protected in the Tensil-Pro patent application. This technology is able to evaluate the stress-strain distribution in the thickness of the sheet and consequently to evaluate the evolution of the microstructure and the mechanical characteristics of the sheet during the hot rolling process. The elastic-plastic behavior of the sheet in the hot deformation process and the evolution of the deformation in the thickness are calculated using a reduced order model (Machine Learning) trained on full-scale FEM-3D (Finite Element Method) simulations.

The combination of these models (Tensil-Pro and reduced order model) represents the innovative smart sensor that will allow to calculate the evolution of the microstructure and the mechanical properties of the sheet in the longitudinal and transverse directions, and also its thickness (3D approach). The smart sensor will also be used to define the Digital Twin of the hot rolling process.

HIGH-THICKNESS,
HIGH-QUALITY,
HIGH-STRENGTH SHEETS



Schematic view of the Smart Rolling project

DIGI-Inox project

The final aim of the project is to significantly **automate the production cycle** while obtaining the possibility of producing new products with higher added value (e.g. high formability stainless steels), an increase in productivity, savings in gas consumption and an improvement in the final quality of the products

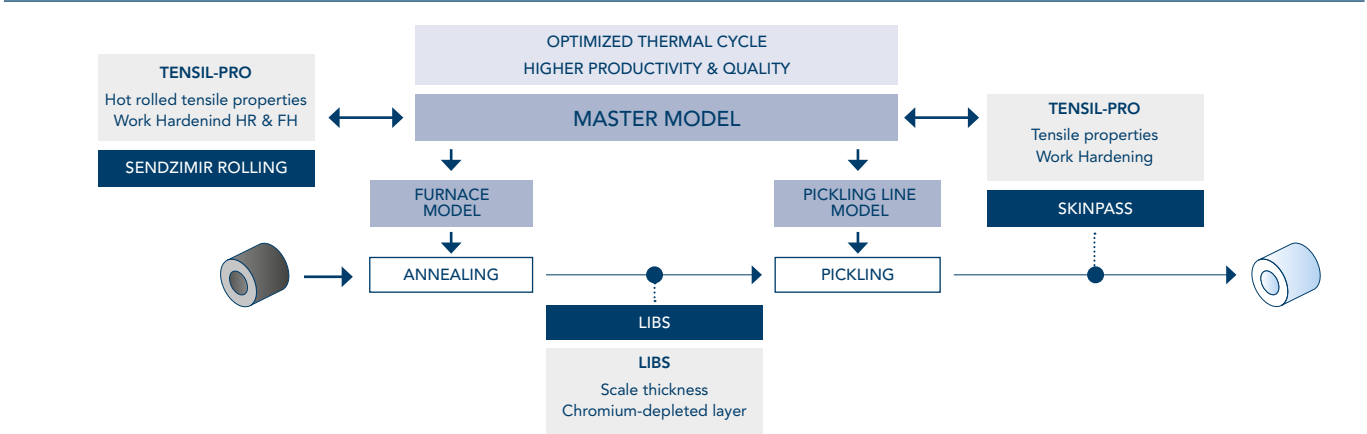
The DIGI-INOX project (see figure below) aims to create a production cycle of stainless steel coils in an Industry 4.0 key in which all the processes involved (characteristics of the raw material, rolling, annealing and pickling cycles, qualification of final products) are integrated through the development of an innovative Metallurgical Model of advanced management of the annealing and pickling process (A&P line) and Smart Sensors, self-training, for real-time monitoring of the metallurgical characteristics of the products.

There are two innovative elements of the project: the first consists in the development of a **Metallurgical Model** that, on the basis of the chemical composition of the hot strip, mechanical and microstructural characteristics, final product target, cold rolling data, is able to define the optimal annealing cycle in terms of productivity and environmental sustainability.

The second element of innovation is the development of a Smart Sensor, that is, a **system of continuous measurement**, self-training, of the mechanical characteristics and work hardening of stainless steels (Tensil-Pro Toolbox) that allows the metallurgical characteristics of the product to be evaluated in real time during the deformation process.

Integrated into the Metallurgical Model must be an advanced model of the annealing and pickling furnace that allows the automatic execution of production cycles optimised in terms of energy consumption and GHG emissions.

NEW PRODUCTS WITH
HIGHER ADDED VALUE
AND GAS CONSUMPTION
SAVINGS



Schematic view of the DIGI-INOX project

ENVIRONMENT

At Marcegaglia, respect for the environment and natural resources is very important. Energy consumption, transport, water, biodiversity, waste are examples of areas that the Group cares about with commitment and determination towards progressively improving its industrial activities. Reducing emissions and natural gas and electricity consumption; promoting the shift from road to rail transport; correct use of water for production, cooling, and hygiene purposes; protecting existing ecosystems and enhancing processing waste to create new products in the infinite steel cycle. This is part of our commitment to an inclusive and sustainable business model.

ENERGY

Among the most significant environmental aspects related to the activities of the plants of Marcegaglia Steel SpA, the first to be taken into account is **energy consumption**; this translates for Italian sites into the maintenance of the energy management system certified ISO 50001 since 2017, a certification also present in the newly acquired Fagersta Stainless AB.

The two main energy sources used are electricity and natural gas. With the acquisition of the Sheffield steel plant, with electric arc technology, and the hot rolling plant of long products of the Fagersta plant, the spectrum of plants with hot processing of steel, previously carried out only in the two plants in San Giorgio di Nogaro (UD) of Marcegaglia Plates SpA and Marcegaglia Palini e Bertoli SpA, is expanded. The production cycles of the remaining plants carry out cold transformations of the steel. Some of these, namely the plants of Ravenna, Gazoldo degli Ippoliti, Casalmaggiore, Boltiere and Rivoli, also carry out heat treatments of semi-finished flat products and pipes for which the relative combustion processes involve a significant consumption of natural gas compared to other energy sources.

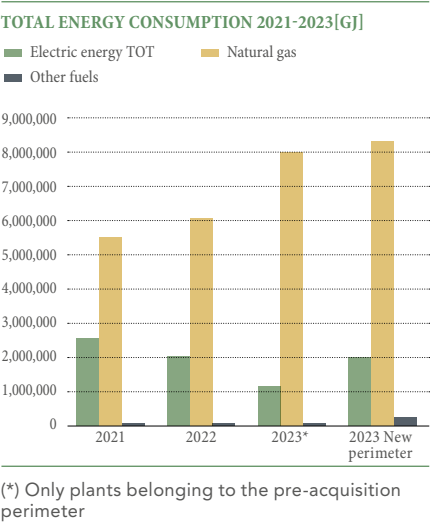
Energy consumption analysis 2021-2023

To observe the evolution of Marcegaglia Steel SpA’s consumption in the three-year period 2021-2023, the following table shows the separate values per energy source relating to the pre-acquisition and post-acquisition scope expressed in GJ, in order to allow the comparability of the data, and the overall data in MWh.

ENERGY CONSUMPTION										
Year	GJ									MWh
	EE PV	EE from network	EE TOT	DISTRICT HEATING	NG	DIESEL	PETROL	LPG	TOTAL	TOTAL
2021	8,943	2,589,561	2,598,504	0	5,541,722	62,077	97	6,553	8,208,953	2,280,265
2022	8,981	2,034,693	2,043,675	0	6,087,948	76,084	409	12,648	8,220,764	2,283,545
2023 *	8,784	1,183,632	1,192,416	8,629	7,991,962	77,471	447	16,946	9,287,870	2,579,964
2023 New perimeter	8,784	2,024,675	2,033,459	30,398	8,363,343	107,163	492	150,928	10,685,783	2,968,273

(*) Only plants belonging to the pre-acquisition perimeter

In the three-year period 2021-2023 (pre-acquisitions), the total consumption of electricity and natural gas covered on average 99% of the needs. The trend in consumption shows, between 2022 and 2023, a 31% increase in the use of natural gas and, at the same time, a 42% usage contraction in electricity from the grid. This is attributable to the commissioning, at the Ravenna and Gazoldo degli Ippoliti sites, of cogeneration plants with the potential of 70 MWt and 42 MWt respectively



for the combined production of electrical and thermal energy (hot water and steam) aimed at self-consumption. Their launch took place in the last quarter of 2022 and led to a consequent increase in gas consumption and a reduction in the supply of electricity from the national grid. At the same time, several efficiency activities have been carried out in relation to the consumption of natural gas for process uses, as well as numerous activities to improve the efficiency of electricity consumption, which have had an impact on reducing consumption. Among other energy sources, there is an increase in the consumption of LPG, mainly used for heating plants in Latin America, while the remaining fuels used are diesel and gasoline, used in the internal handling of raw materials and semi-finished products, for transport and for the vehicle fleet.

Looking instead at the distribution of energy consumption in 2023 in the new scope, it is noted that electricity and natural gas fuel the activities of the group for 97%, while the percentage consumption of LPG, mainly used by the Fagersta plant both in industrial processes and for the heating of environments and water, reached 1.4%.

Regarding the energy intensity indicator, which indicates the ratio between total energy consumption in MWh and the amount of steel processed in tons, within the pre-acquisition scope in 2023 an increase can be noted compared to the previous year. The result is linked to the consumption trend analysed above and the 3% growth in the quantities of processed steel.

In fact, while the increase between 2021 and 2022 was caused by market instability, with consequent effects on the transitional operating regimes of the plants, which emphasized the contribution of some fixed users, such as auxiliary services, for 2023 the increase is linked to the new energy structure of the group, influenced by the two main production hubs of Ravenna and Gazoldo degli Ippoliti. The efficiency of producing both electrical and thermal energy simultaneously is much higher compared to the energy related to national thermoelectric and thermal production from old technology boilers.

Returning to the perimeter following the acquisitions, a new level of energy intensity data emerges, which reaches 0.205 MWh/t_{processed} in the Group’s configuration which includes the production and hot transformation process of stainless steel, which is inherently very energy-intensive. The new energy intensity value is linked to the contribution of the Sheffield steelworks, the first and only steel production plant of Marcegaglia Steel SpA.

Energy Efficiency

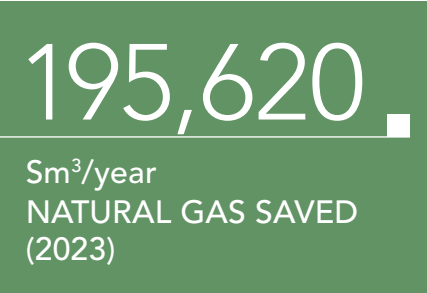
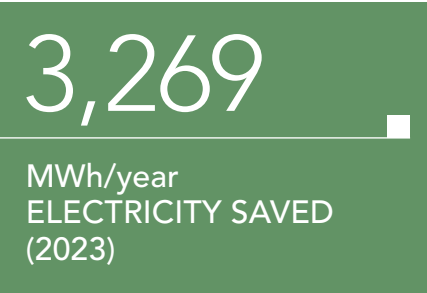
The strategies for the reduction of energy consumption typical of cold and hot steel transformations lie in the identification of opportunities for efficiency both in the production processes and in the auxiliary services used by the processing plants.

In 2023, energy efficiency measures carried out in **Italian plants** mainly concerned:

- the replacement of the **welding section in the pipe production lines**, with the transition to latest-generation technologies, such as fibre-optic and solid-state laser welding (Forlimpopoli, Lomagna);
- the **modernisation** of process machinery, pumping systems and other auxiliary machinery by replacing the motors with more efficient ones, equipped with inverters (Boltiere, Casalmaggiore, Contino, Gazoldo degli Ippoliti plant of Marcegaglia Gazoldo Inox , San Giorgio di Nogaro plant of Marcegaglia Palini e Bertoli);
- the **revamping of overhead cranes** by installing regenerative inverters or replacing motors with a higher energy efficiency class;
- the installation of **new compression units** for the production of compressed air (San Giorgio di Nogaro plant of Marcegaglia Palini e Bertoli);
- the installation of systems for **automatically deactivating lines** during downtime (Boltiere, Casalmaggiore, Pozzolo Formigaro);
- the **improvements** in the management of the operation of the **heating systems** for the heating of the environments (Lomagna, Graffignana, Gorla Minore via Colombo);
- the replacement of lighting fixtures with new **led technology** (Gazoldo degli Ippoliti plant in Marcegaglia Gazoldo Inox, Graffignana, San Giorgio di Nogaro plants, Ravenna plant);
- the inclusion of **optimization systems for the treatment furnaces** (such as the increase in combustion air, the modification of the burner regulation systems in San Giorgio di Nogaro) and the treatment tanks (Trafital – plant in via Colombo of Gorla Minore);
- **optimising** the operating cycles of the **aeriform extraction systems** generated in the production processes (Casalmaggiore, Gazoldo degli Ippoliti plant of Marcegaglia Carbon Steel).

Overall, energy efficiency interventions, excluding cogeneration plants, were worth **over 6 million euros of investments**, and thanks to them in 2023 3,269 MWh/year of electricity and 195,620 Sm³/year of natural gas were saved, which translates into 1,893 tCO₂eq avoided (calculation carried out according to the market-based approach with regard to electricity).

At the Group’s **foreign sites**, several interventions aimed at energy efficiency were carried out in 2023, which supported staff awareness initiatives on energy uses and



- related performance; among the main actions are:
- the replacement of low efficiency lighting fixtures with new **led technology** devices (factories in Garuva, Praszka, Oldbury, Fagersta);
 - the efficiency of **natural gas consumption** in annealing and hot rolling processes (Marcegaglia Stainless Sheffield – Stevenson Road plant);
 - **waste heat recovery** in the pickling line (Fagersta);
 - the replacement of fixed speed **compressors** with variable speed models (Dudley, Sheffield – Stevenson Road plant);
 - the replacement of **the cooling towers** (Dudley);
 - the **modernisation of machinery** and efficiency in the use of **steam** (Kluczbork, Fagersta);
 - the optimization in the management of the operation of **heating systems** for the heating of the environments (Riga).

The following are the energy efficiency interventions planned for the Italian plants of the Marcegaglia Group, in part already outlined and in the construction phase and in part of new design:

- recovery of electricity from the expansion of methane gas coming from the grid (turbo-expander in Ravenna);
- steam/hot water conversion from cogenerator for the cleaning system of Galvanizing line 1 (Ravenna);
- thermal reconversion (trigeneration) at the electrical substations through the recovery of thermal energy from cogeneration (Ravenna);
- two heat recovery solutions from the cogenerator, including the installation of a water-air heat exchanger for the incoming combustion air in line 2 of the stainless steel pickling line and the conversion of the steam requirement of the pickling process by means of water-acid exchangers, powered by the hot cogeneration water (Gazoldo degli Ippoliti plant of Marcegaglia Gazoldo Inox);
- preheating of the combustion air by recovering the radiant heat of the reactor in the Ravenna regeneration plants;
- revamping of the cooling towers (Ravenna, Forlimpopoli);
- relamping replacement with LED lighting fixtures at the sites of Casalmaggiore, Gazoldo degli Ippoliti and Ravenna of Marcegaglia Carbon Steel and at the San Giorgio di Nogaro plants;
- replacement of the compressed air production system in Contino, Forlimpopoli, Graffignana and Lomagna, with the use of variable speed compressors;
- replacement of the welding system in the pipe forming lines (Casalmaggiore, Gazoldo degli Ippoliti and Lomagna sites of Marcegaglia Carbon Steel; Forlimpopoli plant of Marcegaglia Specialties);
- heat recovery from the heat treatment furnaces of Casalmaggiore;
- installation of an optical system for sheet metal scanning prior to slab cutting and replacement of the rolling cage motor (San Giorgio di Nogaro plant in Marcegaglia Plates);
- revamping of the automation of the rolling cages (San Giorgio di Nogaro plant of

TRANSPORT

Marcegaglia Palini e Bertoli);

- electrification of the raw material handling system in the Ravenna plant (automation and digitisation of internal and external bridge cranes);
- revamping of the bridge cranes by installing inverters and higher energy class motors (San Giorgio di Nogaro plant of Marcegaglia Plates).

In addition to the projects listed above, parts of machines and equipment are being continued in various plants (in particular with the replacement of electric motors and burners, inverter fans) and the **modernisation of the vehicle fleet**. More innovative interventions are being explored, such as the **electrification of thermal processes** and the use of **hydrogen instead of natural gas**.

The specific actions for the continuation of the process of integration and expansion of the **monitoring systems of electrical, thermal and compressed air production** were also planned in order to improve the mapping of energy uses in the Gazoldo degli Ippoliti plant of Marcegaglia Carbon Steel and in the Graffignana and Pozzolo Formigaro plants of Marcegaglia Buildtech. The **monitoring of the positioning** with respect to the sector benchmarks remains always active to better identify future scenarios on energy consumption.

AIn addition to the above, for the near future, further energy efficiency interventions have already been planned in plants abroad, such as:

- the extension of the relamping activity (Kluczbork, Oldbury, Dudley, Fagersta);
- the adoption of new cooling towers (Oldbury);
- optimization of the hot rolling process to reduce gas consumption (Sheffield – Stevenson road);
- the efficiency of the use of compressed air, steam, electricity and LPG (Fagersta) and modernization of machinery (Praszka).

Year	tCO ₂	Reduction compared to the previous year
2021	52,253	
2022	53,724	-2.8%
2023	56,199	-4.6%

Regarding transport, the **commitment** made over the years to promote the transition **from road transport to rail transport** continues, in particular, through the transport entrusted by Marcegaglia Carbon Steel, Marcegaglia Specialties, Marcegaglia Palini e Bertoli and Marcegaglia Plates to Mercitalia Rail Srl, Rail Cargo Logistics Srl and DB Cargo Italia Services Srl, to which in 2023 Inter-rail SpA was added; in the last three years over 162,000 tons of CO₂ from road transport have been avoided.

In 2023, the result improved further, marking a reduction of over 4% compared to the previous year. With regard to the foreign sites of Marcegaglia Steel, the supply of raw materials and the shipment of semi-finished or finished products takes place by road and, where possible, favouring rail transport by relying on the hubs available in the territory; in the case of intercontinental transport, naval transport is used. In particular, Marcegaglia Stainless Sheffield Ltd is equipped with an internal railway connection. There is important news for the years to come: **Mercitalia Logistics**, leader of the FS Group Logistics Hub, **and Marcegaglia Carbon Steel** have signed an agreement for the design and construction of new railway terminals and connections and for the management of a new wagon fleet capable of satisfying the Group’s broader transport needs. The partnership provides **new logistical solutions for the transport of iron** and steel products in and out of the Marcegaglia plants.

Specifically, the project will allow the construction of a new railway connection of about 11 km between Castelluccio station, on the Milan-Mantuva line, and the Gazoldo degli Ippoliti plant. To this will be added, subsequently, the construction of a new railway terminal serving the industrial area of the Municipalities of Gazoldo degli Ippoliti and Rodigo. The new transport method will complement the solutions already used for flows on the territory and is necessary for the growth prospects of the plant in the direction of greater environmental sustainability. The infrastructure work will reduce road traffic, with a dual objective: the reduction of emissions into the atmosphere from road transport and greater road safety, considering that **a single train removes 30 trucks from the road**. Currently, the Italian integrated transport network of Marcegaglia Steel SpA is based on the logistics hubs of San Giorgio di Nogaro and Ravenna, in whose port dock over 3.5 million tons are handled every year, while the internal rail networks, present in both sites, allow to handle over 12 million tons of steel every year. Within the Marcegaglia company, Ravenna is the largest metallurgical plant and the most important logistics and intermodal hub for the industrial and commercial activities of its production chain: the port dock for the handling of coils used to receive raw materials and shipments has been undergoing expansion since 2021 and, in collaboration with the Port Authority, during 2023 the depth of the seabed was adjusted to allow the transit of ships of different shapes to promote maritime traffic;



GOAL

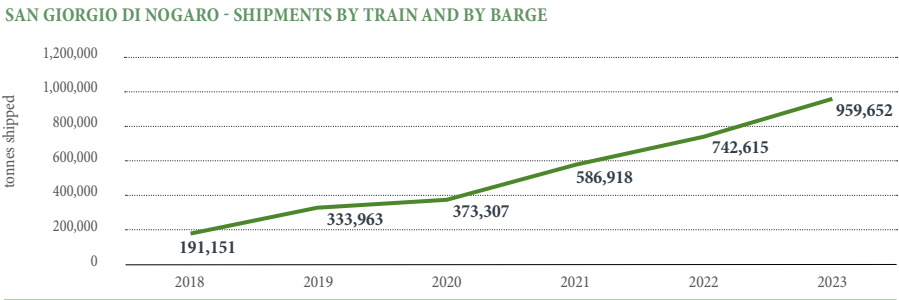
2 MILLION TONS

Compatible with investments in railway infrastructure, the goal of the Ravenna plant is to increase **train transport** capacity to reach 2 million tons per year **by 2028**.

in addition, during 2023 **a new crane** was inserted **for the loading and unloading of coils**.

Precisely from the Ravenna plant, the impulse to use the rail to improve incoming and outgoing handling began, with the project born in 2013 for the shipment by train of over 600 thousand tons of material per year, increased from year to year until reaching a peak in 2022 of 1.6 million tons and 1.4 million in 2023. To encourage this trend and relieve the railway road network from heavy vehicles, the new plant entrance is being built, which will move much of the traffic from via Baiona to the other side of the plant, while promoting interoperability with the railway connection.

As for the San Giorgio di Nogaro plant, thanks to the activation of barge transport from the Port of Monfalcone to Porto Nogaro and the enhancement of rail transport, the transit by road of over 3 million tons of slabs was avoided.



In San Giorgio di Nogaro, for the handling of raw materials and finished products, the threshold of 900,000 tons was exceeded.

With regard to internal logistics, i.e. the handling of raw materials and semi-finished steel within the plants, in the plants of San Giorgio di Nogaro, Forlimpopoli, Gazoldo degli Ippoliti and Ravenna, thanks to specific projects, over the last few years the emission impact has been significantly reduced thanks to the increasing use of smart tracking devices or powered by electricity, aimed at optimising internal handling by reducing the length of routes and optimising consumption. In particular, the most significant intervention, which began in mid-2022 and is expected to be completed by the end of 2024, concerns the continuous development process of the automated warehouses and internal logistics of the Ravenna plant, **with an investment of almost 7 million euros**. The positive impacts will also concern the safety of operators, with a **concrete reduction in the risks** related to the handling of semi-finished steel products, and the environment, with electrification that will allow the reduction of emissions deriving from the consumption of fuels used in handling with trucks and other heat engine systems.

EMISSIONS IN THE ATMOSPHERE

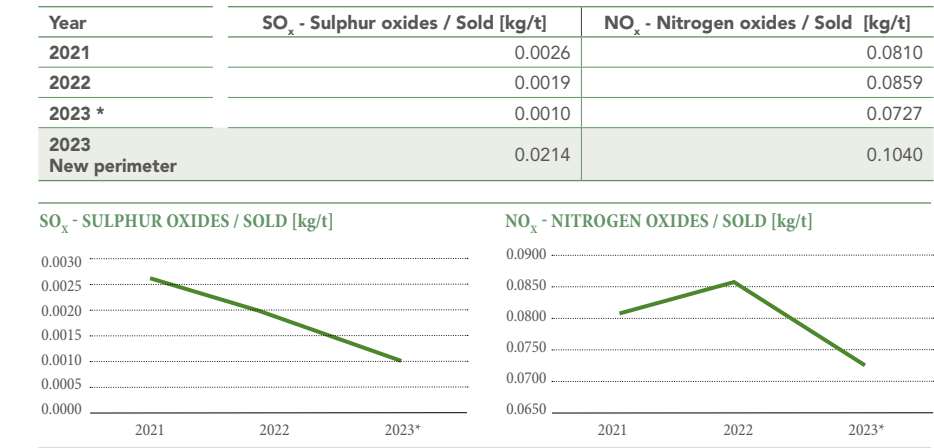
Among the principles dictated by the policies of Marcegaglia Steel SpA, there is a commitment to the achievement of national and EU targets for the reduction of “GHG – GreenHouse Gases” emissions as well as attention to the measurement and monitoring of environmental performance indicators, relating to atmospheric emissions.

In order to reduce its impacts, the Group has always been particularly attentive to the installation and management of abatement systems for the containment of atmospheric emissions. Investments for the **technological improvement** and **renewal of production plants** are continuous. Among the improvement actions taken during 2023, for example in **Sheffield**, are the replacement of scrubbers and the intensification of the periodic replacement programme of filters for the reduction of nitrogen oxide and fluoride emissions, as well as the modification of the steel plant’s production cycle in order to be able to control emissions more efficiently. Actions are also planned to increase the efficiency of suction and abatement of emissions of two **peeling lines in Contino**, of the **profiling lines in Lomagna**, of the **emissions treatment plant in Mexico**.

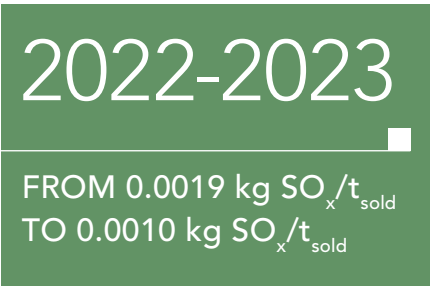
The Scanacon recovery plant in Sheffield is expected to reduce NO_x emissions and acid consumption.

Emissions into the atmosphere are monitored in accordance with the specific national authorisation provisions, in particular **8 Italian** and **2 foreign plants** are in possession of **authorisation under the IED Directive**, which provides for a more stringent monitoring, control and reporting system, as well as alignment with the BAT (Best Available Techniques) of the sector.

At all sites, environmental performance is constantly evaluated thanks to a monitoring plan and the maintenance of an environmental management system. Regarding the quantification of the impacts of Marcegaglia Steel SpA on the atmospheric emissions matrix, as the main indicators, the mass flows of NO_x and SO_x have been determined, of which the trend for the three-year period 2021-2023 is summarized below, with respect to the tons of product sold:



(*) Only plants belonging to the pre-acquisition perimeter



The value of the indicator of sulphur oxides (SO_x), with reference to the pre-acquisition perimeter, shows a slight decrease between 2021 and 2022, and a significant reduction in the two-year period 2022-2023, going from 0.0019 kg SO_x/t sold to 0.0010 kg SO_x/t sold. It is clear that the emission value relating to the new perimeter reflects the new structure that includes emissions from steel production.

With regard to the mass flow of nitrogen oxides (NO_x), starting from the end of 2022 in conjunction with the commissioning of cogenerators, there is a continuous monitoring system of the relative emissions into the atmosphere. The existing steam generation systems have been replaced by the combined production of electricity and thermal energy of the cogeneration systems, which respecting the BAT of the Large Combustion Plant sector, have been designed for emission values of an order of magnitude lower. The result is a reduction in the value of the indicator in 2023, in relation to the pre-acquisition perimeter. As with SO_x, the new perimeter highlights an increase in the indicator linked to steel production, which however has a more limited impact.

ETS and CBAM

With regard to CO₂ reporting, Marcegaglia Steel SpA has been involved in the **Emissions Trading System** (EU ETS) since the entry into force of Directive No. 2003/87/EC; since 2023 it has also been subject to Regulation (EU) 2023/956 on the **Carbon Border Adjustment Mechanism** (CBAM).

Both mechanisms concern the **control of emissions** responsible for the climate crisis, in order to achieve CO₂ reduction targets in the main industrial sectors at national and international level. The obligated parties must obtain authorisation for greenhouse gas emissions from the relevant national authority both in regards to the production and import of products from non-EU countries. Specifically, with regard to the ETS, the activities of reporting, certification, declaration and return of allowances continue in line with the provisions of the legislation.

The CBAM for 2023 has provided for the declaration by the end of January of the data of the last quarter, Marcegaglia, with the social reasons for importing raw materials from non-EU countries, has provided, within the deadline, for the communication through the appropriate Register.



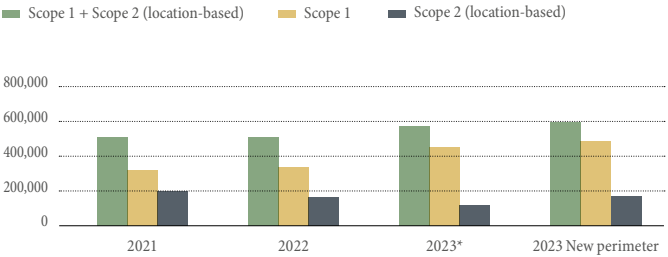
GHG emissions

Among the environmental impacts, that of emissions of climate-changing gases, or **greenhouse gases** (GHG), is one of the most closely watched on a global level, and is at the centre of constant monitoring carried out by public and private bodies, as well as of constantly evolving political agendas and regulations. GHG emissions are reported by dividing them between Scope 1 and Scope 2. **Scope 1** refers to **direct emissions**, linked to the use of fossil fuels in production processes, in heating systems within the boundaries of the organization and in company vehicles. **Scope 2**, on the other hand, refers to the **indirect emissions** related to the production of purchased energy, in the form of electricity, steam, heat and cooling. In this regard, Marcegaglia Steel SpA does not buy steam or cooling; in addition to mains electricity, it takes heat through district heating, present at the Fagersta (Sweden) and Vladimir (Russia) sites. Below are the data for the three-year period 2021-2023 that analyse both the pre-acquisition perimeter and the new reporting perimeter, both according to the location-based method, in continuity with previous years, and according to the market-based method.

GHG EMISSIONS [tCO₂eq], location-based method

Year	Scope 1	Scope 2	Scope 1 + Scope 2
2021	316,239	200,246	516,484
2022	343,228	162,732	505,960
2023 *	456,665	119,899	576,564
2023 New perimeter	488,366	174,827	663,193

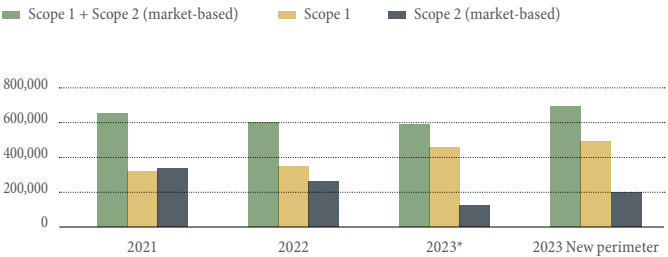
(*) Only plants belonging to the pre-acquisition perimeter



GHG EMISSIONS [tCO₂eq], market-based method

Year	Scope 1	Scope 2	Scope 1 + Scope 2
2021	316,239	330,548	646,786
2022	343,228	260,663	603,891
2023 *	456,665	131,620	588,285
2023 New perimeter	488,366	200,268	688,634

(*) Only plants belonging to the pre-acquisition perimeter



The trend of the data of the last three years, in relation to the pre-acquisition perimeter, highlights the **increase in Scope 1 emissions** and the concomitant **reduction in Scope 2 emissions**. This trend is due to the change in the structure of energy supply, linked to the start-up in the second half of 2022 of natural gas-fired cogenerators that provide the combined supply of electricity and steam at the Ravenna and Gazoldo degli Ippoliti sites. In fact, comparing the data for 2021 with those for 2023 shows an increase of 44% in Scope 1 emissions and a decrease in Scope 2 emissions, 40% according to the “location-based” calculation method and 60% according to the “market-based” method.

From both the “location-based” and “market-based” calculation approaches, the same trend as Scope 2 can be seen. The “market-based” method highlights an overall decrease in total emissions (Scope 1 + Scope 2), equal to 9% compared to 2021: this methodology is based on the actual type of electricity supplied, enhancing the supply of electricity from renewable sources, certified by guarantees of origin. These instruments, in 2023, affected the plants in Marcegaglia UK, Marcegaglia Colombia and Marcegaglia Ravenna.

The expansion of the perimeter has led to a variation in the distribution of emissions: while Scope 1 emissions issued in 2023 within the pre-acquisition perimeter constitute 78% of the total (“market-based” calculation), in the new perimeter they represent 71%. There is therefore a percentage drop in direct emissions and a shift towards Scope 2. This is mainly related to the entry into the Group of the electric arc steel mill, third for energy consumption, where greenhouse gas emissions are divided into direct for 24% and indirect for 76%.

A valuable indicator, quantified to compare the normalized emission data with respect to the Group’s activity from year to year, is the **emission intensity**, calculated as the **ratio between greenhouse gas emissions** (Scope 1 + Scope 2), expressed in tons of CO₂ equivalent, **and the tons of steel processed and sold**.

GHG EMISSIONS INTENSITY				
	Location-based		Market-based	
Year	[tCO ₂ eq / t processed]	[tCO ₂ eq / t sold]	[tCO ₂ eq / t processed]	[tCO ₂ eq / t sold]
2021	0.0360	0.0871	0.0450	0.1091
2022	0.0373	0.0907	0.0446	0.1083
2023 *	0.0412	0.1011	0.0420	0.1031
2023 New perimeter	0.0458	0.1127	0.0475	0.1171
The emission intensity on the tons processed refers to the total of the material processed, as each production site could transform steel that has already undergone processing at other sites. The emission intensity on tons sold, on the other hand, does not take into account reworking and is therefore higher.				

(*) Only plants belonging to the pre-acquisition perimeter

GOAL

EMISSIONS

-8%

(PERIMETER AT 31/12/2022):

Reduction, by 2025, equal to -8% of the carbon dioxide emission intensity compared to the base year 2021, through interventions such as contracts for the supply of electricity from renewable sources, installations of owned photovoltaic systems, investments in the field of both internal and external logistics, plant efficiency

The indicator relating to sales, according to the “market-based” methodology, decreased by 5.5% compared to 2021, demonstrating the effectiveness of the energy policy adopted, in line with the objective identified. The processed indicator also shows the same trend, with a reduction of 6.7% from 2021 to 2023.

The carbon intensity relative to the new perimeter of Marcegaglia Steel SpA was influenced by the acquisition of the British plants of Marcegaglia Stainless Sheffield Ltd and the Swedish one of Fagersta Stainless AB, as energy intensive steelmaking activities. Given the plant complexity and the entry into 2023, the opportunities for technical plant development are currently being assessed in relation to these sites.

RENEWABLES TARGET

Photovoltaic 2024-2026

During the executive design phase:

- Contino (Marcegaglia Specialties): ground-based photovoltaic plant with a power of 11 MWp
- Forlimpopoli (Marcegaglia Specialties): ground-based photovoltaic plant with a power of 4.5 MWp

During the preliminary design phase:

- San Giorgio di Nogaro (Marcegaglia Palini e Bertoli): photovoltaic system with a power of 0.7 MWp
- San Giorgio di Nogaro (Marcegaglia Plates): photovoltaic system with a power of 0.25 MWp
- Kluczbork (Marcegaglia Poland): photovoltaic system with a power of 4.7 MWp
- Graffignana and Pozzolo Formigaro (Marcegaglia Buildtech): photovoltaic system with a power to be defined

Defined as a 20-year **Power Purchase Agreement (PPA)** for the supply of approximately 11 GWh/year of green energy from two photovoltaic plants located in Sicily.

WATER

Most of Marcegaglia Steel SpA’s production activities require the use of water, which is used for **production, cooling and sanitation purposes**. Aware of the importance of this resource, we continue with our commitment to sustainable water resource management and continue to invest in optimizing its use.

In order to reduce the amount of water used by plants in Italy and abroad, various **technological solutions** have been adopted such as closed cycle cooling towers, air exchangers, recirculation systems for process solutions and systems for the reuse of appropriately treated process water where technically feasible.

The following is a summary table of the trend in water used by Marcegaglia Steel SpA in the three-year period 2021-2023:

TREND AMOUNT OF WATER TAKEN [m³]				
Year	Amount taken from surface water	Amount taken from aqueduct	Amount taken from groundwater	TOTAL amount of water taken
2021	0	1,496,266	3,275,307	4,771,573
2022	0	1,402,507	3,136,856	4,539,363
2023 *	0	1,607,712	3,134,013	4,741,725
2023 New perimeter	3,557,420	2,193,334	3,134,013	8,884,767

(*) Only plants belonging to the pre-acquisition perimeter

The only plant not connected to the water network or to underground wells is that of Queretaro, Mexico, which receives water through tankers; this volume (equal to 21,360 m³ in 2023) in the previous table has been assimilated to the amount of water taken from the aqueduct.

According to data from the Aqueduct platform implemented by the World Resources Institute (WRI), in 2023 a minimum amount of water (0.12%) was taken from areas classified as highly water-stressed. All these areas refer to plants falling within the pre-acquisition perimeter.

With reference to this perimeter, the average amount of water taken in the three-year period 2021-2023 are 97% for industrial use, understood as the sum of water for productive (38%) and cooling (59%) use. In 2023, the amount of water taken from aqueduct increased by 15% compared to 2022, mainly due to the increase in the demand for cooling water at the Ravenna plant, while the amount from groundwater remained almost unchanged. Overall, the water volumes used are in line with the data from previous years.

Compared to the new scope, water usage from different sources during 2023 are distributed as follows: about 24% from aqueducts, 35% from groundwater and 41% from surface waters. The latter are used by the Fagersta plant, mainly for cooling purposes. It is important to underline that this volume of water is totally returned to the same body of water from which it was taken. Also significant is the volume taken from the aqueduct by Marcegaglia Stainless Sheffield, which amounts to 568,937 m³, of which over 80% for cooling.

2023 WITHDRAWALS:

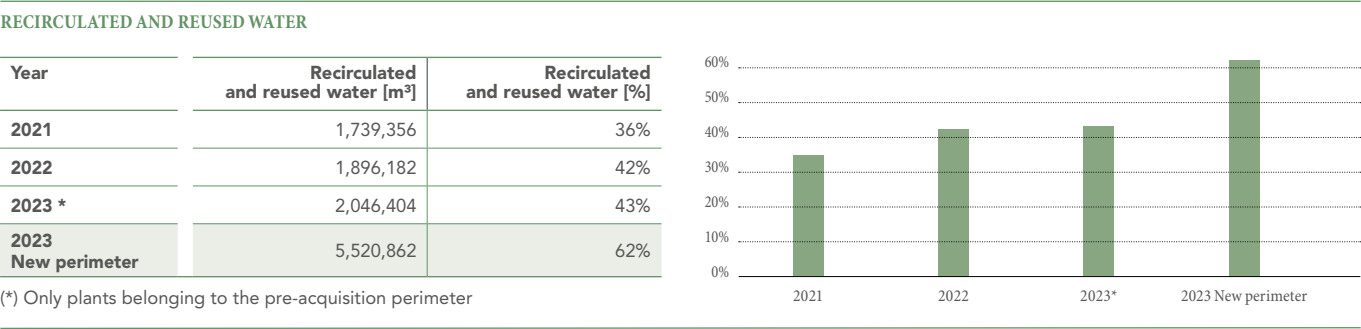
24% AQUEDUCT

35% GROUNDWATER

41% SURFACE WATERS



In order to reduce the volumes of water usage, Marcegaglia Steel SpA carries out at its sites the recirculation of water used in cooling systems and, if the process conditions allow it, also within some production processes. The technologies currently on the market make it possible to create systems that need to be replenished with small amounts of water, such as cooling towers or heat exchangers. Below are the volumes of water recirculated and reused at the sites and the relative percentage of water usage in the 2021-2023 period:



In the three-year period 2021-2023, considering the perimeter prior to the new acquisitions, there was an **increase in the volumes of water reused and recirculated in the processes**, largely linked to optimizations of closed cycle cooling water systems. With reference to the new company perimeter, the share of water recirculated in 2023 is equal to 5,520,862 m³ or 62% of the total amount of water taken from all the Italian and foreign plants acquired by Marcegaglia Steel SpA; the net increase in the % of water reused is due to the configuration of the Fagersta plant described above.

- The main initiatives implemented in 2023 to reduce water consumption are:
- use of **chillers instead of water exchangers**, in particular in pipe manufacturing plants;
 - optimisation, at the Gazoldo degli Ippoliti and Ravenna plants, of the **use of process water** before sending it to the wastewater treatment systems;
 - adoption of technologies to **extend the life of the process solutions** implemented in Ravenna;
 - installation of a system that allows **to recover the water used in the rinsing tanks from the pickling line**, reusing it for the creation of the neutralization solution (Sheffield ASR);
 - optimisation of the **pickling** plant with reduction of water consumption for process needs (Fagersta);
 - reduction of water consumption related to the **painting** phases (Queretaro);
 - construction of the **rainwater collection** system for use in the industrial process (Brazil).

- For the next few years, Marcegaglia Steel SpA has set targets at its plants aimed at reducing water consumption through:
- the **reuse of water** from the water/oil separation process for the production of process solutions (Ravenna);
 - the **decrease in the evaporation of water in the cooling towers** that will be affected by the revamping for optimization and increase of potential (Ravenna);
 - the reduction of the need to replenish the lubricant-cooling emulsion by **modernising the filtration system and the distribution system** (Contino);
 - the **elimination of the water** used **to cool** some sections of the profiling lines (Casalmaggiore).

A new project is also being evaluated that would allow the reuse of water used in cooling processes at the Sheffield SMACC (UK) plant.

The following is a summary table of the trend in water discharges in the three-year period 2021-2023:

WATER DISCHARGES [m³]				
Year	discharges into surface water body	discharges in public sewage	discharges into the ground/subsoil	TOTAL volume of discharges
2021	2,897,776	423,049	0	3,320,825
2022	2,583,305	375,531	172	2,959,008
2023 *	2,915,209	426,531	6,743	3,348,483
2023 New perimeter	6,565,472	576,760	6,743	7,148,975

(*) Only plants belonging to the pre-acquisition perimeter

In the three-year period under review, the trend in the total volume of water discharges from the plants belonging to the pre-acquisition perimeter has not undergone significant changes; however, in 2023 there was a slight increase in the volumes of water discharged, justified by an increase in processed material compared to 2022. It is specified that the discharge into the ground or subsoil concerns exclusively municipal wastewater (Tezze sul Brenta and Mexico). In the three-year period, the discharges sent to the surface water body represented 87.1% of the volume discharged, while 12.7% were discharged in the public sewerage system. Considering the new perimeter, we note the increase in the total water discharged during 2023, mainly due to the delivery of the cooling waters of Fagersta to the surface water body. For this reason, the distribution of discharges is such that the volume is delivered for 8.1% in sewerage, for 91.8% in surface water and for 0.1% in subsoil. Compliance with the discharge limit values, with reference to the regulations in force in each State, is checked through periodic monitoring, as required by the specific authorisations.



There are no critical issues on any concentrations of priority concerning substances.

The figures relating to the volumes of water discharged for industrial use by Marcegaglia Steel SpA for the three-year period 2021-2023 are shown below:

VOLUMES OF WATER DISCHARGED FOR INDUSTRIAL USE [m³]						
Year	Industrial discharges into the surface water body	of which from treatment plant	Industrial discharges into public sewerage	of which from treatment plant	TOTAL volume of industrial discharges	Industrial water discharges/production [m³/t _{processed}]
2021	2,893,816	2,239,380	326,217	125,673	3,320,033	0.224
2022	2,573,385	1,977,431	286,659	150,715	2,860,043	0.211
2023 *	2,885,787	2,014,791	316,920	130,902	3,202,707	0.229
2023 New perimeter	6,536,050	2,804,344	449,524	270,883	6,985,574	0.482

(*) Only plants belonging to the pre-acquisition perimeter

In 2023, there was an increase in the volume of industrial discharges from plants belonging to the pre-acquisition perimeter by 12% compared to 2022, due to higher production regimes; the variation in the three-year indicator that relates the volume of discharges to tons processed remains contained within 2%.

67% of the water discharged from the Marcegaglia Steel SpA plants was previously treated by a purification plant.

The purification plants with which some Marcegaglia Steel SpA plants are equipped generally consist of sand separators and, for more complex plants, of chemical-physical and/or biological modules.

As regards the new scope, it is once again found that the structure of the water balance of Fagersta is such that 94% of the volumes are discharged into surface water.

None of the Marcegaglia Steel SpA plants draws water from marine resources, nor does it discharge water into the sea.

BIODIVERSITY

Marcegaglia Steel SpA already in 2022, with the publication of the first “Biodiversity Policy”, declares its commitment to protect the natural heritage, to safeguard and maintain existing ecosystems, through the reduction of the use of resources in its production processes with the implementation of specific **management strategies** and **plant improvements**.

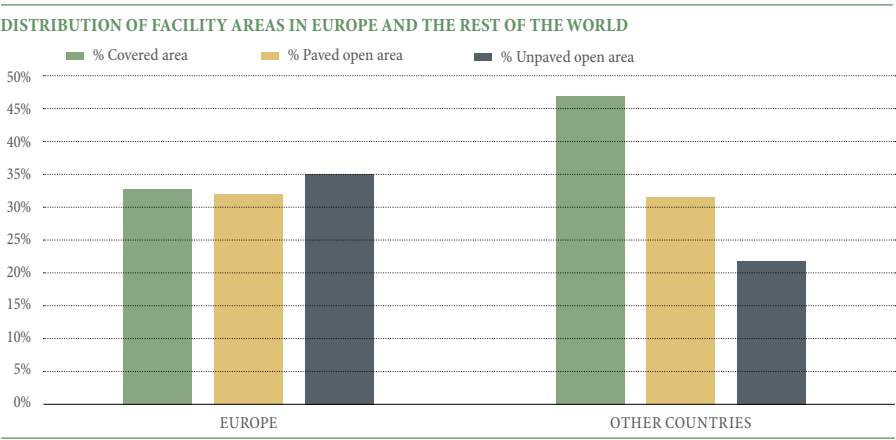
In all production plants, distributed in 11 countries and on 4 continents, Marcegaglia disseminates and implements its policy of safeguarding ecosystems, flora and fauna, promotes initiatives in support of projects aimed at the maintenance and enrichment of global biodiversity and involves employees and stakeholders in the development of a culture linked to the theme of biodiversity through sustainable initiatives and actions to be adopted in daily activities.

Among the practical actions implemented in order to reduce environmental impacts and preserve biodiversity, habitats and ecosystems, there is the definition of **contracts for the supply of energy from renewable sources**, the **enhancement of rail freight transport and the electrification of internal logistics**.

All the plants of Marcegaglia Steel SpA are located in areas intended for industrial uses. Of the 38 sites covered by this report, which include both production sites and warehouses, those within 5 km of areas classified as protected areas or areas of natural and landscape interest by the national and/or local Competent Authority are reported.

Marcegaglia Steel SpA monitors the evolution of the context in which Italian and foreign plants are inserted, also in relation to the areas of environmental and naturalistic interest. In the event of new acquisitions, expansions or transformations of its production sites, the interference and risks that its activities could cause to the surrounding ecosystem are assessed.

The protection and safeguarding of biodiversity is also linked to land use: below is the incidence of the types of surfaces present in the production plants, grouped by continent.





Mitigation of impacts on the environment and ecosystems can take place through the protection, maintenance, expansion and restoration of natural areas, thus investing in the creation of ecosystem services.

A concrete example of impact mitigation through the creation of new ecosystems is the **redevelopment of the square** in front of the Headquarters in Gazoldo degli Ippoliti (MN): in the last two years the Company has completed the restoration of a **large green area** involving the main entrance, the employee parking lot and the parking area for heavy vehicles.

The redevelopment saw the creation of numerous flowerbeds and green islands as well as the creation of the avenue of cherry trees with its park adorned with works of art. 245 trees were planted, including 30 *Prunus Serrulata* Kanzan, 41 fruitless *morus*, 33 *Pero Chanticleer*, 11 *Prunus surbitella autmnalis*, 10 *Qurcus ilex* and 120 cypresses of *leylandii* that attract pollinating insects, as well as creating numerous shaded areas.

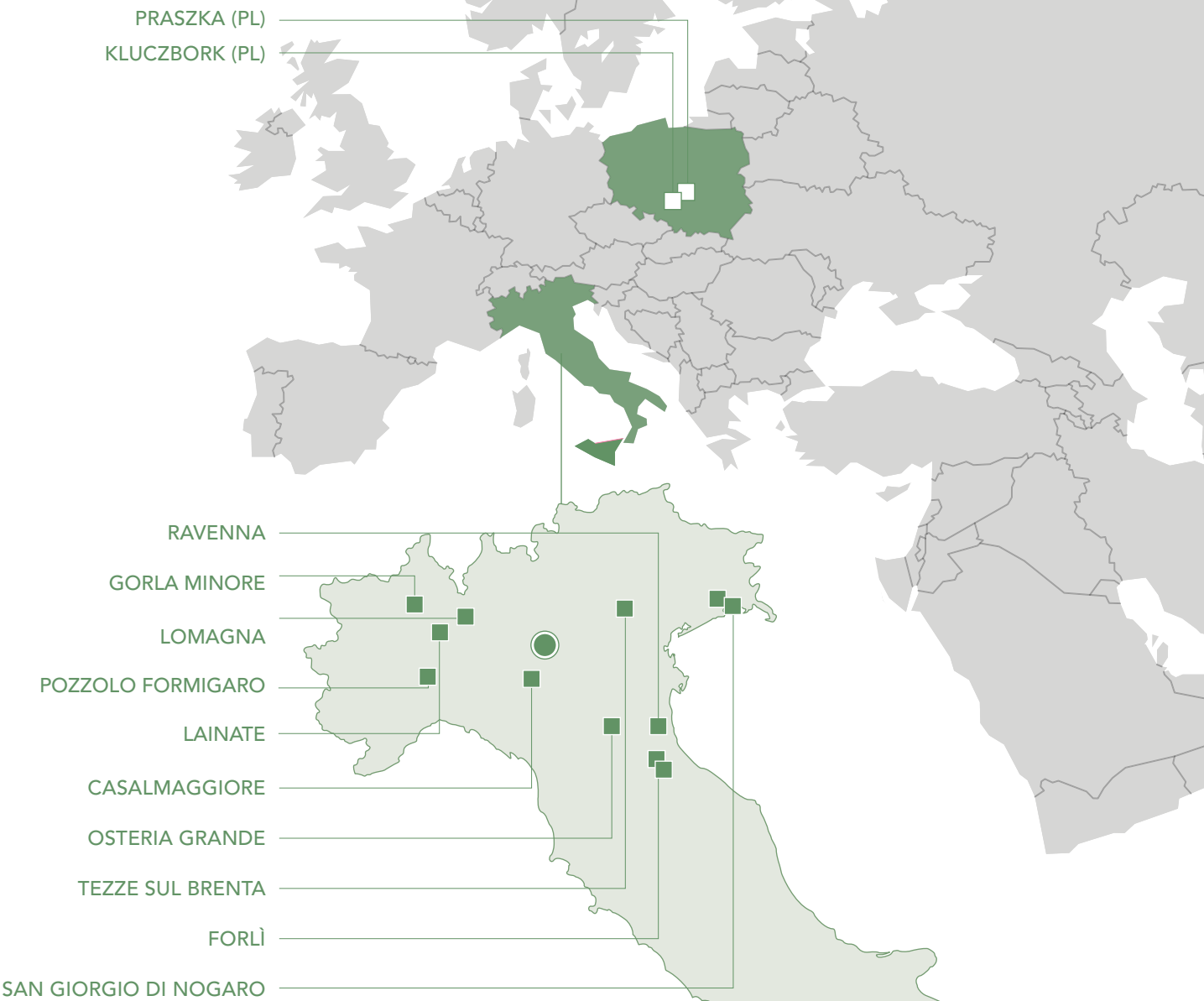
Further works in favour of biodiversity are implemented by Marcegaglia through the maintenance of the green areas present in the production plants, in many of which nature has joined with art.

Since the acquisition of Trafital SpA in 2022, a **natural area** of 56,500 square metres adjacent to the **Gorla Minore** (VA) plant has also become part of the scope, including a wooded area of 12,000 square metres. The **Rugareto Forest** became a Local Park of Supra-municipal Interest (PLIs) in 2005, contributing to the achievement of several objectives to support the ecological network, improving the environmental quality of the forests and local biodiversity.

It should also be noted that the **Marcegaglia Foundation**, within the “**One Cow**” **project** in the district of Bugesera in Rwanda, has also been carrying out the “**Fruit Trees**” **project** since 2016, aimed at alleviating the food shortages suffered by the population, by building a nursery of fruit plants. Every year, about 5,000 plants are distributed to 2,500 families to be planted on their land to grow fruits and vegetables, also contributing to the development of biodiversity.

Sites located within 5 km of areas classified as protected areas or areas of natural and landscape interest by the national and/or local Competent Authority.

COMPANY NAME	NAME	IDENTIFICATION	TYPE	TRAP
Marcegaglia Ravenna SpA Ravenna, RA	Pialasse Baiona, Risega and Pontazzo	ZSC/ZPS IT4070004	Natura 2000 network of protected areas	adjacent
Marcegaglia Plates SpA San Giorgio di Nogaro, UD	Laguna di Grado and Marano	ZSC/ZPS IT3320037	Natura 2000 network of protected areas	2 km
Marcegaglia Palini e Bertoli SpA San Giorgio di Nogaro, UD	Laguna di Grado and Marano	ZSC/ZPS IT3320037	Natura 2000 network of protected areas	4 km
Trafital SpA - stabilimento di via Colombo Gorla Minore, VA	Bosco del Rugareto	PLIS 1208 (ATTO di RICONOSCIMENTO D.g.p. n. 315 del 28/09/2005)	Local park of supra-municipal interest	adjacent
Marcegaglia Carbon Steel SpA stabilimento di Casalmaggiore, CR	Isola Maria Luigia	ZPS IT20A0503	Natura 2000 network of protected areas	4 km
	Viadana, Portiolo, San Benedetto Po and Ostiglia	ZPS IT20B0501	Natura 2000 network of protected areas	5 km
	Lancone di Gussola	ZSC IT20A0014	Natura 2000 network of protected areas	5 km
Marcegaglia Carbon Steel SpA stabilimento di Lainate, MI	Pineta di Cesate	ZSC IT2050001	Natura 2000 network of protected areas	5 km
Marcegaglia Carbon Steel SpA stabilimento di Lomagna, LC	Valle S. Croce and Valle del Curone	ZSC IT2030006	Natura 2000 network of protected areas	1 km
Marcegaglia Buildtech Srl stabilimento di Pozzolo Formigaro, AL	Greto dello Scrivia	ZPS IT1180004	Natura 2000 network of protected areas	4 km
Marcegaglia Specialties SpA stabilimento di Forlimpopoli, FC	Meandri del fiume Ronco	ZPS IT4080006	Natura 2000 network of protected areas	3 km
Marcegaglia Carbon Steel SpA stabilimento di Osteria Grande, BO	Gessi Bolognesi, Calanchi dell'Abbadessa	ZPS IT4050001	Natura 2000 network of protected areas	3 km
Marcegaglia Carbon Steel SpA stabilimento di Tezze sul Brenta, VI	Grave and wetlands of Brenta	ZPS IT3260018	Natura 2000 network of protected areas	1 km
Marcegaglia Poland Sp. z o.o. stabilimento di Praszka, Polonia	Dolina Prosný	-	protected landscape area	4 km
Marcegaglia Poland Sp. z o.o. stabilimento di Kluczbork, Polonia	Łąki w okolicach kluczborka nad Stobrawą	PLH160012	Natura 2000 network of protected areas	1 km
	Stobrawski Park Krajobrazowy	-	landscape park	4 km



WASTE MANAGEMENT

In terms of waste, the strategy pursued by Marcegaglia Steel SpA focuses on the principles of the **circular economy**, the implementation of which is a cornerstone for sustainability. For this purpose, the Group’s commitment is actualised in two ways: the **reduction of the amount of waste generated** and the reduction of waste sent for disposal, through the development of industrial symbiosis projects aimed at enhancing processing waste, according to the logic of transition **from waste to resource**.

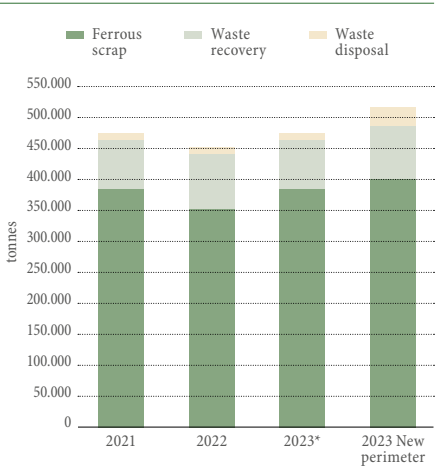
The waste generated by the production and logistics activities of the Marcegaglia Group are managed in accordance with the provisions of current legislation, which is also subject to any necessary authorization for their management. They are then sent to authorised external plants, which carry out their recovery or disposal. Among the waste generated in the production processes, the main ones are metal scraps: iron oxide, rolling scale, metal sludge and, first of all by volume, ferrous scrap. **Thanks to their complete recyclability**, the latter can be sent to steel mills with an electric arc furnace so that they can be reused to create new products, **in the endless steel cycle**.

This report analyses the year 2023, which for the Marcegaglia Group has also been a year of growth for acquisitions. The situation regarding the pre- and post-acquisition business perimeter is shown below. From 2023, the entry of the Sheffield steel mill (UK) changes the balance of waste management because the percentage of recoverable waste decreases compared to the historical transformation activities of the Marcegaglia group.

Waste generated	2021 [t]	2022 [t]	2023* [t]	2023 New perimeter [t]
Total waste produced (P+NP)	476,440	454,122	475,801	518,278
of which scrap metal sent for recovery	385,417	353,262	394,037	402,572
of which waste sent for disposal or recovery	91,022	100,861	81,763	115,706
Total hazardous waste	25,229	20,816	20,598	40,280
Hazardous waste for recovery	13,837	10,038	8,960	19,676
Hazardous waste for disposal	11,392	10,778	11,638	20,604
Total non-hazardous waste (excluding scrap)	65,793	80,044	61,165	75,426
Non-hazardous waste sent for recovery	64,681	78,986	60,498	63,428
Non-hazardous waste for disposal	1,112	1,058	668	11,998

In some foreign sites, according to current legislation, ferrous scrap is not considered waste. For a better analysis and comparability of the data, this table is considered as such, in line with European legislation.
(*) Only plants belonging to the pre-acquisition perimeter.

Looking at the trend of the last three years of the pre-acquisition perimeter, with regard to the destination to which the waste is sent, we can read a very consistent trend. Although contained, the percentage of total waste sent for disposal has steadily decreased, going from 2.62% in 2021, to 2.61% in 2022, to 2.59% in 2023.





94% OF WASTE
SENT FOR RECYCLING

In 2023, compared to the previous year, Marcegaglia Steel SpA recorded a slight increase in total waste, equal to 4.8%. However, it should be noted that, by analysing the data relating to the waste generated, it is the scrap that has defined this increase, in line with the increase in production volumes. Excluding scrap from the calculation, both waste classified as hazardous and non-hazardous, on the other hand, decreased compared to 2022, by 1.0% and 23.6%, respectively, with an overall reduction of approximately 18.9%.

Similarly to what has already been described above, it is observed that, even in the post-acquisition configuration, the predominant type of waste is that of ferrous scrap, which alone constitutes more than three quarters of the total waste. Among others, it clearly emerges that non-hazardous waste destined for recovery is most represented, equal to 54.8% of waste (excluding scrap), while non-hazardous waste destined for disposal represents 10.4% because, where technically feasible, recovery is always preferred. Hazardous waste, which makes up about one third of waste, excluding scrap, is sent to recovery for 17.0% and to disposal for 17.8%.

By-products

5,400
TONS
OF BY-PRODUCTS

Marcegaglia Steel SpA shows its commitment to reducing waste even upstream, enhancing the by-products generated in 2023 that were about 5,400 tons. These include the so-called “zinc matte” used for the production of zinc oxide or new zinc alloys (zamak) and the “ferrous sulphate” (iron sulphate heptahydrate) for agriculture and breeding.

The commitment to industrial symbiosis continues, with the advancement of the project for the recovery and reuse of spent hydrochloric acid for the surface treatment of carbon steel coils, started in 2021, with the dual effect of reducing waste and supplying it.

CIRCULAR ECONOMY

ONGOING AND UPCOMING PROJECTS

Marcegaglia Ravenna

a partial revamping of the plant's wastewater treatment plant was carried out. This change, together with other technical and management measures and improvements, has resulted in non-hazardous downstream waste suitable for recovery in other sectors. So since February 2023, about 900 tons of waste have been managed with partners in the recovery chains as a substitute for natural raw materials. It is recalled that prior to these changes, the waste was destined for landfills.

Thanks to this intervention, the Ravenna plant recorded 97.8% of waste sent for recovery (excluding ferrous scrap).

"Zero Waste" project progress Marcegaglia Gazoldo Inox

the "Zero Waste" project has been approved and is in the executive design phase. The proposed system presents a cutting-edge approach towards industrial sustainability, including not only the recovery of metals and water, but also a zero-impact waste target. This means that all waste and by-products generated during the process are managed responsibly on recovery chains.

The objective of the project is to reduce waste destined for disposal by up to 70%.

Marcegaglia Specialties in Volta Mantovana

during 2023, a study for the recovery of metal sludge containing Ni-Cr-Mo was started and completed. Through special filtration and recovery systems, it will be possible to recover between 200/250 tons of metals in the form of filings and shavings that can be used to produce new steel.

The project will be completed by the end of 2024 and will allow the reduction of up to 90% of waste destined for landfill.

From the raw material to the product and then back to the raw material: it is the **infinite cycle of steel**.

Thanks to its properties, steel is in fact a key factor in the global circular economy, reducing both the life cycle cost and the environmental impact with its reuse. Steel, in this way, is never consumed, but **continuously transformed through recovery**. These processes perfectly describe the concept of "permanent material", the basis of circularity.

Reintroducing waste into the industrial cycle and **enhancing the by-products of processing** has become a strategic asset for companies that want to remain competitive. The Marcegaglia Group represents an example of a virtuous model of circular economy, from the use of ferrous scrap for the new steel produced in Sheffield to the recovery of matte zinc and metal powders, with important benefits on the reduction of CO₂.

Although already at the forefront in terms of sustainability in the sector, the Group is always on the constant search for suppliers that reduce CO₂ and increase the content of recycled material. For this reason, the value chain starts from a correct and responsible management from a social, environmental and economic point of view of supply based on a **capillary and consolidated network of reliable** and loyal suppliers.

In 2023, an important project led by BCG, an international consulting company, was completed, which led to an assessment of the volumes of green steel available with the related procurement opportunities. With this in mind, our internal teams aim to **study new steels** for particular uses and to meet the demands of the most demanding customers, directing the activity towards the **highest quality standards**, based on mutual credibility, reliability and availability.

Steel is among the "hard to abate" industries, responsible for about 7% of global CO₂ emissions. However, we are showing that change is possible thanks to both accurate selection of suppliers and investments such as H2GS

First Movers Coalition Near-Zero Steel 2030 Challenge

Marcegaglia has joined the First Movers Coalition (FMC) Challenge, seeing the opportunity of this challenge to express its interest in crossing the demand and supply of near-zero-emission steel with the intention of evolving into future agreements.

The aim, in addition to the possibility of securing the supply of low-emission steel, is to launch a convincing demand signal to the suppliers themselves, encouraging them to accelerate their efforts in decarbonising the sector.

Being **pioneers in the field of low-emission steel supply** is about differentiating yourself in the market and gaining a competitive advantage.

H2GS

The novelty of 2023 is the closing of the 7-year supply contract with H2GS for the supply of low-CO₂ steel worth 1.79 billion euro. The steel purchased will be destined for Marcegaglia’s activities in Italy, Great Britain and Poland. The Swedish steel plant H2GS, a company aimed at producing low-CO₂ steel using electricity and hydrogen without fossil fuels with a reduction in carbon dioxide emissions of up to 90%, will give a **strong boost to decarbonisation on an industrial scale to the Group**.

It is expected to be commissioned in 2026, with a capacity that will reach five million tonnes of high-quality steel by 2030. It will also maximise circularity: recycled customer waste will be loaded into the electric arc furnace, the waste heat will be sent to the district heating channels in Luleå-Boden and the waste will be transformed into products for use in other sectors.

THE NEW FRONTIER OF GREEN STEEL



SOCIAL

Over 6,600 employees on 4 continents: that's the Marcegaglia family. Over the years, the Group has increasingly focused on a corporate culture that values people's growth, health, well-being, and safety. Similar attention has been given to ethical issues and respect for human rights through the activities of the Marcegaglia Foundation, the non-profit organization supporting initiatives to fight social exclusion, domestic violence, and poverty both in Italy and worldwide. In addition to these efforts, there are two recent projects: Casa Marcegaglia, the innovative corporate museum about the company's values and history; and Marcegaglia Academy, a training center for its people; an attractive hub for new talents and a center for initiatives serving the community and the steel industry.

THE MARCEGAGLIA PEOPLE

This section presents the activities that the Group has carried out to make a positive impact on the community, during 2023, both with the direct involvement of its employees and with the assumption of commitments such as the signing of the **“Manifesto – Businesses for people and society”**. In fact, Marcegaglia is among the first 20 companies at the national level to adhere to the UN document, showing its commitment to enhancing the **social dimension of sustainability** in the company strategy, with the aim of not compromising and limiting resources for future generations and, at the same time, not leaving anyone behind in the present.

The objective of the Manifesto proposed by the UN Global Compact Network Italy is **to generate long-term value in the company**, in the supply chain and in communities, contributing to the creation of more inclusive, equitable and prosperous societies. This initiative aims to highlight the importance of the social dimension in overcoming the multiple challenges that await us at a national and global level. In concrete terms, the signatory companies are committed to ensuring adequate working standards for their employees and requiring them from their suppliers, as well as reducing social and gender inequalities in the community. In addition, they guarantee to support actions for the well-being of the community, invest in training and awareness-raising inside and outside the company, also through collaboration with other companies, and act as an ambassador of sustainable development towards their own and other production sectors.



UN GLOBAL COMPACT

WE SUPPORT

Network Italy

BUSINESS
FOR PEOPLE
AND SOCIETY

Spread the ambition for an increasing engagement in the Social dimension of corporate sustainability, across supply chains and within communities, aiming for value chain involvement, and, where possible, going above and beyond compliance with the requirements of the law, so as to ensure an equitable and sustainable future for the generations to come and leave no one behind.

1

Integrate the Social dimension into business strategies and enhance the creation of social value by enterprises

Adopt an integrated approach to sustainability that values the Social dimension throughout the value chain, ranking it on a par with the Environment and Governance; assess risks across the board and, at the same time, the opportunities for the other dimensions that arise from the benefits of social interventions, with a view to a “just and inclusive transition”, thus contributing towards generating progress and a positive social impact.

2

Respect Human Rights and Labor Rights

Comply with Principles 1 through 6 of the UN Global Compact and draw inspiration from the *UN Guiding Principles on Business and Human Rights*; ensure appropriate working standards for workers everywhere in the enterprise, going above and beyond compliance with the requirements of the law, where possible; require supply chains to reject forced or child labor; commit to implement due diligence and monitoring processes and include suppliers in this process so as to reach out to the entire value chain.

3

Develop a culture of inclusion, respect for diversity and equity

Respect and promote DEI within the enterprise, across supply chains and in the communities in which the enterprise operates; fight any and all forms of discrimination; recognize and communicate the value of diversity and equity and the potential of inclusion by adopting specific policies and implementing projects to protect people at risk of discrimination, relying on inclusive language in all internal and external communications.

4

Commit to the welfare of workers

Establish working conditions and spaces that promote people’s health and well-being; provide corporate welfare benefits and embrace work-life balance practices, paying particular attention to vulnerable persons, going above and beyond compliance with the law requirement, setting improvement goals and periodically measuring worker satisfaction and the climate inside the enterprise.

5

Invest in internal and external training and awareness raising

Train and engage employees, stakeholders and suppliers in sustainable development themes; share challenges, tools and best practices that include the Social dimension and that generate innovative solutions; reach out to citizens and consumers in this effort and maximize the enterprise’s potential value creation role.

6

Identify corporate finance actions and synergies that benefit the Social dimension

Invest in own or third-party impact finance initiatives; where provided for under corporate finance strategies, allocate financial resources to Social Bonds, Sustainability-Linked Loans, funds or other financial instruments that have a positive social impact objective; collaborate with other partners on multi-stakeholder initiatives.

7

Promote practices that strengthen equity and reduce inequality

Adopt trade practices that protect consumers and reduce inequality; put in place a system of innovative and transparent anti-corruption solutions to ultimately ensure access to goods and services for the largest possible number of citizens.

8

Support collective actions for the welfare of communities

Participate in alliances, partnerships and initiatives, alongside other enterprises, governments, institutions, non-business organizations, and local associations for co- design, campaigning and regulatory advocacy activities; engage in networking and foster innovation to ensure greater well-being for communities.

9

Transparently measure and report on social impacts

Accountably track the social impacts on stakeholders and the broader society, involving them in the process; use Key Performance Indicators and trend analyses that provide evidence of achievements over time.

10

Communicate and be an Ambassador

Transparently communicate to the outside world the efforts, progress and difficulties, if any, with the aim of engaging new CEOs and Presidents in a shared effort and increasing stakeholder attention to the Social dimension of corporate responsibility.

LEGEND*

Workers/Business Perimeter

Consumers

Community

* Socially sustainable goals and activities as classified under the Social Taxonomy

Below are the main projects and the updated numbers of the **new acquisitions** which led to a **significant increase in employees** with the acquisition of Outokumpu's Long Product division.

Marcegaglia looks ahead, promoting diversity, equity and inclusion to create an optimal working environment where each individual feels a protagonist within the Group. The development of personal qualities and transversal skills, the optimisation of resource productivity, the enhancement of involvement and collaboration among colleagues, as well as investment in team-building are fundamental tools to promote the human and professional growth of employees, whose role is fundamental for business success.

The enhancement of people is built with the support of experts in the sector but also through a modular training that adapts to the needs of the individual, carried out with all the available methods (frontal, e-learning, on the job), in order to create ad hoc paths for each employee. In Marcegaglia every person is made an active part of a larger project compared to the simple working context.

DEVELOPMENT OF TOOLS FOR THE HUMAN AND PROFESSIONAL GROWTH OF EMPLOYEES





A Day as a Lion

Three years later, the “A day as a Lion” initiative is back. An event entirely **dedicated to the Marcegaglia people** that took place in mid-September on the **island of Albarella**, an important tourist destination on the Adriatic, immersed in the Po Delta Natural Park and owned by the Group.

Two days of sport and relaxation, organised specifically for employees and collaborators who, together with their families, have chosen to participate, while also being able to enjoy the beauties of the Island thanks to the exclusive offers that the Group has made available to them. **Over a thousand people have joined the initiative.** During Saturday and Sunday, a series of sports and recreational activities have been organised to involve adults and children. From the five-a-side football tournament to the beach volleyball, from the amateur race to the mini-club, with games on the beach and in the pool. For everyone, the opportunity to immerse themselves in nature, take relaxing walks on foot, with the bicycle or the train that makes the sightseeing tour to discover the most beautiful views of this corner of Mediterranean scrub, where you can meet squirrels, deer, peacocks and many other animals in the wild.

The two-day sporting event was preceded, on Friday afternoon, by the **Executive Management Programme – Leadership in Action**, reserved for top management. The training session, entitled “Megatrends and new scenarios: implications for business models and corporate sustainability”, explored geopolitical issues and global economic scenarios together with Professor Paolo Boccadelli (Director of the Marcegaglia Academy and professor of Economics and Business Management and Business Strategies at UniLUISS) and Marta Dassù (Aspen Institute).

This first module inaugurated the start of the courses of the **Marcegaglia Academy**, the project launched by the Group last May for the management training of employees, internal collaborators and new resources. The same Antonio and Emma Marcegaglia attended the initiative, to live this aggregative moment together with “their own” people. On the occasion, a **commemorative moment** was also held together with the employees and the Ownership, to remember, in the tenth anniversary of his death, the **Founder Steno Marcegaglia**, who, together with his wife Mira, loved to spend his holidays on the Island of Albarella.



SCHOOLS PROJECT

In order to spread the **corporate culture**, transmit **company values**, contribute to the training of future professionals and promote the Mantua area, a project began at the end of 2023 with the upper secondary schools closest to Gazoldo degli Ippoliti's headquarters: Mantova, Asola, Ostiglia, Suzzara, Viadana and Casalmaggiore. An initiative that will involve more than **1,000 students** who will have the opportunity to get to know one of the most important companies in their territory; explore topics related to their course of study directly with professionals in the sector; interact and get to know the world of work closely. The initiative was included, as part of the **Open Factory** project, in the official calendar of those created for the Made in Italy Day by the Ministry of Enterprise and Made in Italy.

SHARE POINT

During 2023, the modifications to improve the **accessibility of the company's internal portal** and the **employee involvement** in Group matters were completed. A renewed home page, with the most appealing graphic layout, leads to the discovery of new content: from training to the Academy, from events at Casa Marcegaglia to trade fairs and the most important news about the Group.

People at the centre of the Group

January 3, 2023 is the historic date that marked the transition from transformers to producers and the Group's largest international presence in the world, bringing the number of staff based abroad from 32% at the end of 2022 to 41% at the end of 2023, with a total of **6,612 employees**, compared to 5,883 the previous year.

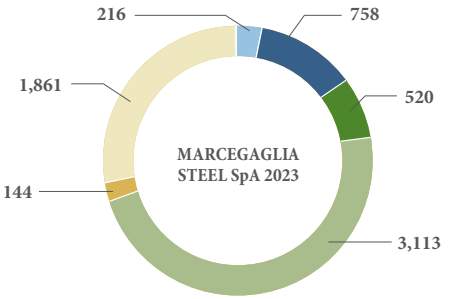
The most representative age group is between 30 and 50, which alone comprises more than half of all employees. The presence of women within Marcegaglia Steel SpA is still a modest percentage, but significant (13%), considering that the proportion of women working in the steel sector, especially in Italy, is relatively small compared to men. On the other hand, the female presence within Marcegaglia Holding Srl is 36%, not included in the overall figure as it is excluded from the reporting scope of this Report. Marcegaglia Holding is responsible for managing and overseeing core functions such as business management, economy and finance, personnel management, legal department and procurement for the entire Group, as well as being the headquarters of some technical areas. Putting the emphasis on the governing bodies of all the companies in the reported perimeter, taken as a whole, the percentage of women is 21%. Specifically, the breakdown by age group is such that 5% are between 30 and 50 years of age, while 95% are over 50 years of age.

The following are the tables with the composition of the company staff divided between men and women, by age groups and contractual classification. For completeness of information, Marcegaglia Holding data is also available.

MARCEGAGLIA STEEL SpA - 2023

Age	<30		30-50		>50		TOTAL
	Women	Men	Women	Men	Women	Men	
Total Marcegaglia Steel	216	758	520	3,113	144	1,861	6,612
Italy	10	369	96	2,105	60	1,274	3,914
Abroad	206	389	424	1,008	84	587	2,698
Marcegaglia Holding	2	4	26	43	23	45	143

<30 Women 30-50 Women >50 Women <30 uomini 30-50 uomini >50 uomini



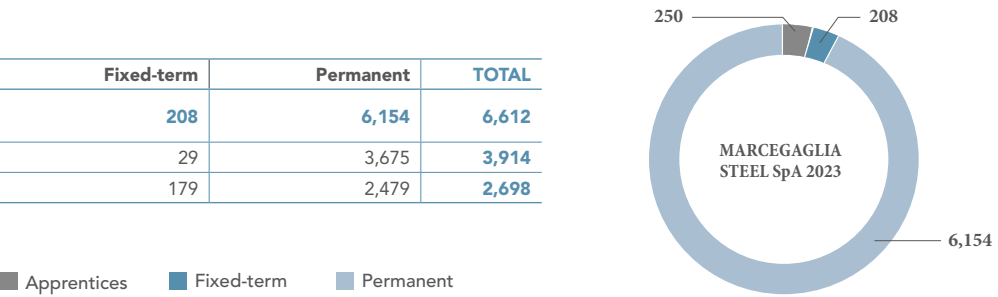
Like every year, also in 2023, the collaborators who have reached **25 years of career** were rewarded: **96 employees** across the Group received the traditional medal in remembrance of their commitment to the company.

With regard to employment relationships, Marcegaglia favours the types of contracts that allow the worker to have greater guarantees and protections: **97% of employees are permanent** (of which less than 4% are apprenticeships) and the remaining 3% are fixed-term. In Marcegaglia Holding Srl there is only a permanent contract with 1% of apprentices.

Over the years the Group has managed to achieve ambitious growth in numbers, paying more and more attention to the **culture of health and safety** and to the themes of **ethical values** and **human rights**. For greater ease of reading, the 2023 data refer to both the old reporting perimeter and the new one, including recent acquisitions.

MARCEGAGLIA STEEL SpA – 2023

	Apprentices	Fixed-term	Permanent	TOTAL
Total Marcegaglia Steel	250	208	6,154	6,612
Italy	210	29	3,675	3,914
Abroad	40	179	2,479	2,698



For completeness, the data of employees are divided by contractual classification.

MARCEGAGLIA STEEL SpA – 2023

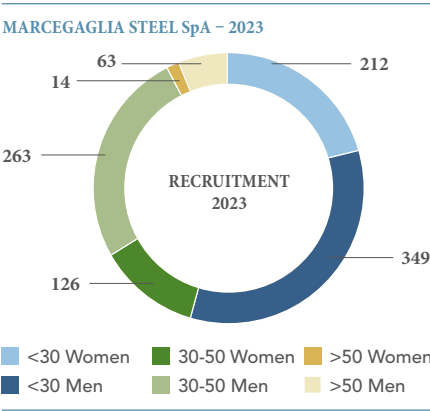
CATEGORY	EXECUTIVES		MIDDLE-MANAGERS		OFFICE WORKERS		WORKERS		TOTAL
	Women	Men	Women	Men	Women	Men	Women	Men	
Total Marcegaglia Steel	12	64	32	159	401	1,087	435	4,422	6,612
Italy	1	35	4	56	151	691	10	2,966	3,914
Abroad	11	29	28	103	250	396	425	1,456	2,698
Marcegaglia Holding	2	12	2	12	47	68	0	0	143

Collective bargaining is applied to 100% of the workforce: in all Italian offices the Category Contract (CCNL Industria Metallmeccanica), the Company Supplementary Contracts and the Code of Ethics are active; the latter is also valid for foreign sites where collective bargaining is defined according to current regulations. These same contracts are used for remuneration policies.



For Marcegaglia, the constant and **constructive relationship with trade unions and company representatives** is configured as an added value that allows the Company to position itself in a leading position in the sector.

With regard to the values of inputs and outputs and the turnover rate, the data for the last three years are reported, aligned with the reporting perimeter as at 31/12/2022 for a comparability of the trend, in addition to the 2023 data relating to the new perimeter. It should be noted that the percentages related to foreign companies, mainly in Colombia, Mexico and the United States, are linked to the application of local legislation regarding fixed-term contracts that are renewed from year to year. Below are the data in detail.



RECRUITMENT - MARCEGAGLIA STEEL SpA

Age		<30		30-50		>50		TOTAL
Year		Women	Men	Women	Men	Women	Men	
2021	Marcegaglia Steel	175	345	89	198	5	25	837
	Italy	3	112	5	60	0	8	188
	Abroad	172	233	84	138	5	17	649
2022	Marcegaglia Steel	142	298	107	176	7	31	761
	Italy	2	121	5	83	1	9	221
	Abroad	140	177	102	93	6	22	540
2023 *	Marcegaglia Steel	202	331	116	230	6	48	933
	Italy	3	69	4	59	0	12	147
	Abroad	199	262	112	171	6	36	786
2023 New perimeter	Marcegaglia Steel	212	349	126	263	14	63	1,027
	Italy	3	69	4	59	0	12	147
	Abroad	209	280	122	204	14	51	880

(*) Only plants belonging to the pre-acquisition perimeter

RECRUITMENT - MARCEGAGLIA STEEL SpA

Category		Executives		Middle-managers		Office workers		Workers		TOTALE
Year		Women	Men	Women	Men	Women	Men	Women	Men	
2021	Marcegaglia Steel	1	0	0	5	56	91	212	472	837
	Italy	0	0	0	3	8	20	0	157	188
	Abroad	1	0	0	2	48	71	212	315	649
2022	Marcegaglia Steel	1	1	1	4	49	89	205	411	761
	Italy	0	0	0	3	8	21	0	189	221
	Abroad	1	1	1	1	41	68	205	222	540
2023 *	Marcegaglia Steel	0	2	5	11	60	87	259	509	933
	Italy	0	1	0	2	7	31	0	106	147
	Abroad	0	1	5	9	53	56	259	403	786
2023 New perimeter	Marcegaglia Steel	1	4	7	15	80	128	264	528	1,027
	Italy	0	1	0	2	7	31	0	106	147
	Abroad	1	3	7	13	73	97	264	422	880

(*) Only plants belonging to the pre-acquisition perimeter

TERMINATIONS - MARCEGAGLIA STEEL SpA

Age		<30		30-50		>50		TOTAL
Year		Women	Men	Women	Men	Women	Men	
2021	Marcegaglia Steel	166	299	89	212	8	156	930
	Italy	1	28	2	43	0	127	201
	Abroad	165	271	87	169	8	29	729
2022	Marcegaglia Steel	152	229	120	195	11	135	842
	Italy	2	43	6	76	4	103	234
	Abroad	150	186	114	119	7	32	608
2023 *	Marcegaglia Steel	186	291	116	274	15	134	1,016
	Italy	1	39	5	71	2	86	204
	Abroad	185	252	111	203	13	48	812
2023 New perimeter	Marcegaglia Steel	186	296	118	290	17	153	1,060
	Italy	1	39	5	71	2	86	204
	Abroad	185	257	113	219	15	67	856

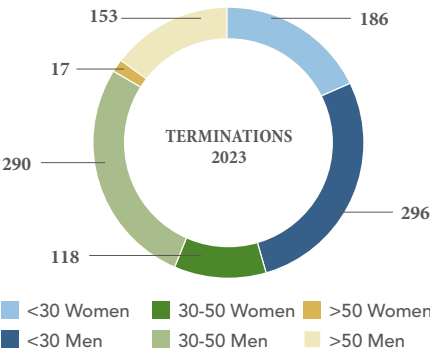
(*) Only plants belonging to the pre-acquisition perimeter

TERMINATIONS - MARCEGAGLIA STEEL SpA

Category		Executives		Middle-managers		Office workers		Workers		TOTAL
Year		Women	Men	Women	Men	Women	Men	Women	Men	
2021	Marcegaglia Steel	2	1	1	9	45	169	215	488	930
	Italy	0	1	0	6	3	43	0	148	201
	Abroad	2	0	1	3	42	126	215	340	729
2022	Marcegaglia Steel	3	2	0	6	58	127	222	424	842
	Italy	0	1	0	5	12	40	0	176	234
	Abroad	3	1	0	1	46	87	222	248	608
2023 *	Marcegaglia Steel	6	5	2	5	75	165	234	524	1,016
	Italy	0	1	0	2	8	31	0	162	204
	Abroad	6	4	2	3	67	134	234	362	812
2023 New perimeter	Marcegaglia Steel	6	8	2	7	79	179	234	545	1,060
	Italy	0	1	0	2	8	31	0	162	204
	Abroad	6	7	2	5	71	148	234	383	856

(*) Only plants belonging to the pre-acquisition perimeter

MARCEGAGLIA STEEL SpA - 2023



TURNOVER - MARCEGAGLIA STEEL SpA - 2023

	Average annual employees	Overall	Women	Men	<30	30-50	>50
Total Marcegaglia Steel	6,679	31.2%	10.1%	21.1%	15.6%	11.9%	3.7%
Italy	3,964	8.8%	0.4%	8.4%	2.8%	3.5%	2.5%
Abroad	2,715	63.9%	24.2%	39.7%	34.3%	24.2%	5.4%



1,400

EMPLOYEES
COLLABORATING
CONSISTENTLY
WITH THE GROUP

An integral, natural and shared part of the company culture is **Social Responsibility** whose requirements include:

- absence of Child Labour;
- rejection of the use of Forced or Compulsory Labour also at its suppliers;
- constant commitment to the continuous improvement of the Health and Safety of workers;
- Freedom of Association and Right to Collective Bargaining;
- attention to Equal Opportunities against Discrimination;
- careful management of Disciplinary Practices, Working Hours and Remuneration.

The International Standard of reference relating to these contents is the **SA8000 standard** pursuant to which the Management System was developed, present and active in all Italian plants, certified in April 2022. What is new in 2023 is the inclusion within the certification scope of Marcegaglia Holding Srl; while the 2024 planning has already seen the extension of the certification to Trafital SpA, thus achieving the governance objective present in the Sustainability Plan.

To consider the actual total number of employees, it is also necessary to take into consideration non-employee workers who stand at about 1,400 units. This number includes employees of the Company who collaborate permanently within the Group's production units, mainly dealing with portorage, logistics, canteen, maintenance, carpentry, packaging.

All companies operating at Italian sites have been reached by the suppliers information regarding SA8000 - Social Responsibility with the strategic objective of involving their suppliers, raising their awareness of social issues and requesting both to report any critical situations with respect to the provisions of the standard itself, and to concretely support its implementation. These collaborators are also actively involved on site during the inspections with sample interviews. The target of 2024 is to extend the involvement of external companies to foreign sites as well.

PROFESSIONAL GROWTH, CULTURE OF SAFETY, HEALTH AND WELL-BEING

Investment in the growth and development of professionalism and skills in step with the times has always been central to the Group's philosophy, as desired by Founder Steno Marcegaglia. Today this attention to people becomes structural and permanent through the **Marcegaglia Academy**. The aim is to develop a modern **sustainable business culture** that can progressively be identified as a distinctive model of the Group, gradually becoming a powerful factor of attraction for new talent, intercepting the macro-trends emerging on the market and acting as a catalyst for initiatives at the service of the territory and the steel sector.

Of particular importance, also the **two seminars promoted directly by Antonio and Emma Marcegaglia** and organized at the headquarters of Gazoldo degli Ippoliti. The first meeting, oriented to the definition and scope of **sustainability** and the **green economy**, to the analysis of the decarbonization process of the steel sector and to the deepening of the initiatives underway in the Group, was followed by a second event, coordinated by Boston Consulting Group, regarding the **decarbonization strategy** in the field of Green Steel, with a focus on the steel production process and its emissions into the atmosphere.

The content was then translated into English to be shared globally: a way to consolidate the sense of belonging and enhance the corporate induction process, so that all employees can feel active contributors to business success.

The **"Steps4Future"** campaign, translated into all local languages, continued throughout 2023. We have reached all plants, both Italian and foreign, to raise awareness among employees on issues of importance for sustainability: health protection, safety protection, waste reduction and management, energy saving. In addition to the cross-cutting initiatives, the **activities that each plant has implemented of its own are also reported**.

These actions, carried out in the local territory, serve both to give space to the specific needs of the respective territories, and to promote moments for sharing best practices and exchanging experiences:

- in Garuva, **Brazil**, continues both the DDS-Safety Dialogue, a fortnightly course, in which the site director addresses issues related to safety at work with collaborators; and the cycle of conferences (SIPAT) on safe behaviour;
- in Vladimir, **Russia**, first aid skills are periodically provided and confirmed and special training is carried out for managers and department directors in order to ensure the safe work of employees and workers;
- in Funza, **Colombia**, in addition to the training activities, a video system has been implemented that reports safety notions, as well as an internal communication channel that provides more information;
- in Queretaro, **Mexico**, they promoted the **"Health Week"** with examinations

ACADEMY MARCEGAGLIA

After the opening session held on the Island of Albarella, the second training module of the course dedicated to top management took place in November, at the Gazoldo degli Ippoliti headquarters. Focused on **"Technological innovation and the future of industry"** the speakers were Ferruccio Resta, former Rector of the Polytechnic University of Milan and current President of Fondazione Bruno Kessler; Marko Taisch, President of MADE CC; Francesco Ubertini, President of Cineca and Andrea Simoni, Secretary General of FBK.

In 2023, work was also completed on the Academy's **classrooms**, located in Casa Marcegaglia. The first room, designed specifically for teaching, is equipped with an interactive multimedia blackboard and several projection screens; the other, called Library, in addition to being a real classroom, also allows the use of company know-how thanks to touch screens. The full availability of spaces allowed, in the last part of the year, the start of training courses for employees at all levels, both in person and in asynchronous mode. The graphic restyling of the landing page dedicated to the Academy allows, in fact, direct access to its course portfolio by each Group employee. **Three asynchronous e-learning courses** are available, designed and produced with original content. We start from Being Marcegaglia, the course that provides a photograph of the Group, marking the main stages of its history and trying to imagine its future, with a double interview with Emma and Antonio Marcegaglia. The second training course, **Steel & Processes**, describes the entire steel supply chain: from raw materials to production processes, limited to the perimeter within which the Group's Units operate. The objective is to provide basic knowledge of production and technological processes, useful for a better understanding of the company's business. The third path delves into the **market elements, economic parameters and challenges of the sector**, through six video lessons useful for understanding the competitive context in which the Group operates. The lessons were carried out thanks to the contribution of Siderweb – the main Italian information, analysis and consultancy body specialised in the steel sector, made up of a Community that includes the protagonists of the national steel supply chain. The courses – distributed **on an optional basis to 4,100 employees of the Group's Italian offices, MadeHSE employees and collaborators** – constitute a starting point that will be gradually integrated with training courses on relevant topics and specific professional elements.

and clinical tests; and carried out an injury prevention campaign with weekly communication events;

- in Richburg, **USA**, they use the **Safestart** programme which consists of sending daily safety messages to employees before the start of the shift and hosting all employees and their families for the Safestart Family Day in which the safety message is brought from the workplace to the families and homes of employees;
- in Dudley, **UK**, a course on equal opportunities for management, H&S culture programmes, and participation in the “Mental health first aid” was organised;
- in Sheffield, in the **UK**, a **Wellbeing Committee** is active in SMACC: there are first aid workers for mental health, fully trained for individual problems; monthly focuses dedicated, for example, to cardiac activity, smoking and corporate gym subscriptions are available; in ASR and SSB “Mental Health Awareness” programmes are promoted;
- in Fagersta, **Sweden**, they have implemented the Safety Week in situ and increased investments in wellness benefits for all employees; in addition, the collaboration with the Wellness Committee and the Occupational Health Care Center continues to contribute to the development of leadership skills;
- in Ravenna, **Italy**, the “**Zero Injuries Project**” remains active, with the aim of stimulating the interest of workers and increasing their sensitivity towards compliance with the rules on the protection of health and safety at work, raising the level of awareness of individual people and consolidating correct rules and behaviours;
- in Gazoldo degli Ippoliti, **Italy**, the **6S method** is applied, aimed at maximum efficiency and quality in processes and products to identify and eliminate the root causes of near misses and the development of preventive and improvement actions in all departments.

As is evident from all these initiatives, the priority commitment for the long-term success of the Group is the safeguarding of the health and safety of employees, carried out by promoting the dissemination of an ever-increasing culture and awareness. A well-established objective is the reduction of the number of injuries at work, up to the **ambitious goal of “zero injuries”**. Considering the trend of the injuries rates, identified according to the UNI 7249 standard and calculated based on 1,000,000 hours worked, from a comparison between the 2022 and 2023 data, with the same perimeter, the achievement of excellent results is confirmed both with a look at the 2022 perimeter and focusing on the new structure of the Group.



Year	N° of hours worked	Frequency index	Severity index	Incidence index
2019	10,908,937	21.63	0.49	40.09
2020	9,914,927	18.36	0.37	31.72
2021	10,294,634	19.91	0.41	34.75
2022	10,392,555	18.28	0.46	32.87
2023 *	10,056,359	19.29	0.40	33.57
2023 New perimeter	11,447,045	17.82	0.39	31.04

(*) Only plants belonging to the pre-acquisition perimeter

It is specified that in the year 2023 there were no fatal accidents either in the Group companies or in the companies that operate at these sites with contracted contracts.

These results are also linked to the coordination between Prevention and Protection Services and the activities that are carried out to align the best practices of all production sites through tools such as policies and Integrated Management Systems that involve not only direct employees, but also indirect ones. For these, the selection and management operations are based on the verification of technical suitability and the definition of contracts with detailed obligations on occupational safety and the management of interference risks. In the first case, the regularity of the administrative documentation relating to the possession of the correct professional technical requirements, the remuneration and contractual situation of the personnel employed, the appropriate training with respect to the tasks performed, the suitability of the equipment employed and any subcontracting is verified. For the management of the contracted activities, whose operations take place under a work permit, in correspondence with the start of the activities and during them, coordination meetings are held with the managers of the companies involved to cooperate in reducing the risks to the lowest possible level. In addition, visitors and drivers who access the sites are trained in the correct behaviors to follow and the rules to comply with, including the traffic and personal protective equipment to use. Indications relating to the behaviour to be followed in the event of an emergency and evacuation are provided at the entrance and are then reflected in the vertical and horizontal signs of the plant. All information is available in a multilingual version with video mode or in hard copy.

THE COMMITMENT FOR DEVELOPMENT AND INCLUSION

Attention to the territory has always started from Mantua and Gazoldo degli Ippoliti, the “heart” of the entrepreneurial adventure of Steno Marcegaglia, where the Group headquarters is still located today. Among the various collaborations are: the partnership with **Festivaletteratura**; the activities of the **Palazzo Te Foundation**; support for the **Postumia Association**; music, with the **Mantua Chamber Orchestra**; cinema, with the “**Dialogues of contemporary theatre**” of the **Cinema del Carbone** and prose with the **Teatro Sociale** in Mantua. Also of note is the support for **FAI**, the Italian Environmental Fund, the “**Raccontiamoci le mafie**” (Let’s talk about the mafias) exhibition organised by the Municipality of Gazoldo degli Ippoliti, the social welfare and public education activities of the **Municipality of Boltiere**, together with the training initiatives promoted by **Siderweb**, the steel community.

Specifically, we would like to point out some activities worthy of particular note.

Milan Mentorship Project

Emma Marcegaglia participated in the first edition of *Mentorship Milano*, the **first project of female empowerment carried out in Italy by a public body**, launched by the Department of Labour Policies of the Municipality of Milan within the actions of the Pact for Labour. Almost 300 women in top positions in all sectors (entrepreneurs, professionals, the third sector, etc.), have made themselves **available free of charge to 555 girls between the ages of 16 and 30**. Objective: to help reduce the gender gap and prevent the phenomenon of “giving up” careers, as envisaged by the United Nations Agenda 2030. A mentoring activity aimed at unlocking the potential of many girls and helping them to believe in themselves, to get involved by studying and working, through meetings with mentors who were an example of successful professional and personal life. The test made available at the end of the cycle of meetings certified a significant change in the young protagonists: 86% stated that they had acquired greater awareness of their abilities; 33% that this experience strengthened and improved their self-confidence; 60% that they had a better ability to manage the overload of expectations and social pressures; 30% stressed that they had discovered and valued some soft skills that they had never thought of using at work before.



Self-regulatory code of companies responsible for maternity

In October, Emma Marcegaglia received an invitation from the Minister for the Family, Birth and Equal Opportunities, Eugenia Maria Roccella, to sign the “**Self-Regulatory Code for Responsible Companies in favour of Maternity**”. The ministerial document reports alarming data, according to which 85% of female

resignations take place in relation to maternity. This document, for activities that want to be defined as “socially responsible”, draws attention to the continuity of generations, recognising the absolute importance of motherhood, rejecting any marginalising behaviour and guaranteeing the continuity of career paths.

Casa Marcegaglia

After the inauguration in May 2023, the permanent museum structure **welcomed customers and suppliers**, accompanied by guided tours, as well as becoming a **privileged meeting place for internal managers**. There were also opportunities **to host the community and the territory**: from “Scintillare”, the event curated by the Diocese of Mantua that saw more than 200 girls and boys fill the spaces of Casa Marcegaglia to share the experience of World Youth Day. To the delegation of the Fire Brigade of Mantua who returned the visit of the Property to the National Historical Gallery, where the restored MAC Autogru is on display thanks to the contribution of Cav. Steno. To the young people of the Social Cooperative of Piubega “A new gift” who were able to enjoy all the installations and spaces: an outlet that helped them to relate to an environment outside their daily lives in order to stimulate their curiosity and offer an additional tool for integration and combating social exclusion.

Albarella

The Island of Albarella is confirmed as a promoter of sports and cultural activities that focus on the theme of sustainability, starting with the **Cracking Art Exhibition**, the cute colourful animals made with regenerated plastic. Regenerating plastic means removing it from destruction that would be toxic and devastating for the environment, giving it new life. In addition, during the spring days the “**sensory walks**” were organized: together with a holistic expert, we went in search of a new way to enjoy the relationship with nature. For the fourth consecutive year, with the **Skating Club Rovigo**, the “**Albaroller**” was then organized, a skate festival that involved adults and children on the streets of the island. Always dedicated to sport, the various sessions, also organised at dawn, of yoga and meditation on the beach. And the first edition of the **Landscape Festival** has taken shape, to promote its culture through the experience of Masters who have exhibited, created workshops and themed shows. Finally, to reduce the environmental impact of the structures on the island, several photovoltaic panels have been installed on the roof of the building that houses the executive offices.



1 MILLION EUROS

DONATION TO SUPPORT
AREAS AFFECTED
BY FLOODING

Ravenna

Following the heavy floods that hit the territories of Emilia-Romagna in May 2023, the Group – which has been active in the Region since 1985 and today has 3 production units: Ravenna (900 employees), Forlì (450 employees) and Mezzolara (125 employees) - decided **to donate a total of 1 million euros** to support both the affected areas and the employees of the Ravenna, Forlì and Mezzolara plants who had suffered serious damage to their homes, cars or both. In agreement with the Mayors of Ravenna and Forlì, the Group intervened in support of the solidarity funds established by the two Municipalities by donating 300 thousand and 150 thousand euros respectively.

With regard to the **initiatives aimed at employees**, specifically, they concerned: paid leave paid by the company for those who were unable to return to work due to damage to their home and/or car, or for having participated in rescue interventions on emergency days; the activation of a solidarity fund to financially support employees who had suffered serious damage to their home, car or both (an individual fund of up to 20,000 euros was made available, on request, as an advance, with repayment in 6 years at zero interest, with the first monthly repayment installment in June 2024). The company also intervened to consolidate the funds raised voluntarily on the initiative of the trade union representatives among all the employees of the Group's plants and distributed them to colleagues in Ravenna, Forlì and Mezzolara, according to the indications of the Management and the RSUS of the three plants.

As part of the traditional initiatives to support the Municipality of Ravenna, funds to support the sport are also included, with the amateur volleyball Porto Robur Costa (2022-2023 season); and the basketball Orasi Ravenna basketball (2022-2023 season).

Forlì

In addition to the usual support for the **Artusiana Festival**, now in its 27th edition, in 2023 the collaboration with the University of Bologna-Faculty of Mechanical Engineering, based in Forlì, continued. At the plant, thanks to the support, as co-advisor, of colleague Stefano Toscano, a thesis was carried out focused on the "Study of the microhardness profile in the section of austenitic and ferritic stainless steel pipes welded with Laser and High Frequency Induction Technology".

The **collaboration with the ITS Maker Institute in Forlì** remains active: the project includes lectures in the classroom, guided tours of the plant and internships in the company. All activities dedicated to the students of the Higher Technician course for the industrialisation of processes and products. New in 2023: the **collaboration with the CNOS-FAP in Forlì** for face-to-face and asynchronous teaching, guided tours and internships at the plant. Finally, thanks to the solid relationships of reliability and collaboration that Marcegaglia has built with customers over the

years, some colleagues from Forlì were called to carry out a **training session in Poland, at the customer Italinox Polska** (Vender group) in order to transmit the production processes of the welded stainless steel pipe and merit specifications on the European regulatory landscape.

Tunisia

The Group supported the **National Day of the Italian Republic**, held at the Italian Embassy in Tunis, proudly underlining its origins, in the knowledge that these celebrations are moments of aggregation and national identity.

Brazil

At the site in Garuva, Brazil, **donations** continue to the Association of the Elderly, the Family Support Center Association, the Our Lady of the Poor Association, the APAE – Association of Parents and Friends of the Exceptional Children of Penha and the municipal government. The closeness to these institutions is also reflected in the support offered, in collaboration with employees, to the local community. **Students also continue to visit the plant:** a way to provide technical and practical experience, focused on the area of interest of the school from which they come.

Mexico

At the site in Queretaro, Mexico, internship **placement programmes** are active. In addition, on the occasion of the Open Day, a football tournament is organised for families. Finally, the activities to support the nursery and the nursing home continue.

Turkey

Following the very strong earthquake that struck the territories of Turkey and Syria in February 2023, the Group - present in Turkey since 2014 with a factory for the production of welded and profiled pipes - has donated 30,000 euros to **support the populations:** 10,000 euros went to UNICEF and 20,000 to AFAD - the Turkish government's disaster and emergency management authority. In addition, donations were made to support people with autism and disabilities in Ergene, the headquarters of the Marcegaglia plant.

30,000

EUROS

DONATION TO SUPPORT
COMMUNITIES
AFFECTED
BY EARTHQUAKE

United Kingdom

In the UK, visits and meetings are organised between local colleagues and young generations to offer **apprenticeship training programmes**. It remains committed as a Member of the British Columbia Chamber of Commerce. In addition, employees are offered a health benefits programme extended to spouses and children. In Sheffield, to support charitable projects, there is a **Charity Committee** that, every year, makes 10,000 pounds available, selecting charities based on those supported by its employees. In addition, two junior football teams are sponsored to promote, especially among young people, the values of healthy sports competition and physical well-being. Events are then organized for the retirement of employees, company dinners and Christmas concerts; all initiatives that, in addition to being convivial, are important opportunities for cohesion between colleagues and strengthening the sense of belonging. School visits are also planned; collaborations with universities and colleges are managed; and the Open Day is organized to involve both children and parents, showing them the operation of the site and the **Family Fun Day**, open to entire families. Finally, we also work with students to help them prepare for the world of work, supporting them in the development of interview techniques, creation of curricula vitae and, at the same time, promoting the Marcegaglia company.

Fagersta

In Fagersta, Sweden, in support of young people, sponsorships are supported to local sports associations in order to promote a healthy lifestyle. In addition, in collaboration with a local high school, the company **periodically welcomes interns** within Ops (production and maintenance). The commitment is also aimed at the organisation of Open Days and recruitment fairs in universities and high schools. Participation in the regional steering group of the Technical Institute is kept active to continue **strengthening the interest of young** people in activities concerning stainless steel processing.

FONDAZIONE MARCEGAGLIA ONLUS

Fondazione Marcegaglia is the non-profit organization established in 2010 by the same family of entrepreneurs: Steno and Mrs. Mira, the children Emma and Antonio with his wife, Carolina Toso Marcegaglia, who is entrusted with the presidency. The Foundation is **active both in Italy and abroad**, especially in the poorest areas of the world, and manages development projects focused on women, engines of growth for families and entire communities, as well as through support for women's entrepreneurship. There are also several initiatives dedicated to children to combat malnutrition and educational poverty. In Italy, **the Foundation mainly supports interventions aimed at combating social exclusion, domestic violence and new poverty, in particular, in the territories where the company is present with its plants.**

90 WOMEN

RECEIVED
AT THE ANTI-VIOLENCE
CENTER IN MANTUA

77 CHILDREN

RECEIVED
WITH BABYSITTING
AND SCHOOL
ESCORT PROJECTS

Combating gender-based violence and empowering women victims of violence

Since 2014, Fondazione Marcegaglia has been working alongside the **Centro Aiuto alla Vita and Centro Antiviolenza (CAV)** in Mantua to support the training of the operators who work there and the activation of paths of living and working autonomy for the women welcomed. Specifically, thanks to the contribution of the Foundation, CAV **volunteers (15 in 2023, 12 in 2022, 19 in 2021)** can access training courses aimed at strengthening their listening skills and managing interviews with **welcomed women (90 in 2023, 52 in 2022, 45 in 2021)**. This same contribution also allows the CAV to start literacy courses for foreign women; offer economic support to hosted women (also in the form of vouchers for monthly food expenses) and guarantee school accompaniment and babysitting for their children (**77 children hosted in 2023, 48 in 2022 and 36 in 2021**). In 2023, the activities of the "Drittofilo" tailoring workshop, also managed by the CAV, were enhanced, thus **guaranteeing the employment of 6 women** in vulnerable conditions.

In 2018, the collaboration was born with the CAV **"Donna chiama Donna"** managed by the Italian Women's Center (CIF) of Carrara, the implementing entity of **"DAFNE Donne in Cammino"** – a winning project of the call "Con le donne", launched by the Foundation to train the operators of an anti-violence center and to support the employment and housing of the hosted women. Each year the Foundation contributes to the creation of an ongoing **support service aimed at 6 women victims of violence** who are trained and followed in work paths in various areas, including olive growing, beekeeping and the acquisition of the HACCP certificate. In 2023, 10 women were able to obtain the HACCP certificate and another 3 updated the certificate already acquired in previous years. In addition, for another 3 women, traineeships were activated in collaboration with the Centre for the use of the ARTS in Carrara in the field of catering and the sale of food. The support of the Foundation has also made it possible **to train 8 operators of the Centre**, to strengthen the knowledge and skills of those who work with victims of domestic violence every day.

■ THE ZAMUKA PROGRAMME IS THE SUM OF A SERIES OF PROJECTS, INCLUDING THE FOLLOWING:

“Basic Education and Healthcare”: to protect children by promptly identifying, treating and preventing cases of **child malnutrition**. The Foundation collaborates with local health centres and children’s centres for the screening and treatment of malnourished children, covering the costs of food packages (milk, fortified porridge and eggs). In **2023, 440 malnourished children** received support through this initiative and **371 in 2022**.

The effective reintegration of a woman who is a victim of violence into the social and working fabric of her community also involves achieving housing autonomy. For this reason, the Foundation has decided to support the **“In Rete per l’Autonomia”** project which provides for the structural redevelopment of **4 dwellings** owned by the Municipality of Casalmaggiore, as well as the definition of a regulation regarding the management of the structure that **will house 4 families** (women released from the dynamics of violence, together with their children). The Foundation’s three-year support (2023-2025) covers the costs of furnishings for the 4 refurbished homes and the costs expected for hiring a Facility Coordinator.

Interventions in the field of education

In collaboration with MADE Hse, the Counselor Manuela Baiocchetti of ASPIC Modena, and the F. Selmi Higher Education Institute of Modena, **“Selmi for Sustainability”** was born. The project, on the one hand, aims to consolidate the design skills and teaching skills of about **30 teachers** of the Selmi Institute, as well as their knowledge of sustainability, energy transition and circular economy. At the same time, students in the **17 classes involved** in the project (about 420) have the opportunity to acquire expert knowledge on environmental issues and the objectives of the 2030 Agenda, also expanding their “soft skills” (research and communication skills, public speaking).

Rwanda: nutrition, training and work

In Rwanda, the Foundation has been **present since 2013**, the year in which the first projects aimed at reducing extreme poverty were launched in the **District of Bugesera, Eastern Province**. In 2017 it was registered as a recognized NGO by the Rwandan government and in 2022 it signed the *Memorandum of Understanding* with the local government. The MOU commits the Foundation to the implementation of the **“Zamuka” pilot programme** with the aim of bringing families selected by the local authorities out of poverty and food/housing insecurity. The five-year strategic plan (2023-2025) that guides the work of the Foundation in the country provides for the implementation of a second development programme, **“Workforce Development Programme”**, which aims to develop the capacity of qualified workforce in **four communities** in the District of Bugesera: Rilima, Nyarugenge, Shyara and Musenyi.



■ **“WORKFORCE DEVELOPMENT” PROGRAMME:**

Project **M-VTC (Marcegaglia Vocational Training School)**.

The empowerment of communities takes place not only through social protection interventions, but also through continuous investment in the education of young people and in the development of their skills and work capacities.

In 2022, the Foundation inaugurated a Vocational Training Centre in Rilima that has received accreditation from the Rwandan authorities and which, annually, trains approximately **120 students in 4 professional areas:** tailoring, hairdressing, welding and construction.

60 SCHOLARSHIPS

40,000 EURO
TOTAL VALUE

Marcegaglia employee involvement

In 2023, the Foundation published the **7th Call for Scholarships in memory of Steno and Mira Marcegaglia**, which is open to the children of Group employees. **60 scholarships** have been allocated for a total value of **40,000 euro**: 40 scholarships of 500 euro for high school students (including 5 students with DSA) and 20 scholarships of 1,000 euro for university students. The most representative factories are Gazoldo degli Ippoliti, Forlì, Ravenna, Casalmaggiore, Boltiere and Pozzolo Formigaro.

In total, **116 applications** arrived in 2023 (76 for high schools and 40 for universities), an increase compared to 2022, when there were 98 applications (68 for high schools and 30 for universities). The final ceremony took place at Casa Marcegaglia during an evening dedicated to the young winners and their families.

After the guided tour of the museum spaces, Emma and Antonio Marcegaglia, together with Carolina Toso Marcegaglia, president of the Foundation, delivered the certificates of merit.



■ GOVERNANCE

■ The Group's organisational and management model is designed to guarantee the economic sustainability of the company and the creation of value in the long term, highlighting the mission and values that guide the daily management of the organisation's activities, starting with adherence to external codes and regulations that shape its governance and control system. In this context, what is presented in the next chapters represents the main safeguards in place for the maintenance of best practices in the field of business ethics.

plant

 sales office

 IT
 italian company

 W
 foreign company

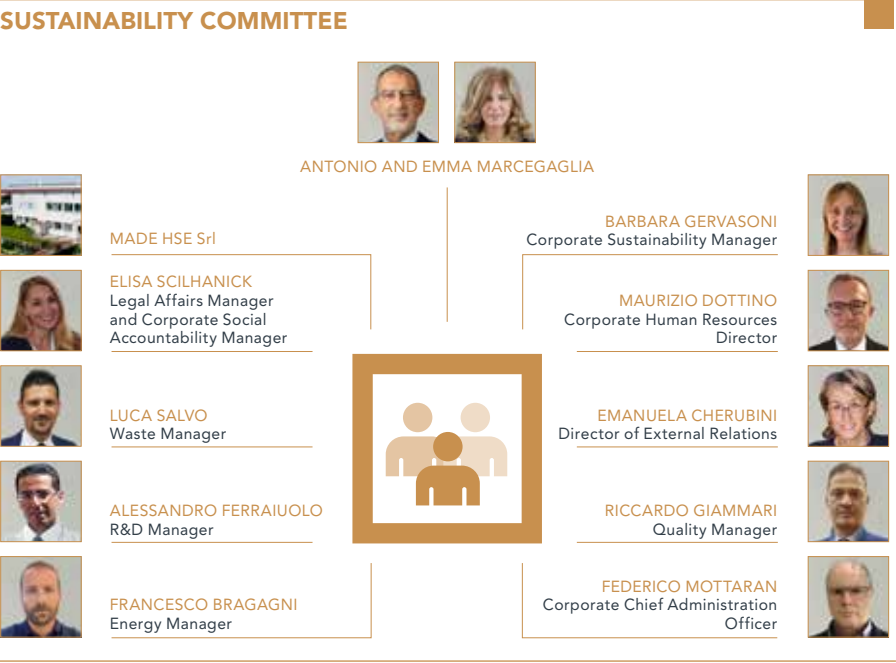
 other participation



Going into management detail, the Group adopted the traditional administration and control model, structured around a **Board of Directors** and a **Board of Statutory Auditors** appointed by the Shareholders’ Meeting, which governs all companies.

SUSTAINABILITY GOVERNANCE

In the context of governance activities, an important role is given to the **Sustainability Committee** which, starting from 2020, assists the Board of Directors in **assessments and decisions relating to ESG issues**. With periodic meetings, through the specificities of each member, it carries out the sustainability policy by directing the company’s strategic choices towards a **development path increasingly oriented to the themes of the Environment, Social and Governance**. The Committee includes the reference figures at the head of the Group: the Members of the Board of Directors, the Sustainability Manager, the Human Resources Director, the External Relations Manager, the Legal Affairs and Corporate Social Accountability Manager, the Administrative Director, the Energy Manager, the R&D Manager, the Waste Manager and MADE HSE S.r.l. – Group companies specialising in HSE issues.



MADE HSE

MADE HSE boasts a modern chemical and microbiological laboratory, which is renewed every year with new tools and accreditations. The novelty of 2023 was the full operation of the **electron microscope** to support analytical activities: analysis of the carcinogenicity of materials containing asbestos and fibres and failure analysis with regard to the structural and morphological analysis of steel.

The **training area**, engaged both in offering courses in the catalogue and in defining customised training plans with respect to individual internal needs and external companies, today also plays an important role in the management of the Marcegaglia Academy.

The highlight is the **WeAre4Cloud software**, designed and developed in-house, organized through a series of modules that allow you to carry out many activities including: the preparation of the risk assessment document; the management of training and PPE; the monitoring of all deadlines; the rapid management of workers' health surveillance activities as well as the maintenance of machines and equipment; the sharing of verification reports; the monitoring of company legislative deadlines and related documentary evidence.

OUR CERTIFICATIONS

The path of management system certifications in the Marcegaglia group has its roots in the late 1990s with **ISO 9001**, in order to apply the logic of continuous improvement to processed products; and at the beginning of the 2000s, with the first certifications in the field of environment and safety.

Today, the certification landscape has expanded a lot, also involving product certifications, with particular attention to the carbon footprint. Since 2016, **all Italian sites** have obtained the environmental, energy, health and safety certifications of the **HSEE** integrated management system, in accordance with **ISO 14001 (environment)**, **ISO 45001 (health and safety)** and **ISO 50001 (energy)**, from a multi-reason social perspective. This means that, for each scheme, all the Italian sites of the companies directly controlled by Marcegaglia Steel SpA operating in steel processing are covered by a single certificate. A path that makes it natural for all organizations that become part of the Group to align themselves with high management standards and enter into certifications, according to specific planning.

The HSEE system was then supported during 2022 by certification in terms of social responsibility pursuant to the **SA8000** standard, focused on the following requirements: absence of Child Labour; rejection of the use of Forced or Compulsory Labour also at its suppliers; constant commitment to the continuous improvement of the Health and Safety of workers; Freedom of Association and Right to Collective Bargaining; attention to Equal Opportunities against Discrimination; careful management of Disciplinary Practices, Working Hours and Remuneration.

2023 saw the implementation of the integrated health, safety, environment, energy and social responsibility management system within the company Trafital SpA, acquired in the second half of 2022 by Marcegaglia Specialties SpA, and partly already certified at the beginning of 2024.

The strength of an integrated management system so structured is the unique way of reporting any critical issues, non-conformities or ideas for improvement, as well as performance evaluation and alignment in reporting.

OUR CERTIFICATIONS

9001	14001	45001	50001	SA8000
Marcegaglia Carbon Steel Boltiere Casalmaggiore Corsico Dusino San Michele Gazoldo degli Ippoliti Lainate Lomagna Osteria Grande Ravenna Rivoli	Marcegaglia Carbon Steel Boltiere Casalmaggiore Corsico Dusino San Michele Gazoldo degli Ippoliti Lainate Lomagna Osteria Grande Ravenna Rivoli Tezze sul Brenta	Marcegaglia Carbon Steel Boltiere Casalmaggiore Corsico Dusino San Michele Gazoldo degli Ippoliti Lainate Lomagna Osteria Grande Ravenna Rivoli Tezze sul Brenta	Marcegaglia Carbon Steel Boltiere Casalmaggiore Corsico Dusino San Michele Gazoldo degli Ippoliti Lainate Lomagna Osteria Grande Ravenna Rivoli Tezze sul Brenta	Marcegaglia Carbon Steel Boltiere Casalmaggiore Corsico Dusino San Michele Gazoldo degli Ippoliti Lainate Lomagna Osteria Grande Ravenna Rivoli Tezze sul Brenta
Marcegaglia Ravenna	Marcegaglia Ravenna	Marcegaglia Ravenna	Marcegaglia Ravenna	Marcegaglia Ravenna
Marcegaglia Specialties Contino Forlimpopoli Gazoldo degli Ippoliti	Marcegaglia Specialties Contino Forlimpopoli Gazoldo degli Ippoliti	Marcegaglia Specialties Contino Forlimpopoli Gazoldo degli Ippoliti	Marcegaglia Specialties Contino Forlimpopoli	Marcegaglia Specialties Contino Forlimpopoli Gazoldo degli Ippoliti
Marcegaglia Gazoldo Inox	Marcegaglia Gazoldo Inox	Marcegaglia Gazoldo Inox	Marcegaglia Gazoldo Inox	Marcegaglia Gazoldo Inox
Marcegaglia Plates	Marcegaglia Plates	Marcegaglia Plates	Marcegaglia Plates	Marcegaglia Plates
Marcegaglia Palini e Bertoli	Marcegaglia Palini e Bertoli	Marcegaglia Palini e Bertoli	Marcegaglia Palini e Bertoli	Marcegaglia Palini e Bertoli
Marcegaglia Buildtech Milano Pozzolo Formigaro Graffignana	Marcegaglia Buildtech Milano Pozzolo Formigaro Graffignana	Marcegaglia Buildtech Milano Pozzolo Formigaro Graffignana	Marcegaglia Buildtech Pozzolo Formigaro Graffignana	Marcegaglia Buildtech Milano Pozzolo Formigaro Graffignana
Marcegaglia do Brasil	Marcegaglia do Brasil	Marcegaglia do Brasil		Trafital* Gorla Minore Bologna Settimo Torinese
Marcegaglia Mexico	Marcegaglia UK	Marcegaglia UK		
Marcegaglia Poland	Fagersta Stainless	Marcegaglia Stainless Sheffield		
Marcegaglia UK	Marcegaglia Stainless Sheffield	SIA Marcegaglia Baltics		
Marcegaglia RU				
Marcegaglia Turkey	Marcegaglia Stainless Richburg			
Fagersta Stainless	SIA Marcegaglia Baltics			
Marcegaglia Stainless Sheffield				
Marcegaglia Stainless Richburg				

(*) Certified since April 2024

In 2016, for **flat products**, the life cycle study began with the **LCA (Life Cycle Assessment)** methodology according to **ISO 14040**, in order to evaluate the impacts of semi-finished products with a cradle to grave approach. The project relating to product certifications was then structured in 2021 with the aim, by 2024, of publishing EPDs (Environmental Product Declaration) for all types of processed products.

The EPD is a certified environmental statement that explains the environmental impact of the life cycle, as indicated by the UNI EN ISO 14025:2010 standard, drawn up based on the development of an LCA study and subject to third-party verification. The methodology adopted is aimed at ensuring the consistency of the study and the correct interpretation of the results reported according to the principles of transparency, completeness and scientific approach. The sector regulations provide for the analysis of different impact categories in the various phases of the life cycle (from supply to post-use, specifying the recovery potential of the material), including global warming (by means of CO₂ equivalent), the depletion of the ozone layer, acidification, eutrophication and the use of water resources. The first EPDs published were those relating to **corrugated sheets and insulated panels** in polyurethane foam and mineral rock wool for roofs and walls in 2021, both products of Marcegaglia Buildtech Srl.

In 2022, EPDs were drawn up for:

- road barriers produced by the company Marcegaglia Buildtech Srl;
- tubes profiled from hot strips and cold strips in carbon steel produced in the Marcegaglia Carbon Steel SpA plants;
- flat products (strips and sheets) from pickled, laminated, galvanized and pre-painted coils in carbon steel produced in the plants of the company Marcegaglia Carbon Steel SpA;
- heavy plates produced by the company Marcegaglia Plates SpA;
- heavy plates produced by the company Marcegaglia Palini e Bertoli SpA.

In 2023, EPDs were validated for:

- structural pipes processed by Marcegaglia Poland sp. z o.o.;
- flat products processed by Marcegaglia Poland sp. z o.o.;
- semi-finished stainless steel flat products produced in the Marcegaglia Specialties SpA plants;
- stainless-steel tubes produced in the Marcegaglia Specialties SpA plants;
- drawn in carbon steel produced in the Marcegaglia Specialties SpA plants;
- drawn bars in stainless steel produced in the Marcegaglia Specialties SpA plants;
- drawn bars in special steels produced in the Marcegaglia Specialties SpA plants.

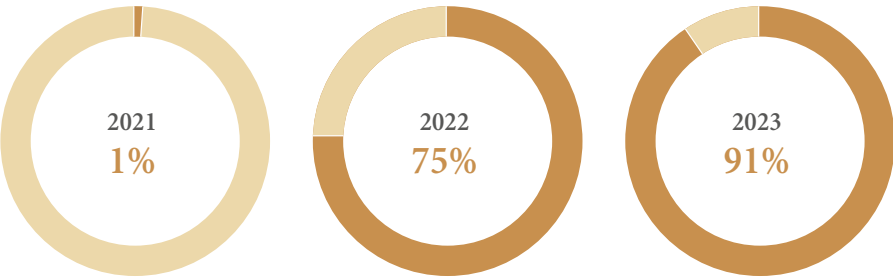
EPDs were published at the beginning of 2024 for:

- tubes profiled from carbon steel hot strips produced in the Marcegaglia UK Ltd plants;
- tubes profiled from carbon steel cold strips produced in the Marcegaglia UK Ltd plants;
- tubes profiled from carbon galvanised strips produced in the Marcegaglia UK Ltd plants;
- flat/long stainless steel continuous casting product produced at the Marcegaglia Stainless Sheffield Ltd sites;
- hot rolled stainless steel wire rods produced at the Marcegaglia Stainless Sheffield Ltd sites;
- hot rolled, annealed and pickled stainless steel wire rods produced at the Marcegaglia Stainless Sheffield Ltd sites;
- cold-drawn bars in stainless steel produced at the sites of Marcegaglia Stainless Sheffield Ltd.

The project also provides for EPDs to be carried out during 2024 for:

- stainless steel drawn wire produced by Fagersta Stainless AB;
- stainless steel wire rods produced by Fagersta Stainless AB;
- scaffolding for the construction industry produced by Marcegaglia Buildtech Srl;
- sandwich panels for sectional doors produced by Marcegaglia Buildtech Srl;
- polyurethane foam insulated panels for roofs and walls produced by Marcegaglia Poland sp. z o.o.;
- flat products (strips and sheets) processed at SIA Marcegaglia Baltics.

EPD CERTIFIED PRODUCTS ON SALES VOLUME



With regard to the objectives set, the situation is as follows:

EPD/YEAR	2021	2022	2023	2024
Objective: EPD number to be issued	2	4	4	1
Status: EPD number issued	2	5	7	

Product Carbon Footprint

The new and main product-related project, developed during 2023, is the implementation of the system according to **standard 14067**, relating to the systematic approach to the calculation of the product carbon footprint (CFP-SA). The CFP SA is the set of processes and activities of the organization aimed at independently developing the Carbon Footprint of individual products or semi-finished products, to obtain information on the impact of their life cycle in terms of CO₂ emission per declared unit (typically tons of steel), through the GWP indicator (Global Warming Potential). Concluded at the **beginning of 2024**, the activity saw **the issuance of the certificate** pursuant to standard 14067, **valid for all products** sold by the companies Marcegaglia Carbon Steel SpA, Marcegaglia Specialties SpA, Marcegaglia Plates SpA, Marcegaglia Palini e Bertoli SpA and Marcegaglia Buildtech Srl.

SUSTAINABLE FINANCE



The Marcegaglia Group’s activities towards the ecological transition also go through sustainable finance. In 2022, Marcegaglia Steel entered into a 1 billion euro ESG-linked loan agreement with a pool of Italian and European banks (the first in the steel sector), committing to comply with three KPIs, identified jointly with the banks themselves; the same KPIs were also included in some of the existing securitisation contracts, as proof that the Group’s actions are all aimed at **minimising the impacts of its activity on the environment**, understood in its broadest sense, also “exploiting” financial leverage. In addition, several projects are being evaluated involving some Group companies, in particular Marcegaglia Ravenna SpA, Marcegaglia Gazoldo Inox SpA, Marcegaglia Plates SpA and Marcegaglia Palini e Bertoli SpA, with the aim of significantly reducing emissions through investments that optimise and improve processes, with a positive impact in terms of emissions, energy efficiency and circularity of processed products. Among these, the **renovation of one of the heat treatment furnaces** is underway, which provides for a significant reduction in natural gas consumption and the partial use of hydrogen. To which is added a project, involving the Ravenna plant, relating to the **capture**, subsequent **transport** and **storage** and **potential reuse of the CO₂ produced by the co-generation plant**.



OUR TAXONOMY IDENTIFICATION PATH

Marcegaglia Steel has systematically addressed the taxonomic analysis of its activities by examining the **six environmental objectives** identified by the European Commission:

- mitigating the effects of climate change;
- adaptation to climate change;
- the sustainable use and protection of water and marine resources;
- the transition to a circular economy;
- the reduction of waste and the recycling of materials;
- the containment of pollution and the protection of ecosystems.

The Marcegaglia approach provided for the classification of all economic activities according to the three categories provided:

ADMISSIBLE-ALIGNED

Economic activity that simultaneously meets all three conditions:

- is explicitly included in the EU taxonomy regulation for its substantial contribution to climate change mitigation;
- meets the specific criteria developed by the EU taxonomy regulation for this specific environmental objective;
- meets all DNSH criteria and minimum guarantees of safeguarding

ADMISSIBLE - NOT ALIGNED

Economic activity that:

- is explicitly included in the EU taxonomy regulation for its substantial contribution to mitigation or adaptation to climate change;
- does not meet the specific criteria developed by the EU Taxonomy Regulation for these specific environmental objectives/ does not meet all DNSH criteria and/or minimum guarantees of safeguarding

NON-ADMISSIBLE

Economic activity that has not been identified by EU taxonomy as a substantial contributor to climate change mitigation and for which no criteria have been developed

The different steps we have taken to identify and measure taxonomy-aligned economic activities are:



The analysis revealed what is reported in the following tables drawn up pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework that promotes sustainable investments, with reference to Article 8 on corporate transparency in non-financial statements.

TURNOVER

SHARE OF TURNOVER DERIVING FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - INFORMATION FOR THE YEAR 2023

FINANCIAL YEAR 2023		2023	
Economic activities	Code	Turnover (Euro)	Share of turnover, year 2023
A. ACTIVITIES ELIGIBLE FOR TAXONOMY			
A.1. Eco-sustainable activities (aligned with the taxonomy)			
Manufacture of devices for energy efficiency in buildings	CCM 3.5/CCA 3.5	17,523,263	0.23%
Iron and steel production	CCM 3.9/CCA 3.9	259,058,652	3.33%
Electricity production using photovoltaic solar technology	CCM 4.1/CCA 4.1	39,077	0.001%
Production of hot/cold heat using waste heat	CCM 4.25	80,732	0.001%
High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	CCM 4.30	1,798,371	0.02%
Turnover from eco-sustainable activities (aligned with taxonomy) (A.1)		278,500,095	3.58%
of which enablers		17,523,263	0.23%
of which transitional		259,058,652	3.33%
A.2. Activities eligible for the taxonomy but not eco-sustainable (activities not aligned with the taxonomy)			
Manufacture of devices for energy efficiency in buildings	CCM 3.5/CCA 3.5	74,835,860	0.96%
Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		74,835,860.48	0.96%
A. TURNOVER OF ACTIVITIES ELIGIBLE FOR TAXONOMY (A.1+A.2)		353,335,955.59	4.54%
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
TURNOVER OF ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		7,422,103,690.41	95.46%
TOTAL		7,775,439,646.00	100.00%

	SHARE OF TURNOVER/ TOTAL TURNOVER	
	Aligned to taxonomy by objective	Eligible for taxonomy by objective
CCM	3.58%	0.96%
CCA	3.56%	0.99%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH (DO NO SIGNIFICANT HARM) CRITERIA									
Climate change mitigation	Adaptation to climate change	Water	Pollution	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular Economy	Pollution	Biodiversity				
													Minimum safeguards	Aligned Turnover Share (A.1.) or eligible (A.2.) to the taxonomy, year 2022	Category of enabling activity	Category of transition activity
YES	YES	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A	
YES	YES	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		T
YES	YES	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		
YES	NO	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		
YES	NO	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		
3.58%	3.56%	0.00%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	n/a		
0.23%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES		A	
3.33%							YES	YES	YES	YES	YES	YES	YES			T
AM	AM	N/AM	N/AM	N/AM	N/AM	N/AM							n/a			
0.96%	0.96%	0.00%	0.00%	0.00%	0.00%	0.00%							n/a			
4.54%	4.52%	0.00%	0.00%	0.00%	0.00%	0.00%										

LEGEND

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution

Climate Change Mitigation: CCM

Climate Change Adaptation: CCA

Water and Marine Resources: WTR

Circular Economy: CE

Pollution Prevention and Control: PPC

Biodiversity and ecosystems: BIO

CAPEX

SHARE OF CAPITAL EXPENDITURE (CAPEX) DERIVING FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES
ALIGNED WITH THE TAXONOMY - INFORMATION FOR THE YEAR 2023

FINANCIAL YEAR 2023		2023	
Economic activities	Code	CapEx (Euro)	Share of CapEx, year 2023
A. ACTIVITIES ELIGIBLE FOR TAXONOMY			
A.1. Eco-sustainable activities (aligned with the taxonomy)			
Manufacture of devices for energy efficiency in buildings	CCM 3.5/CCA 3.5	71,866	0.03%
Iron and steel production	CCM 3.9/CCA 3.9	6,590,079	2.80%
High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	CCM 4.30	16,540,788	7.04%
Construction, expansion and management of waste water collection and treatment systems	CCM 5.3/CCA 5.3	77,560.80	0.03%
Rail Transport Infrastructure	CCM 6.14/CCA 6.14	133,812.00	0.06%
CapEx of eco-sustainable activities (aligned with taxonomy) (A.1)		23,414,105.39	9.96%
of which enablers		205,678	0.09%
of which transitional		6,590,079	2.80%
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
Manufacture of devices for energy efficiency in buildings	CCM 3.5/CCA 3.5	616,908	0.26%
Construction, expansion and management of waste water collection and treatment systems	CCM 5.3/CCA 5.3	306,209.88	0.13%
Remediation of contaminated sites and areas	PPC 2.4	11,336.00	0.00%
CapEx of activities eligible for taxonomy but not eco-sustainable (activities not aligned with taxonomy) (A.2)		934,453.82	0.40%
A. CAPEX OF ACTIVITIES ELIGIBLE FOR TAXONOMY (A.1+A.2)		24,348,559.21	10.36%
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
CAPEX OF ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		210,712,638.79	89.64%
TOTAL		235,061,198.00	100.00%

	CAPEX SHARE/ CAPEX TOTAL	
	Aligned to taxonomy by objective	Eligible for taxonomy by objective
CCM	9.96%	0.39%
CCA	2.83%	7.52%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

SUBSTANTIAL CONTRIBUTION CRITERIA					DNSH (DO NO SIGNIFICANT HARM) CRITERIA										
Climate change mitigation	Adaptation to climate change	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity					
Minimum safeguards															
CapEx share aligned (A.1.) or eligible (A.2.) to the taxonomy, year 2022															
Category of enabling activity															
Category of transition activity															
YES	YES	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A		
YES	YES	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		T	
YES	NO	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a			
YES	NO	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a			
YES	NO	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A		
9.96%	2.83%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	n/a			
0.09%	0.03%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES		A		
2.80%					YES	YES	YES	YES	YES	YES	YES			T	
AM	AM	N/AM	N/AM	N/AM								n/a			
AM	AM	N/AM	N/AM	N/AM								n/a			
N/AM	N/AM	AM	N/AM	N/AM								n/a			
0.39%	0.39%	0.005%	0.00%	0.00%								n/a			
10.35%	3.23%	0.005%	0.00%	0.00%											

LEGEND

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution

Climate Change Mitigation: CCM

Climate Change Adaptation: CCA

Water and Marine Resources: WTR

Circular Economy: CE

Pollution Prevention and Control: PPC

Biodiversity and ecosystems: BIO

OPEX

SHARE OF OPERATING EXPENSES (OPEX) DERIVING FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES
ALIGNED WITH THE TAXONOMY - INFORMATION FOR THE YEAR 2023

FINANCIAL YEAR 2023		2023	
Economic activities	Code	OpEx (Euro)	Share of OpEx, year 2023
A. ACTIVITIES ELIGIBLE FOR TAXONOMY			
A.1. Eco-sustainable activities (aligned with the taxonomy)			
Manufacture of devices for energy efficiency in buildings	CCM 3.5/CCA 3.5	14,391,635	0.20%
Iron and steel production	CCM 3.9/CCA 3.9	10,801,792	0.15%
Electricity production using photovoltaic solar technology	CCM 4.1/CCA 4.1	1,500	0.00%
High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels	CCM 4.30	49,374,477	0.69%
Construction, expansion and management of waste water collection and treatment systems	CCM 5.3/CCA 5.3	1,309,546.12	0.02%
Rail Transport Infrastructure	CCM 6.14/CCA 6.14	60,458.20	0.00%
Research, development and innovation close to the market	CCM 9.1	503,211.36	0.01%
Research, development and innovation for the direct capture of CO ₂ directly into the atmosphere	CCM 9.2	47,500.00	0.001%
Operating expenses of eco-sustainable activities (aligned with the taxonomy) (A.1)		76,490,120.06	1.0628%
of which enablers		15,002,805	0.21%
of which transitional		10,801,792	0.15%
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)			
Manufacture of devices for energy efficiency in buildings	CCM 3.5/CCA 3.5	59,554,960	0.83%
Construction, expansion and management of waste water collection and treatment systems	CCM 5.3/CCA 5.3	2,058,056.50	0.03%
Creative, artistic and entertainment activities	CCA 13.1	82,500.00	0.00115%
Library, archive, museum and cultural activities	CCA 13.2	40,590.00	0.00056%
Sustainable urban drainage systems	WTR 2.3	12,076.24	0.00017%
Repair, upgrading and remanufacturing	CE 5.1	425,175.90	0.00591%
Remediation of contaminated sites and areas	PPC 2.4	227,384.20	0.00316%
Operating expenses of activities eligible for taxonomy but not eco-sustainable (activities not aligned with taxonomy) (A.2)		62,400,742.84	0.8670%
A. OPEX OF ACTIVITIES ELIGIBLE FOR TAXONOMY (A.1+A.2)		138,890,862.90	1.93%
B. ACTIVITIES NOT ELIGIBLE FOR TAXONOMY			
OPERATING EXPENSES OF ACTIVITIES NOT ELIGIBLE FOR TAXONOMY		7,058,443,880.10	98.0702%
TOTAL		7,197,334,743.00	100.00%

	OPEX SHARE/ OPEX TOTAL	
	Aligned to taxonomy by objective	Eligible for taxonomy by objective
CCM	1.06%	0.86%
CCA	0.35%	1.56%
WTR	0.00%	0.00%
CE	0.00%	0.01%
PPC	0.00%	0.10%
BIO	0.00%	0.00%

SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH (DO NO SIGNIFICANT HARM) CRITERIA						Minimum safeguards	OpEx share aligned (A.1.) or eligible (A.2.) to the taxonomy, year 2022	Category of enabling activity	Category of transition activity
Climate change mitigation	Adaptation to climate change	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy					
YES	YES	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A	
YES	YES	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		T
YES	YES	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		
YES	NO	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a		
YES	NO	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A	
YES	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A	
YES	N/AM	N/AM	N/AM	N/AM	N/AM	YES	YES	YES	YES	YES	YES	YES	n/a	A	
1.06%	0.35%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES	n/a		
0.21%	0.20%	0.00%	0.00%	0.00%	0.00%	YES	YES	YES	YES	YES	YES	YES		A	
0.15%						YES	YES	YES	YES	YES	YES	YES			T
AM	AM	N/AM	N/AM	N/AM	N/AM								n/a		
AM	AM	N/AM	N/AM	N/AM	N/AM								n/a		
N/AM	AM	N/AM	N/AM	N/AM	N/AM								n/a		
N/AM	AM	N/AM	N/AM	N/AM	N/AM								n/a		
N/AM	N/AM	AM	N/AM	N/AM	N/AM								n/a		
N/AM	N/AM	N/AM	N/AM	AM	N/AM								n/a		
N/AM	N/AM	N/AM	AM	N/AM	N/AM								n/a		
0.86%	0.86%	0.00%	0.00%	0.01%	0.00%								n/a		
1.92%	1.21%	0.00%	0.00%	0.01%	0.00%										

LEGEND

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution

Climate Change Mitigation: CCM

Climate Change Adaptation: CCA

Water and Marine Resources: WTR

Circular Economy: CE

Pollution Prevention and Control: PPC

Biodiversity and ecosystems: BIO

GOVERNANCE TOOLS

Marcegaglia Steel SpA is directly and entirely controlled by Marcegaglia Holding S.r.l. whose only shareholders are Antonio and Emma Marcegaglia; they are also the only members of the Board of Directors of both companies. The Company’s governance has a traditional structure represented by:

- Shareholders’ Assembly;
- Board of Directors;
- Board of Auditors.

The audit is carried out by the Auditing Company Mazars Italia SpA

The traditional structures are supported by:

- Advisory Board (in Marcegaglia Holding Srl and Marcegaglia Steel SpA);
- Executive Committees;
- Supervisory Body (appointed pursuant to Legislative Decree 231/01);
- Sustainability Committee;
- other specific figures required by law.

The subsidiaries of Marcegaglia Steel SpA have the same governance structure. However, in the Boards of Directors, Antonio and Emma Marcegaglia are supported by managers with proven experience able to ensure a specific coverage of the sectors of activity of the different companies.

The **Shareholders’ Meeting** is convened to approve the Financial Statements and appoint the corporate bodies (Board of Directors, Board of Statutory Auditors, Supervisory Body, etc.) as well as, where necessary, to discuss and authorise transactions of particular importance.

The **Boards of Directors** of the various companies deal with ordinary and extraordinary management and define company strategies and policies under the economic, social and protection of health and safety at work, and the environment. Within the same Boards of Directors, the Chairman, Vice-Chairman and Chief Executive Officers are appointed. The latter, in particular, are selected and appointed after analysing the specific professionalism,

experience and competence in the operating sectors of the various companies: they are usually managers who have grown up within the Group.

The **Executive Committees** constitute another element of governance and reflect the Divisions into which the activities of the Marcegaglia group in the Steel sector are divided (in addition to the specific activities carried out by Marcegaglia Buildtech Srl):

- Flat Products Division;
- Tubes Division;
- Stainless Steel Division;
- Cold-Drawn Bars Division;
- Heavy Plates Division;
- Buildtech Division.

The Committees are chaired by the Chairman and Deputy Chairman of the respective companies and are made up of the key business and operations managers of the specific business, together with the strategic staff functions. The main task of the Executive Committees is to monitor the performance of the business in achieving the expected profitability objectives, through:

- the examination and definition of budgets;
- investment policies;
- production allocations;
- the control of product margins;
- the definition of improvement plans;
- the examination of the risks/opportunities of the business in the medium term.

The Committees meet quarterly to examine the final and trend data and to define the planned interventions. The activities of the Sustainability Committee and the Advisory Board are also important for the corporate strategy and the correct positioning of the Group towards a fair and inclusive development model.

In addition, the achievement of the pre-established objectives in terms of sustainability, verified by the company Made HSE, and to which an annual premium is linked, is one of the evaluation parameters of the Group’s management. For obvious reasons (coincidence between shareholders and board members), the Group considered it appropriate to analyse the possible hypotheses of conflict of interest. It follows that, in the event that the directors have to carry

out acts towards the companies of which they are also shareholders, the Board of Directors is convened which, in the presence of the Board of Statutory Auditors, analyses the nature of the conflict of interest and the instruments put in place to avoid it. On the other hand, in the event that a member of the Board of Directors receives a request to take on a corporate position in another company, said member must communicate the request received to the Legal Department which verifies any conflict of interest. On a semi-annual basis, the list of positions and assignments held by board members is updated.

ORGANIZATIONAL AND MANAGEMENT MODEL

Marcegaglia SpA was one of the first large companies in Italy to adopt, by resolution of the Board of Directors on 6 December 2004, the **Organisation and Management Model (“OMM”)** pursuant to Legislative Decree 231/01. This choice was inserted and is part of the Group’s broader policy of transparent and correct management inspired by compliance with current legal regulations and the fundamental principles of business ethics in pursuit of the company’s corporate purpose. The adoption of the Model has a very strong preventive function thanks to risk mapping and supervisory activities. Over the years, the OMM has been subject to constant updates and revisions in order to accommodate the various regulatory changes. In compliance with the provisions of the law and the Model, a **collegial Supervisory Body** was also appointed, composed of three members in operating companies and single-member in Holding Companies. The OMM has been constantly widely disseminated to all Stakeholders with ad hoc information and training initiatives. Each company agrees not to initiate or otherwise continue any relationship with those (customers, suppliers, employees, etc.) who do not intend to comply with the Model.

In 2015, the directors confirmed and strengthened the effort to promote and protect legality, establishing that each company born from the Reorganization of the Group was equipped with its own Organization and Management Model and a Supervisory Body, whose current members are, in the

majority, specialized professionals external to the institution, who meet frequently. In the OMM, after an analytical risk mapping (the so-called risk assessment), the processes sensitive to the possible commission of the crimes referred to in Legislative Decree 231/2001 and consequently preventive protocols are implemented to reduce the commission of crimes as much as possible.

The system for managing reports in the event of infringement of the principles contained in the OMM is expressly described, including through the use of **Whistleblowing** (anonymous reports), as well as the sanction system. In this sense, no report was received in 2023. Particular importance has been given to crimes relating to health and safety in the workplace, provided for by art. 25-septies of the Decree. In order to ensure constant monitoring of issues of compliance from occupational health and safety, pursuant to Legislative Decree 81/08 and subsequent amendments, as well as environmental regulations, pursuant to Legislative Decree no. 152/2006 and subsequent amendments, and, finally, the rules on the risk of a major accident, pursuant to Legislative Decree June 26, 2015 no. 105, for some years now, within the Board of Directors, an **Employer** has been identified who has the decision-making powers and the autonomy of expenditure related to the organization, management and control of the Group’s plants. With the exception of the non-delegable powers referred to in article 16 of Legislative Decree 81/08, the Employer proceeds to sub-delegate the powers conferred upon it by appointing a Special **Prosecutor for each of the Group’s establishments**, identified from among individuals who are found to have adequate professional qualifications and experience, who is granted autonomous powers of organisation, management, control and expenditure (normally the Plant Managers) and who expressly accepts the delegation of functions conferred. The activities carried out are subject to discussion and monthly monitoring directly with the Board of Directors and the Ownership.

The area of occupational safety has been and is subject to constant and specic investigations. In each company, the director with security proxies dictates the guidelines aimed at a security management system that complies with International Standard ISO 45001.

KPI

With a view to increasing consistency with company strategies and business dynamics, the Group has defined a way of representing Governance KPIs, identifying the following areas to be addressed:

Improved Sustainability Rating

- ESGe Cerved rating from BBB to A
- Rating CDP – Climate Change Module: B
- Ecovadis - 2023 medals:
 - Platinum Medal for Marcegaglia Buildtech Srl
 - Gold Medal for Marcegaglia Carbon Steel SpA – Ravenna
 - Silver Medal for Marcegaglia Carbon Steel SpA – Group
 - Gold Medal for Marcegaglia Specialties SpA – Contino
 - Platinum Medal for Marcegaglia Specialties SpA – Forlimpopoli,
 - Platinum Medal for Marcegaglia Gazoldo Inox SpA

Participation in initiatives to share know-how and experience with international bodies/organizations

- Entry into Energy Efficiency Movement (August 2023)
- Climate Ambition Accelerator (UNGC – from May 2023 to November 2023)
- Work table in Cattolica (26 October 2023)

Involvement of the organization in sustainability

To increase the knowledge and professionalism of employees and, with them, improve the performance of the entire Group also in relation to ESG issues, two meetings were held with the presence of Antonio Marcegaglia, and Emma Marcegaglia:

- Seminar of 13 July 2023 coordinated by the Group Sustainability Manager, with the support of Boston Consulting Group (BCG), in which the following issues were addressed:
 - Definitions and areas of sustainability and the green economy
 - The process of decarbonisation of the steel sector
 - The Group’s current and planned initiatives
- Meeting of 24 July 2023 coordinated by BCG to crystallise the key points of the decarbonisation strategy in the Green Steel

field, with a focus on the steel production process and in-depth analysis of the relative emissions into the atmosphere.

CODE OF ETHICS

The Code of Ethics of the Marcegaglia Group, approved by the Board of Directors and implemented by the respective Administrative Bodies of the Group Companies, is an integral part of the Model pursuant to Legislative Decree 231/01 and **defines the fundamental ethical principles, the rules of conduct**, as well as **the responsibilities** that the Group recognises, respects and assumes as a binding value and imperative to which all the recipients of the same are required to comply (the members of the administrative body, the members of the supervisory body, the managers, the employees, the collaborators on an ongoing basis, the suppliers and the business partners). The Code of Ethics identifies the assumptions aimed at ensuring that all the Group’s activities and relationships, both internal and external, are inspired by the principles of:

- recognition and safeguarding of the dignity, freedom and equality of human beings;
- protection of labour and trade union freedoms;
- protection of health, safety, the environment and biodiversity;
- fairness, transparency, honesty and loyalty in the work.

SUPPLIER POLICY

Through the Marcegaglia responsible procurement policy, included as a constraint in purchase orders, it requires suppliers to commit to:

- protection of labour law and equal opportunities, promoting the dignity, health, freedom and equality of all workers and rejecting all forms of direct and indirect discrimination;
- non-involvement in forced labour practices, human trafficking, exploitation of child labour and forced labour in general;
- payment of the minimum wage and benefits established by law, as well as working conditions, working hours and compensation that are fair and consistent with the regulations and standards applicable in the countries in which the supplier operates;

- safety and health protection in the workplace, in accordance with current health and safety legislation.

HUMAN RIGHTS POLICY

The **social responsibility policy** has been adopted, in addition to and as a complement to the Code of Ethics, in order to reaffirm the commitment of all Group companies to the promotion and support of all the values and principles established by international human rights institutions and conventions. This commitment is aimed at protecting and promoting the recognition and safeguarding of dignity, freedom, equality of human beings, labour protection, trade union freedoms, health, safety at work, also with reference to its external collaborators, partners and suppliers. The Policy applies to Group personnel and to all those who work for or on behalf of Group Companies, within the scope of their activities and within the limits of their responsibilities, including the members of the Corporate Bodies and Supervisory Bodies pursuant to Legislative Decree 231/2001. with the aim of promoting respect for human rights throughout the value chain and in the implementation of projects aimed at supporting those who find themselves in particularly vulnerable situations.

- It should be noted that within the Group there is:
- prohibition of discrimination based on sex, race, skin colour, language, religion, political opinion, sexual orientation, nationality, extraction and social status, trade union membership, age or disability and anything else that may constitute a form of discrimination or intolerance for diversity;
 - prohibition of all forms of child, forced or irregular labour;
 - guarantee of being able to exercise political and trade union rights;
 - Protection of personal data of natural persons, with particular attention to sensitive data, whether employees, collaborators, visitors, customers or suppliers.
 - Protection of the health and safety of workers, in compliance with the provisions in force and the highest standards of safety and hygiene.
 - Promoting health and safety and the culture of diversity and

inclusion also through the establishment of working groups composed of company and trade union representatives

CONFLICT MINERALS

Marcegaglia recognises and promotes, where applicable, the rules on “conflict minerals” which include tin, tungsten, tantalum and gold. As required by the Supplier Code of Conduct, suppliers must not in any way have relations with organisations dedicated to human trafficking, the exploitation of child labour and forced labour in general. Suppliers undertake, through appropriate actions and due diligence, to identify the presence in the products, components, parts or materials supplied by them, of minerals (tin, tantalum, gold and tungsten) from conflict zones (with particular reference but not limited to the Democratic Republic of Congo). Compliance with the general principles and rules of conduct, within the supply chain, in the supply of “conflict minerals”, **aims to strengthen the commitment to a sustainable and responsible supply chain**. For strategic suppliers, an ESG assessment has been introduced, which includes additional audits on the risks associated with the management of conflict minerals and related mitigation actions, in line with the Marcegaglia policy.

ANTI-CORRUPTION POLICY

The Anti-Corruption Policy reinforces and supplements, but does not replace, the Code of Ethics by explaining in greater detail what each company does to prevent offences relating to corruption in dealings with the Public Administration and, pursuant to the provisions of Article 25-ter of Legislative Decree 231/01, what it does to prevent private corruption and incitement to corruption between private individuals. The Policy is adopted to protect transparency and is inspired by existing best standards (e.g. ISO 30017:2016). It is intended for all employees, including ofcers and directors of all Group companies, and for all those acting on behalf of and in the interest of the Company, including external distributors, consultants, suppliers, contractors, partners in joint venture agreements, companies bound by service contracts, and those with whom a cash pooling agreement has been entered into.

No crime attributable to corruption episodes either in the public or private sphere has been committed by any director or employee of the Company in the past 15 years conrming the full effectiveness of the adopted policies and the OMM.

ANTITRUST POLICY

The Group attaches fundamental importance to the training of its personnel in all areas that may present risks or in any case require special precautions. The steel sector is characterised by few competitors and the specific sector of the so-called “processors” is even more restricted; processed products are often without significant peculiarities; therefore, the “price” element makes the difference, which is why maximum attention is paid to the protection of competition. The Code of Ethics provides that, in each Company, to protect the value of fair competition, employees must refrain from collusive, predatory and abuse of a dominant position and undertake to report to the competent authorities, by means of appropriate reporting tools, all practices aimed at reducing free competition in the market. The Company gives full and scrupulous observance to the antitrust rules and regulations issued by the Market Regulatory Authorities and is obliged, through the appropriate ofces of affiliated companies of the Group, to report all antitrust-related initiatives undertaken by it. The Company shall not withhold, conceal or delay any information requested by the Antitrust Authority and other regulatory bodies in their inspection functions and shall actively cooperate in the course of investigation procedures.

CYBER SECURITY AND DATA SECURITY

For the Group, it is central to guarantee the security of data, sensitive information and intellectual property, managing the entire cycle that goes from the detection of threats to the definition of countermeasures to be taken in response to the attacks suffered.

The **computer defence system** provides for organisational safeguards – in compliance with regulations and standards that have specific requirements and deadlines in the field of incident reporting – as well as adequate operational tools and continuous training of operators.

Courses and awareness-raising initiatives on cyber issues are also periodically delivered through newsletters and news published on the Portal, accessible to employees.

GDPR

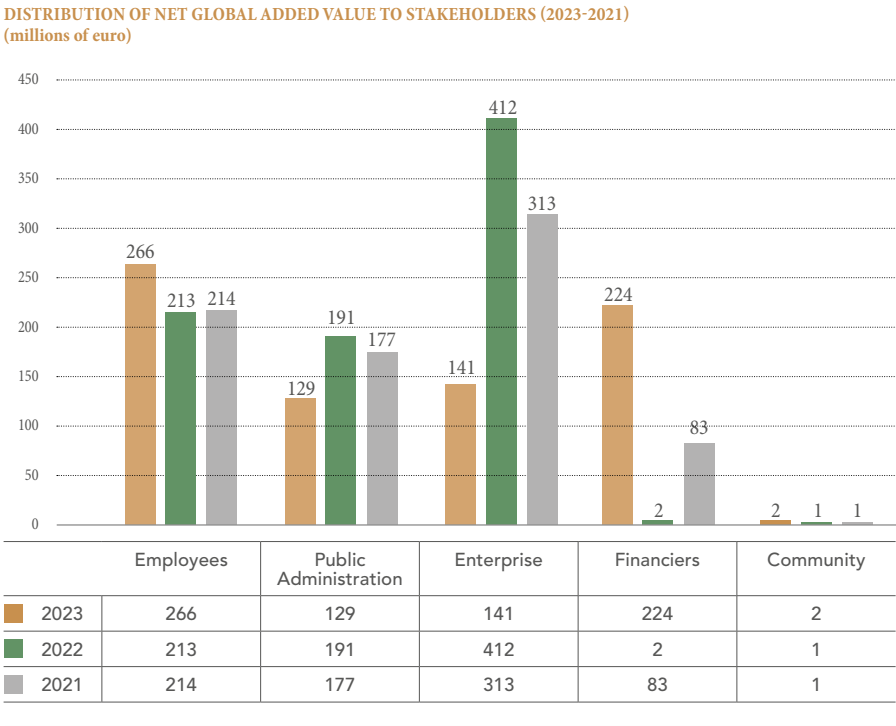
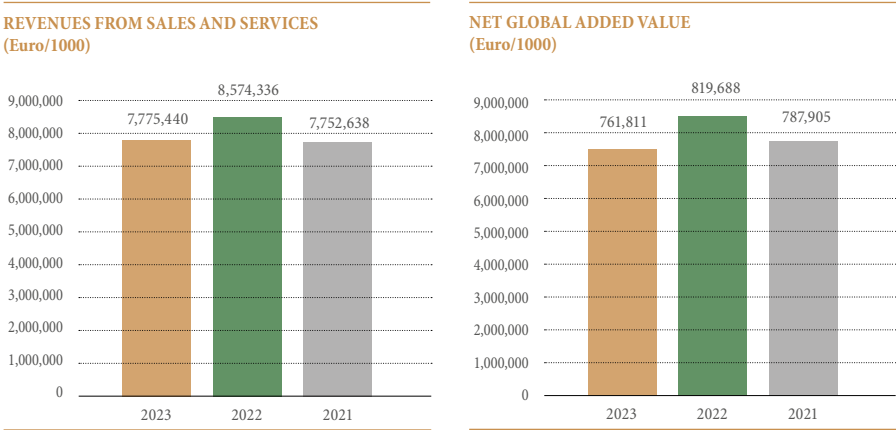
In compliance with the provisions of article 37 par. 2 of European Regulation 2016/679, the Group has fulfilled its obligations by appointing a **data protection officer**, mapping the processing of personal data, compiling the processing register, adapting the information and adopting the necessary procedures.

ECONOMIC PERFORMANCE

The data reported in this chapter are taken from the consolidated financial statements of Marcegaglia Steel SpA, including the entire reporting scope.

FIGURES IN EURO	2023	2022	2021
Revenues from sales and services	7,775,439,646	8,574,335,810	7,752,637,939
Change in inventories of work in progress, semi-finished and finished products	-104,978,866	162,864,870	71,213,140
Change in contract work in progress	516,746	396,890	-2,823,757
Increase in fixed assets for internal work	14,376,411	8,567,039	8,263,270
Other revenues and income	133,353,597	106,119,301	21,711,171
A) TOTAL VALUE OF PRODUCTION	7,818,707,534	8,852,283,910	7,851,001,763
Consumption of raw materials	-5,566,478,689	-6,243,245,460	-5,979,178,147
Consumption of subsidiary and consumable materials	-182,216,807	-252,430,927	-73,168,146
Consumption of maintenance materials and other materials	-50,363,403	-121,167,836	-30,792,752
Energies	-255,033,530	-380,339,467	-166,866,900
Services	-794,446,990	-818,110,916	-657,900,477
Lease and rental expense	-15,682,704	-12,198,523	-11,535,131
Provisions for risks	-1,329,027	-696,481	-822,410
Other provisions	-40	-68,308	-
Other operating expenses	-34,382,690	-20,737,115	-21,836,879
B) TOTAL COST OF PRODUCTION	-6,899,933,881	-7,848,995,033	-6,942,100,842
GROSS OPERATING ADDED VALUE	918,773,653	1,003,288,877	908,900,921
Total Financial income	37,940,106	25,641,013	14,360,717
Value adjustments of financial assets	-22,114,687	-45,631,034	29,015,284
GROSS GLOBAL ADDED VALUE	934,599,073	983,298,856	952,276,922
Total amortisation, depreciation and write-downs	-195,758,488	-172,205,412	-167,152,129
Deferred taxes	12,362,755	-5,863,403	775,640
Charges and income related to the tax consolidation scheme	10,607,641	14,458,324	2,004,458
NET GLOBAL ADDED VALUE	761,810,981	819,688,365	787,904,891

DISTRIBUTION	2023	2022	2021
Wages and salaries	244,243,724	195,560,629	197,317,396
Post-retirement benefits and similar obligations	11,489,478	11,660,557	12,174,525
Other costs	10,027,771	6,015,548	4,829,188
A - EMPLOYEES	265,760,973	213,236,734	214,321,109
Direct taxes for the year and for the previous year	62,121,634	129,489,442	115,943,932
Social security contributions	67,351,646	61,848,514	61,395,208
B - PUBLIC ADMINISTRATION	129,473,280	191,337,956	177,339,140
Retained earnings or losses	140,662,161	411,543,534	312,663,241
C - ENTERPRISE	140,662,161	411,543,534	312,663,241
Dividends	50,120,223	-	-
Financial charges	174,174,916	2,488,558	83,061,705
D - FINANCERS	224,295,139	2,488,558	83,061,705
Charities	1,619,428	1,081,582	519,696
E - COMMUNITY	1,619,428	1,081,582	519,696
NET GLOBAL ADDED VALUE	761,810,981	819,688,365	787,904,891

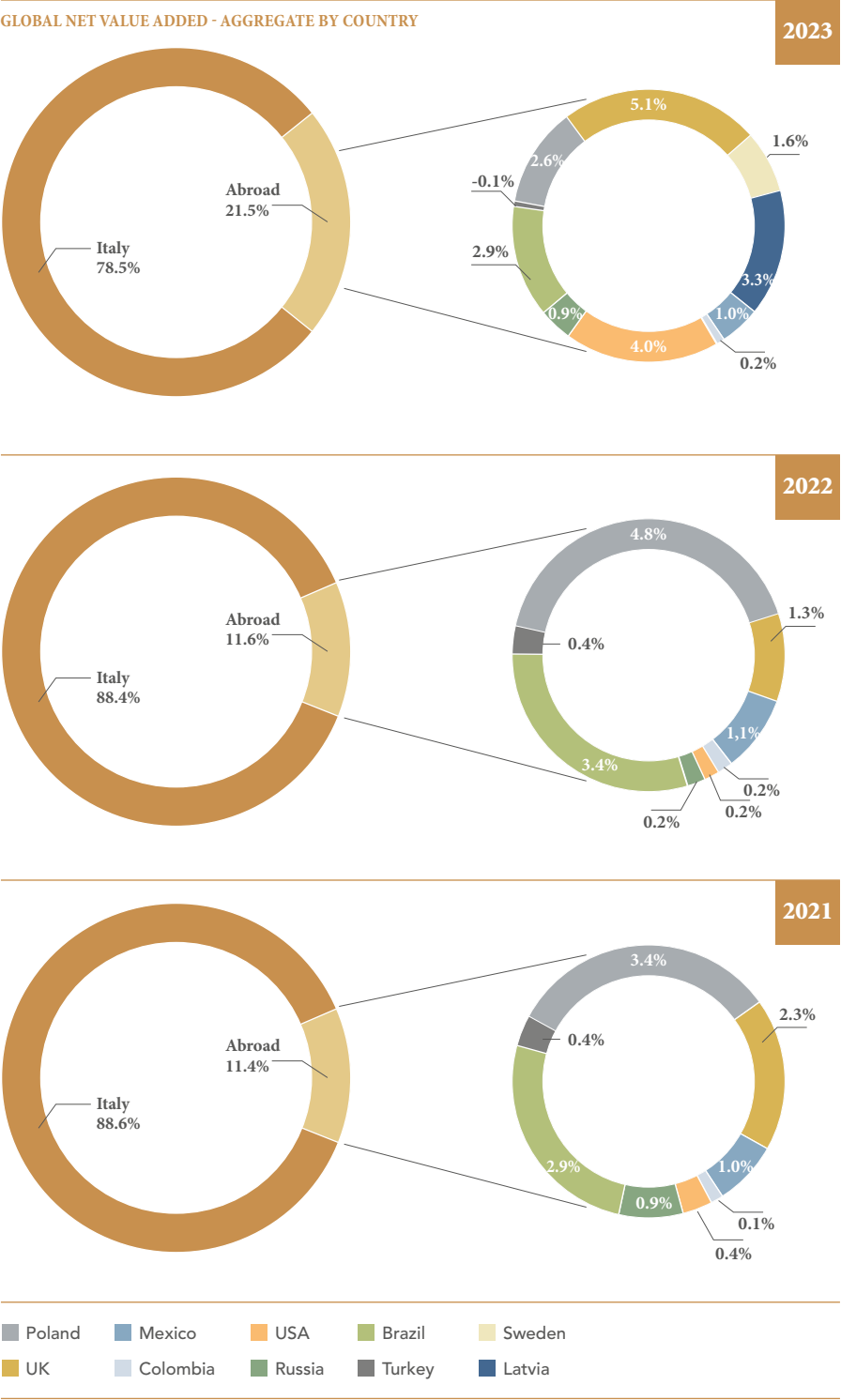


NET GLOBAL ADDED VALUE - AGGREGATED BY COUNTRY

2023	Italy	Mexico	Colombia	USA	Russia	Brazil	Turkey	Poland	UK	Sweden	Latvia	Total Aggregated	Intercompany adjustments	Marcegaglia Steel Consolidated
Figures in Euro														
Net global added value	781,207,207	10,151,452	1,952,526	39,701,269	8,688,609	28,817,078	-1,047,731	25,862,653	50,936,713	16,216,485	32,088,885	994,575,146	-232,764,165	761,810,981
	78.5%	1.0%	0.2%	4.0%	0.9%	2.9%	-0.1%	2.6%	5.1%	1.6%	3.3%	100.0%		
Distribution														
A - Employees	187,919,987	5,334,711	1,012,116	5,995,261	1,376,872	6,195,620	1,170,327	9,252,921	30,611,223	15,178,723	1,740,325	265,788,085	-27,113	265,760,973
B - Public administration	115,087,613	940,603	434,546	997,597	1,365,002	5,392,407	270,806	1,658,850	2,857,134	-	468,721	129,473,279	1	129,473,280
C - Enterprise	219,125,726	1,265,174	424,088	28,380,952	2,901,174	7,978,897	-6,231,533	13,427,011	4,910,905	-1,175,596	28,780,359	299,787,156	-159,124,994	140,662,161
D - Financiers	257,491,247	2,610,965	81,776	4,325,520	3,045,561	9,250,154	3,729,654	1,523,871	12,535,611	2,213,358	1,099,480	297,907,197	-73,612,058	224,295,139
E - Community	1,582,634	-	-	1,941	-	-	13,016	-	21,839	-	-	1,619,429	-1	1,619,428

2022	Italy	Mexico	Colombia	USA	Russia	Brazil	Turkey	Poland	UK	Sweden	Latvia	Total Aggregated	Intercompany adjustments	Marcegaglia Steel Consolidated
Figures in Euro														
Net global added value	1,005,510,230	12,055,448	2,078,472	2,367,505	2,800,016	38,890,808	4,761,439	54,798,947	14,182,805			1,137,445,670	-317,757,306	819,688,365
	88.4%	1.1%	0.2%	0.2%	0.2%	3.4%	0.4%	4.8%	1.3%			100.0%		
Distribution														
A - Employees	182,698,880	4,769,595	1,096,620	61,052	1,505,248	5,856,653	1,373,340	8,722,613	7,152,733			213,236,734	-	213,236,734
B - Public administration	175,776,713	1,973,941	567,278	59,396	583,285	6,660,491	1,556,829	2,941,796	1,218,229			191,337,956	-	191,337,956
C - Enterprise	601,915,974	4,372,028	-61,785	2,289,934	5,844,511	18,674,163	1,207,514	38,603,162	5,031,221			677,876,722	-266,333,188	411,543,534
D - Financiers	44,037,080	939,885	476,359	-42,877	-5,133,028	7,699,501	623,756	4,531,376	780,622			53,912,674	-51,424,116	2,488,558
E - Community	1,081,584	-	-	-	-	-	-	-	-			1,081,584	-2	1,081,582

2021	Italy	Mexico	Colombia	USA	Russia	Brazil	Turkey	Poland	UK	Sweden	Latvia	Total Aggregated	Intercompany adjustments	Marcegaglia Steel Consolidated
Figures in Euro														
Net global added value	922,830,174	10,888,323	1,437,380	3,995,723	9,093,558	30,077,022	4,363,223	35,807,716	22,561,644			1,041,054,763	-253,149,872	787,904,891
	88.6%	1.0%	0.1%	0.4%	0.9%	2.9%	0.4%	3.4%	2.3%			100.0%		
Distribution														
A - Employees	187,063,088	4,171,247	921,519	-	1,116,391	4,756,976	1,186,460	8,064,278	7,041,153			214,321,112	-3	214,321,109
B - Public administration	151,572,752	2,289,886	438,677	1,353	1,074,695	8,080,089	877,440	7,475,342	5,528,903			177,339,137	3	177,339,140
C - Enterprise	470,982,349	4,423,983	14,583	3,994,370	6,494,624	13,963,918	1,249,719	18,652,549	9,649,494			529,425,589	-216,762,348	312,663,241
D - Financiers	112,692,289	3,207	62,601	-	407,848	3,276,039	1,049,604	1,615,548	342,094			119,449,230	-36,387,525	83,061,705
E - Community	519,696	-	-	-	-	-	-	-	-			519,696	-	519,696



The Marcegaglia Group’s approach to taxation stems from a system of values shared by the entire company and based on principles of prudence, responsibility, consistency and transparency, aimed at fostering **a climate of trust towards all stakeholders, including in tax matters**. The tax strategy is defined at a managerial level and is based on the principles set out above and on continuous collaboration with institutions. In defining the methods of sound and prudent tax management, it is inspired by the principles set out in the Code of Ethics and integrates the control measures provided for in the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231-2001.

The Group, therefore:

- promotes the dissemination of a tax culture and considers it of primary importance to comply with all the provisions of the law and the regulations of a tax nature applicable in the various jurisdictions in which it operates;
- refrains from implementing tax practices or strategies aimed at abusively eroding the tax base;
- undertakes not to engage in operations and conduct and not to establish commercial relationships or establish corporate structures that are devoid of economic substance and aimed at achieving undue tax advantages and that are not justified by valid economic reasons, including organizational or management, or in any case consistent with the objectives of a social nature and business ethics.

Management of fiscal and tax aspects has been identified as a sensitive activity with reference to the tax offences referred to by Legislative Decree 231/01 that the Marcegaglia group considers potentially applicable in the conduct of company activities. The procedure for handling reports to the **Supervisory Board**, approved by the Board of Directors, regulates the methods of communication and management of reports concerning situations of violations, overt or alleged, of laws, of the principles of the Organizational Model and of the procedures governing sensitive activities 231, as well as any instrument for implementing the Model itself. Strategic or management decisions, ordinary or extraordinary, require the prior evaluation of the tax implications and all the company subjects involved are responsible for involving in advance the Administrative Management, competent in tax matters, for the evaluation of the tax impacts of the

operations and the shared and aware definition of the management methods of any risks deriving from them. All the activities carried out by the Group are in compliance with the reference regulations and tax planning is always aligned with commercial activities.

The **principles of corporate culture** at the basis of the Marcegaglia group’s tax approach concern:

- responsible management of the tax variable based on trust, transparency and collaboration with institutions and inspired by the principles set out in the Code of Ethics;
- reducing tax risk;
- dissemination of the tax culture and compliance with all provisions of law and regulations of a tax nature applicable in the various jurisdictions in which the Group operates;
- dissemination in the Group of the general principles of conduct in tax matters, based on the values of responsibility;
- adequacy of the organisation and its processes (Tax Governance) in compliance with the defined objectives;
- constant relations with the Tax Authorities managed in a professional, transparent and timely manner.

METHODOLOGICAL NOTE

This Report is prepared in accordance with the “GRI Sustainability Reporting Standards” as updated by the “Global Reporting Initiative” to 2021.

Marcegaglia Steel continues with this fourth edition of the Report, voluntarily reporting the results derived from the commitment made to promote economic development and innovation in the areas of production efficiency, plant safety and environmental protection, although it is not among the subjects for which the drafting of a Non-Financial Statement (DNF) is mandatory.

The purpose is to reflect on the sustainability path undertaken, reporting the results of the adoption of the best available technologies, investments in R&D, and the involvement of its employees and collaborators.

Below are the methodological approaches adopted, the guidelines and international standards used for accurate, balanced, clear, comparable, comprehensive, contextualised, timely and verifiable reporting of environmental, economic and social indicators in the field of sustainability.

The information is managed in line with the indications provided by Global Sustainability Reporting (GRI), the Greenhouse Gas Protocol (GHG) and the UN Sustainable Development Goals (SDGs), in particular:

• **Global Sustainability Reporting (GRI):** defines the reporting methods for economic, social and environmental performance in accordance with the most significant material issues for the organisation.

The document has therefore been prepared with reference to the GRI Sustainability Reporting Standards updated to 2021;

• **Greenhouse Gas Protocol (GHG):** is an international standard that defines a methodology for calculating the emissions of climate-altering gases associated with organisations during their operations in the period considered, in accordance with the GHG protocol.

For Scope 2 emissions attributable to electricity purchased from the grid, the location-based methodology was adopted. Refer to the details given below for conversion factors;

• **UN Sustainable Development Goals (SDGs):** 17 common goals defined by the international community as targets to be achieved by 2030, which the company has assessed and considered, identifying various planned actions to help achieve the targets.

Reporting boundary

The report contains data and information on the companies owned by Marcegaglia Steel SpA, with reference to the following company names and related sites, based on the corporate structure as at 31/12/2023:

- Fagersta Stainless AB – Sweden;
- Marcegaglia Buildtech Srl – headquarters in Milano (MI), plants in Graffignana (LO), Pozzolo Formigaro (AL), warehouse in Taranto (TA);
- Marcegaglia Carbon Steel SpA – plants of Boltiere (BG), Casalmaggiore (CR), Corsico (MI), Dusino San Michele (AT), Gazoldo degli Ippoliti (MN), Lainate (MI), Lomagna (LC), Osteria Grande (BO), dock of Ravenna (RA), Rivoli (TO) and warehouse of Tezze sul Brenta (VI);
- Marcegaglia Colombia SAS – Funza plant;
- Marcegaglia do Brasil Ltda. – Garuva plant;
- Marcegaglia Gazoldo Inox SpA – Gazoldo degli Ippoliti (MN) plant;
- Marcegaglia Mexico S.DE R.L. DE C.V. – Querétaro plant;
- Marcegaglia Palini e Bertoli SpA – San Giorgio di Nogaro (UD) plant;
- Marcegaglia Plates SpA – San Giorgio di Nogaro (UD) plant;
- Marcegaglia Poland Sp. z o.o. – Praszka and Kluczbork plants;
- Marcegaglia Ravenna SpA – plant in Ravenna (RA);
- Marcegaglia RU – Vladimir plant;
- Marcegaglia Specialties SpA – plant in Contino di Volta Mantovana (MN) and Forlimpopoli (FC);
- Marcegaglia Stainless Richburg LLC- USA;
- Marcegaglia Stainless Sheffield Ltd – UK plants in Europa Link (Sheffield SMACC) and Stevenson Road (Sheffield ASR);
- Marcegaglia TR Paslanmaz Çelik Sanayi ve Ticaret A.Ş. – Ergene plant;
- Marcegaglia UK Ltd – plant in Dudley, Rotherham and Oldbury;
- SIA Marcegaglia Baltics - Riga plant;
- Trafital SpA – plants in via Mattei and via Colombo in the Municipality of Gorla Minore (VA) and warehouses in Bologna and Turin.

The scope of reporting that includes the plants of the companies owned by Marcegaglia Steel SpA as of 31/12/2023 is indicated in this report with the words “new scope” if a distinction is necessary with the data of the “pre-acquisition scope”. Where, in fact, a comparison of the KPIs and an analysis of their performance in the 2021-2023 period is necessary, the reporting perimeter of the sustainability report of the previous years is also reported, as well as at 31/12/2022, which compared to the previous list does not include:

- Fagersta Stainless AB – Sweden;
- Marcegaglia Stainless Richburg LLC- USA;
- Marcegaglia Stainless Sheffield Ltd – UK plants in Europa Link (Sheffield SMACC) and Stevenson Road (Sheffield ASR);
- SIA Marcegaglia Baltics - Riga plant.

In the Report, the term Group also refers to the Marcegaglia Group as a whole, as presented in chapter 3. The organization reported is Marcegaglia Steel SpA with registered office and administrative headquarters in via Bresciani 16, Gazoldo degli Ippoliti (MN). The Report presents for completeness, in addition to the data of the personnel of Marcegaglia Steel SpA, also the data of the personnel of the company name Marcegaglia Holding SpA, not included for the purposes of calculating the indicators, but included as the headquarters of the executive offices where key activities such as management control, economy and finance functions, personnel management, the legal department and the purchasing department are carried out.

Reporting period and periodicity

All the indicators presented refer to each calendar year (from January to December) of the three-year period 2021 – 2023. It is specified that in reference to 2022, the data relating to the company Trafital SpA are those referring only to the second half of 2022, in line with the actual date of acquisition of the company. The review is scheduled on an annual basis, while the materiality analysis is conducted on a three-year basis.

Revisions

There are no revisions compared to what was presented in the previous versions.

Data collection procedures

Environmental data is based on actual collection. Specifically:

- the water supply data from the aqueduct, if not available for the specific year, were derived from the trend in consumption provided by the operator;
- for some plants, the data relating to the volumes sent to public sewers, with exclusive reference to discharges similar to civilians, derives from calculation;
- the data relating to the mass flow of nitrogen oxides and sulphur oxides are obtained by multiplying the volumetric flow rate by the operating hours and the concentration detected (punctually with appropriate sampling, with the exception of the continuous monitoring systems for nitrogen oxides used by cogenerators);
- waste data refer to special waste whose quantities derive from identification forms and loading and unloading registers for Italian sites and similar documents for foreign sites; the scope of analysis does not include waste similar to urban waste (MSW), entrusted to the public collection service;
- personnel data refer to the number of workers understood as a unit.

In addition, it is specified that the functional unit used to calculate the indicators within this Report is equal to 1 tonne (for distribution sites, the processed steel is equivalent to that sold). The steel sold identifies the sales volumes of the Marcegaglia aggregated finished products. Please note that some sites manufacture products whose commercial quantification takes place in square metres (insulated panels) or in pieces (capacitors). In the case of insulated panels, it is possible to reduce the square meters to the tons, considering the density of the products. In the case of capacitors, it is possible to reduce the pieces to tons, considering the weight of the components. Energy savings are obtained by adding the results of each individual intervention valued with continuous, punctual or calculation measurements through the installed powers, operating times and conversion factors, according to the methodological approaches shared with the competent authorities in the field and the certification body of the energy management system certified according to the standard UNI IEC EN ISO 50001:2018.

Emission data (NO_x, SO_x) are obtained starting from precise measurements and integrating them with the operating times of the plants, as per methods indicated by the competent territorial authorities; the plants in Ravenna, Gazoldo degli Ippoliti and Sheffield are also equipped with continuous measurement systems for part of the sources of emissions from combustion processes.

GHG

In the GHG emissions data of this Report, CH₄, N₂O, HFC, PFC, SF₆ and NF₃ gases are not included, as they are not relevant.

Scope 1 - Direct emissions

In the calculation of direct emissions, the emissions associated with the use of fossil fuels at the sites covered by the perimeter were considered: natural gas, diesel, gasoline and LPG. These fuels are used for production activities, space heating, internal handling, including fuels used by the company fleet. The calculation is carried out by multiplying the quantity of fuel with respect to its specific emission factor. At the end, all contributions expressed in tons of CO₂ are added. The quantity of fuels consumed is derived directly from the supply invoices for each fuel and for each site considered in the perimeter. The table below shows the sources used for the emission factor and the assumptions adopted for the reporting year.

FUEL	SOURCE	NOTE
Natural Gas LPG Diesel Petrol	DEFRA Department for Environment, Food & Rural Affairs – UK	Emission factors are applied to the entire scope as considered more reliable and internationally recognised. Emissions associated with diesel and petrol weigh less than 0.5% of the organisation's total emissions.

Scope 2 - Indirect emissions

The calculation is carried out by multiplying the amount of electricity taken from the national grids, as billed, by the specific emission factor for each country as reported for each reference year, different according to the following two methodologies:

- for the *Location Based* approach, from the Ecoinvent Vers 3.9.1 database, accredited Life Cycle Inventory to support sustainability assessments;
- for the *Market Based* approach, from the publication “Residual Mixes and European Attribute Mix” issued by the Association of Issuing Bodies for all European plants, with the exception of Sweden for which the data of the publication “The Vattenfall Power Mix - Statement of energy source and environmental impact” is used; for the remaining plants, data from the Ecoinvent vers 3.9.1 database.

At the end, all contributions, expressed in tonnes of CO₂eq, are added together.

Contact to request information about the Sustainability Report:
sustainability@marcegaglia.com

MATERIALITY ANALYSIS

A prerequisite for the materiality analysis is the choice to maintain the pre-existing approach for this year, despite the change in scope. This choice is linked to two considerations: the first concerns the fact that the dual materiality analysis has already been started, which will be completed during 2024, as required by the Corporate Sustainability Reporting Directive (CSRD) - 2022/2464/EU; the second derives from the result of an evaluation, from which it emerged that the relevant issues of the new scope are aligned with the previous one, considering that the newly acquired sites make the activity within the same sector (metallurgy/steel) continue. In view of the detailed analysis carried out previously, the definition of the possible impacts generated by the company's activities on the environment, people and the economy remains unchanged, as does the evaluation of the interested parties through the identification of the stakeholders and their expectations. Stakeholders, whose list of categories remains valid, are a central element of a correct and responsible business model, because they represent the internal and external reference context in which each company must move, operate and dialogue. Marcegaglia boasts a close and historical activity of dialogue, relationship and comparison with all stakeholders in the countries in which it is present, national and local institutions, Italian and international trade associations, trade unions and workers' representatives.

Starting with the drafting of a multilingual questionnaire (Italian, English, Spanish), the employees, suppliers, customers, public administrations, Bodies and Institutions, banks and the population of the territories, both Italian and foreign, in which the plants operate were reached and involved on a sample basis.

Ownership & Management

It is the main promoter of the culture of sustainability within the Marcegaglia Group, fundamental for the analysis and improvement of performance.

Lenders – Banks

Investors are increasingly aware of ESG issues. Marcegaglia makes itself available to share the path of sustainability.

Employees

The Marcegaglia group considers its workers, in all functions and roles, as a strategic resource.

Customers

Marcegaglia considers customers as a fundamental element of its success, working for their satisfaction by guaranteeing its commitment to product quality, attention to the environment, the protection of workers' health and the rationalisation of energy at every stage of the production chain. Compliance with the rules of social responsibility is carried out according to principles defined by the SA8000 standard.

Suppliers/sub-suppliers/employment agencies

Marcegaglia considers its suppliers as stakeholders to be identified through a qualification system and to be involved through periodic awareness campaigns.

Local Communities

Authorities, Local Administrations and citizens where production plants are located are considered stakeholders whose involvement is ensured.

Trade Unions

Marcegaglia is a reality in which trade union groups are an active part in collective bargaining and in the daily management of relations between the parties.

Institutions – Government, Territorial Authorities and Regulatory Bodies

The discussion with the territorially competent Authorities and Institutional Bodies is the basis of Marcegaglia's approach to maintaining regulatory compliance.

Schools, students, non-profit organisations

Marcegaglia is always willing to collaborate with schools, universities and non-profit organisations to promote the integration and professional training of young people.

For each topic considered, the description, the GRI information and the perimeter of the impacts considered are given.

	MATERIAL TOPICS	GRI DISCLOSURES	IMPACT PERIMETER		INVOLVEMENT IN IMPACTS (DIRECT/INDIRECT)
			INTERNAL	EXTERNAL	
1	Creation of value and positive spin-offs for the benefit of communities	201-1	Marcegaglia Steel	communities, employees, regulatory bodies	direct
2	Contribution to the pursuit of the energy transition and decarbonization	302-1 302-3 302-4 305-1 305-2 305-4	Marcegaglia Steel	regulatory bodies, suppliers, communities, trade associations	direct/indirect
3	Efficient use of resources and reduction of the organisation's ecological footprint	302-1 302-3 302-4 303-1 303-2 303-3a-b-d 303-4a-c-d-e 305-1 305-2 305-4 305-7 306-2	Marcegaglia Steel	communities, employees, regulators, customers	direct/indirect
4	Promoting the culture of water saving and water discharge reduction	303-1 303-2 303-3a-b-d 303-4a-c-d-e	Marcegaglia Steel	communities, regulatory bodies	direct
5	Contribution and promotion of the circular economy and waste valorisation	306-2 306-3	Marcegaglia Steel	customers, suppliers, communities, trade associations	direct/indirect
6	Energy education and environmental awareness	302-1 302-4 304-1 306-2 306-3	Marcegaglia Steel	citizens, employees, regulatory bodies	indirect
7	Listening and strengthening dialogue with stakeholders	2-29 3-3	Marcegaglia Steel	all stakeholders	indirect
8	Health and safety in the workplace	403-1 403-9a-e-g	Marcegaglia Steel	employees, regulatory bodies, customers, suppliers, citizens	direct
9	Human capital and skills enhancement	3-3 405-1	Marcegaglia Steel	employees	direct
10	Human resources: promoting diversity and equal opportunities	405-1	Marcegaglia Steel	employees	direct
11	Transparency, ethics and integrity in conducting business	2-6 2-9 2-15 2-16 2-19 2-23 2-27 205-2 205-3 206-1 207-1	Marcegaglia Steel	customers, regulatory bodies	direct
12	Integrating sustainability into the corporate strategy	2-22 2-23 3-3	Marcegaglia Steel	all stakeholders	direct/indirect
13	Full exercise of their role in the sector	3-3	Marcegaglia Steel	all stakeholders	direct
14	Adoption of innovative solutions and improvement of its activities	203-1	Marcegaglia Steel	citizens, employees, regulatory bodies	direct/indirect

GRI CONTENT INDEX

Marcegaglia Steel SpA has reported the information mentioned in this GRI content index for the period from 01/01/2021 to 31/12/2023 in accordance with the GRI Standards.

This GRI Content Index is notified by sending an email to reportregistration@globalreporting.org

With respect to the reported GRIs, the data relating to salaries in reference to GRI 2-20 and 2-21 are omitted.

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER
GRI 2: 2021 General Disclosures	2-1 Organizational details	Our history / Governance / Methodological note
	2-2 Entities included in the organisation's Sustainability Reporting	Methodological note
	2-3 Reporting Period, Frequency and Point of Contact	Methodological note
	2-4 Restatements of Information	Methodological note
	2-5 External Assurance	Letter of assurance
	2-6 Activities, Value Chain and Other Business Relationships	Our history / Innovation of processes and products Environment - Circular economy
	2-7 Employees	Social - the Marcegaglia people
	2-8 Workers who are not employees	Social - the Marcegaglia people
	2-9 Governance Structure and Composition	Governance - Sustainability Governance Governance - Advisory Board / Governance - Governance Tools
	2-10 Nomination and selection of the highest governance body	Governance
	2-11 Chair of the highest governance body	Governance - Governance Tools Governance - Organisation and Management Model Governance - Code of Ethics / Governance - Anti-Corruption Policy
	2-12 Role of the highest governing body in overseeing the management of impacts	Governance - Sustainability Governance Governance - Advisory Board Governance - MADE HSE to support sustainability issues Governance - Governance Tools / Governance - KPI
	2-13 Delegation of responsibility for managing impacts	Governance - Sustainability Governance / Governance - Advisory Board Governance - Governance Tools
	2-14 Role of the Highest Governance Body in Sustainability Reporting	Governance - Sustainability Governance / Governance - Advisory Board Governance - MADE HSE to support sustainability issues Governance - Governance Tools Materiality Analysis
	2-15 Conflicts of interest	Governance - Governance Tools Governance - Organization and Management Model Governance - Code of Ethics
	2-16 Communication of Critical Concerns	Governance – Organisation and Management Model
	2-17 Collective Knowledge of the Highest Governing Body	Governance - Sustainability Governance Governance - Advisory Board Governance - MADE HSE to support sustainability issues Governance - Governance Tools
	2-18 Evaluation of the performance of the highest governance body	Governance - Sustainability Governance Governance - Advisory Board Governance - MADE HSE to support sustainability issues Governance - Governance Tools
	2-19 Remuneration policies	Social - the Marcegaglia people Governance - Governance Tools
	2-20 Process to determine remuneration	-
	2-21 Annual Total Compensation Ratio	-

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER
	2-22 Statement on sustainable development strategy	Governance - Sustainability Governance Governance - Advisory Board / Governance - MADE HSE to support sustainability issues / Governance - Our certifications Governance - Sustainable finance Governance - Our taxonomy identification path Governance - Governance tools Governance - Organisation and management model / Governance - KPI Governance - Code of Ethics / Governance - Supplier policy Governance - Human rights policy / Governance - Conflict minerals Governance - Anti-corruption policy / Governance - Antitrust policy Governance - Cyber security and data security Governance - GDPR
	2-23 Policy Commitment	Governance - Organisation and management model Governance - Code of Ethics / Governance - Supplier policy Governance - Human rights policy / Governance - Conflict minerals Governance - Anti-corruption policy / Governance - Antitrust policy Governance - Cyber security and data security / Governance - GDPR
	2-24 Embedding Policy Commitments	Governance - Organisation and management model Governance - Code of Ethics / Governance - Supplier policy Governance - Human rights policy / Governance - Conflict minerals Governance - Anti-corruption policy / Governance - Antitrust policy Governance - Cyber security and data security / Governance - GDPR
	2-25 Processes to remediate negative impacts	Governance - Organisation and management model Governance - Code of Ethics / Governance - Anti-corruption policy Methodological note
	2-26 Mechanisms for seeking advice and raising concern	Governance - Organisation and management model Governance - Code of Ethics / Governance - Anti-corruption policy Methodological note
	2-27 Compliance with laws and regulations	Environment - Energy / Environment - Emissions in the atmosphere Environment - GHG emissions / Environment - Water Environment - Waste management / Social - the Marcegaglia people Social - Professional growth, culture of safety, health and well-being Governance
	2-28 Membership associations	Marcegaglia's commitment in the world
	2-29 Approach to Stakeholder Engagement	Materiality analysis
	2-30 Collective Bargaining Agreements	Social - the Marcegaglia people
	3-1 Process to determine material topics	Methodological note Materiality analysis
	3-2 List of material topics	Materiality analysis
	3-3 Management of Material Topics	Environment - Energy / Environment - Emissions in the atmosphere Environment - GHG emissions / Environment - Water Environment - Biodiversity / Environment - Waste management Social - The Marcegaglia people / Social - Professional growth, culture of safety, health and well-being / Governance / Materiality analysis
GRI 3: 2021 Material Topics		

With regard to the material topics and specific disclosures, the references are shown below:

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER
	GRI 200 - ECONOMIC PERFORMANCE INDICATORS	
	ECONOMIC PERFORMANCE	
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Social - The commitment for development and inclusion
	INDIRECT ECONOMIC IMPACT	
GRI 203: Indirect economic impacts	203-1 Infrastructure investments and services supported	Social - The commitment for development and inclusion Governance - Sustainable finance Governance - Our path to identifying the taxonomy Governance - Economic performance
	ANTI-CORRUPTION AND ANTITRUST	
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	Governance - Anti-corruption Policy
GRI 206: Anti-competitive Behavior	206-1 Legal Actions for Anti-Competitive Behavior, Antitrust, and Monopoly Practices	Governance - Antitrust Policy
	TAXES	
GRI 207: Taxes	207-1 Approach to tax	Governance - Economic performance
	GRI 300 - ENVIRONMENTAL PERFORMANCE INDICATORS	
	ENERGY	
GRI 302: Energy	302-1 Energy Consumption Within the Organisation	Environment - Energy
	302-3 Energy intensity	Environment - Energy
	302-4 Reduction of energy consumption	Environment - Energy Methodological Note
	WATER AND EFFLUENTS	
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Environment - Water, Governance
	303-2 Management of water discharge-related impacts	Environment - Water
	303-3a,b,d Water withdrawal	Environment - Water
	303-4a,c,d,e Water discharge	Environment - Water
	BIODIVERSITY	
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment – Biodiversity

GRI STANDARD	DISCLOSURE	REFERENCE CHAPTER
	EMISSIONS	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG Emissions	Environment - Emissions in the atmosphere Environment - GHG emissions Methodological note
	305-2 Energy Indirect (Scope 2) GHG Emissions	Environment - Emissions in the atmosphere Environment - GHG emissions Methodological note
	305-4 Greenhouse gas emissions intensity	Environment - Emissions in the atmosphere Environment - GHG emissions
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other relevant air emissions	Environment - Emissions in the atmosphere
	WASTE	
GRI 306: Waste	306-2 Management of significant waste-related impacts	Environment - Waste management
	306-3 Waste generated	Environment - Waste management Methodological note
	GRI 400 - SOCIAL PERFORMANCE INDICATORS	
	EMPLOYMENT	
GRI 401: Employment	401-1 New Employee Hires and Employee Turnover	Social - the Marcegaglia people
	OCCUPATIONAL HEALTH AND SAFETY	
GRI 403: Occupational Health and Safety	403-1 Occupational Health and Safety Management System	Social - Professional growth, culture of safety, health and well-being Governance - Our certifications
	403-9a,e,g Work-Related Injuries	Social - Professional growth, culture of safety, health and well-being
	DIVERSITY AND EQUAL OPPORTUNITIES	
GRI 405: Diversity and equal opportunities	405-1 Diversity of Governance Bodies and Employees	Social - the Marcegaglia people

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Marcegaglia Steel S.p.A.

**Independent auditor's report restatement on the sustainability
report**

(translation of the original report issued in Italian)

Sustainability report as of December 31, 2023

AIOR/LVRR/vbrb – R2024/00795



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Independent auditor's report restatement on the sustainability report

(translation of the original report issued in Italian*)

To the Board of Directors of Marcegaglia Steel S.p.A.

We have carried out a limited assurance engagement on the sustainability report of Marcegaglia Steel Group (hereinafter "Group") as of December 31, 2023. The limited review we conducted does not extend to the information contained in the paragraph "IL NOSTRO PERCORSO DI IDENTIFICAZIONE DELLA TASSONOMIA" of the Sustainability Report, which is required by Article 8 of Regulation (EU) 2020/852.

Responsibility of the Directors for the sustainability report

The Directors of the Marcegaglia Steel S.p.A. are responsible for the preparation of the sustainability report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Methodological note" of the sustainability report.

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behavior.

Our audit firm applies *International Standard on Quality Management 1 (ISQM Italia 1)*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the sustainability report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000



(Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the sustainability report is free from material misstatement.

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

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

Specifically, we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the sustainability report, with reference to the methods of analysis and understanding of the reference context, identification, evaluation and prioritization of the actual and potential impacts and the internal validation of the results of the process;
- 2) comparison between the economic and financial data and information included in the chapter "Economic Performance" of the sustainability report with those included in the Group's Financial Statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the sustainability report.

In particular, we carried out interviews and discussions with the management of Marcegaglia Steel S.p.A. and the employees of the main legal entities of the Group and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the sustainability report.

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

- at the parent company and subsidiaries level:
 - a) with regards to qualitative information included in the sustainability report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for entities Marcegaglia Buildtech S.p.A., Marcegaglia Specialties S.p.A., Marcegaglia Carbon Steel S.p.A., Marcegaglia Stainless Sheffield and Marcegaglia Ravenna S.p.A., which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met the management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.



Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the sustainability report of Marcegaglia Steel Group as of December 31, 2023 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological Note" of the sustainability report.

Our conclusions on the Marcegaglia Steel Group's Sustainability Report do not extend to the information contained in the paragraph "*IL NOSTRO PERCORSO DI IDENTIFICAZIONE DELLA TASSONOMIA*" of the report, which is required by Article 8 of Regulation (EU) 2020/852.

Other matters

The comparative data presented in the sustainability report in relation to the financial year ended December 31, 2020 and December 31, 2019, have not been subjected to verification.

Verona, May 10, 2024

Mazars Italia S.p.A.

Signed on the original

Alfonso Iorio
Partner

() This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

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