

SUSTAINABILITY REPORT 2023



RODASTEEL  CORPORATION®



SUSTAINABILITY REPORT 2023





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HIGHLIGHTS 2023

- 687 MILLION EURO** OF TURNOVER GENERATED
- 663 MILLION EURO** IN VALUE DISTRIBUTED TO STAKEHOLDERS
- 1,205 EMPLOYEES**
- 98%** OF PERMANENT EMPLOYEES
- 16.1% HIRING RATE**
- 15.7% TURNOVER RATE**
- 7.3M EURO** SPENT ON R&D AND INNOVATION
- 56%** OF PROCUREMENT FROM LOCAL (NATIONAL) SUPPLIERS

LETTER TO STAKEHOLDERS

Dear Stakeholders,

I am delighted to present the Rodasteel Group Sustainability Report for the fifth consecutive year. For the fifth consecutive year, the Group has chosen to continue its sustainability reporting process to monitor the development of its performance and set increasingly ambitious objectives.

We are therefore proud to share with you the results achieved in the social, environmental, and occupational fields, resulting from our commitment to sustainability.

With a special focus on sustainability and environmental protection, the Group continued its efforts in 2023 to reduce its ecological impact.

This was achieved by examining every area where it was possible to lessen the effect of corporate operations on the environment surrounding its facilities.

The year 2023 was challenging, marked by a slowdown in the growth recorded in previous years, mainly due to a global decline in steel demand, which impacted our business.

Despite this, I feel a deep sense of gratitude for the ongoing dedication that the people of Rodasteel continue to show. It is for their well-being that the Group commits to promoting

initiatives aimed at ensuring health and safety in the workplace, fostering the personal and professional development of all employees, and providing them with benefits through dedicated corporate welfare plans. Attention to people is also reflected above all in caring for our customers, who are a cornerstone of the company, and local communities.

The Group constantly works to strengthen the relationships of trust and cooperation established over the years with our customers, and is committed to creating new ones, focusing on continuously offering products of high quality and reliability while ensuring a service that can readily respond to the diverse needs of consumers.

Attention to local communities, on the other hand, is demonstrated by the prosecution of the many direct involvement activities begun in past years and the introduction of new initiatives that have led to the hiring of many local youth.

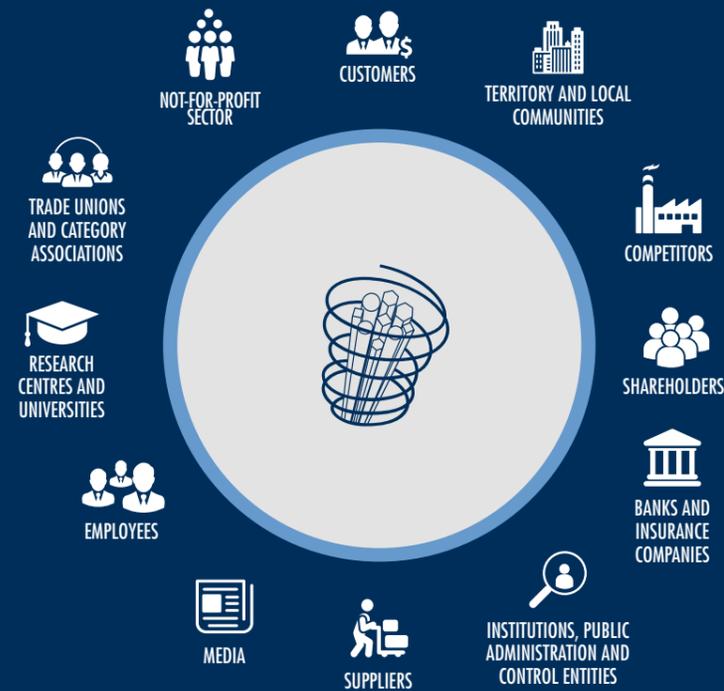
In conclusion, this Sustainability Report is meant to be a tool for clearly and transparently communicating our performance and all aspects of sustainability that are dear to the Group, which form the foundation for long-term value creation.



RODASTEEL STAKEHOLDERS

In order to identify Rodasteel's main stakeholders a mapping of the activities conducted, both business and non-business activities, and the analysis of the value chain and structure of the Group itself was carried out. The term "Stakeholder" refers to entities or individuals who can be significantly affected by the Group's activities, products and services and whose actions can, at the same time, influence the Group's ability to successfully implement its strategies and achieve its established goals.

Rodasteel's stakeholders were grouped into 12 categories and homogeneous groups based on the different types of interests, needs and existing relationships with the Group. There are numerous initiatives and ways in which Rodasteel interacts with each of these stakeholder categories in order to maintain solid relationships based on trust and continuous, long-term dialogue which takes account of their objectives and expectations.





STAKEHOLDER CATEGORIES	MAIN CHANNELS OF COMMUNICATION AND METHODS OF INVOLVEMENT
EMPLOYEES	Intranet; code of ethics; direct communications; ongoing dialogue; periodic meetings; House Organ; training
TRADE UNIONS AND CATEGORY ASSOCIATIONS	Direct contact; trade union round tables.
SUPPLIERS	Direct contact; corporate communications; assessment questionnaires; ad hoc meetings and events.
CUSTOMERS	Direct contact; questionnaires and surveys; advertising campaigns; ad hoc meetings and events.
COMPETITORS	Direct contact; events and fairs; meetings; participation in trade association working groups.
INSTITUTIONS AND PUBLIC ADMINISTRATION; CONTROL ENTITIES	Direct contact; technical meetings; participation in hearings before supervisory authorities.
BANKS AND INSURANCE COMPANIES	Direct contact; regular meetings.
TERRITORY AND LOCAL COMMUNITIES	Direct contact; conventions; organisation of local events; interaction with community members and representative bodies
SHAREHOLDERS	Shareholders' meeting; financial reporting; website.
RESEARCH CENTRES AND UNIVERSITIES	Direct contact; dedicated working groups; events; career days.
MEDIA	Direct contact; website; business communications.
NOT-FOR-PROFIT SECTOR	Direct contact; website; business communications.

MATERIALITY ANALYSIS

For the purposes of drafting the Sustainability Report and identifying the key content to be covered within it, the “materiality analysis,” process consists of identifying sustainability topics relevant to the Rodasteel Group of fundamental importance.

Relevant, or material, topics represent aspects that can, in terms of environmental, social and economic impacts, affect and/or influence the decisions and behavior of the Group and its own stakeholders.

Following the update of the GRI Standards in 2021, the method of identifying material topics has undergone substantial changes compared to the analysis carried out during previous reporting periods.

Specifically, the new methodology involves identifying topics that represent the most significant impacts the company has on the environment, people, and the economy, including impacts on human rights.

Rodasteel, in order to identify these impacts relevant to the company and its Stakeholders, conducted a benchmark analysis against national and international peers and competitors, for both Rodaccai Group companies and Olarra, of sustainability trends and documents

produced by industry-specific associations and organizations.

Following this analysis, Rodasteel identified its actual and potential impacts, defined as impacts that have already occurred and impacts that are likely to occur, respectively.

In addition, these impacts were classified as negative and positive.

Next, the significance of the identified impacts was assessed through quantitative and qualitative analysis, so that impacts could be classified as negligible, moderate, significant, or very significant.

Specifically, this analysis was carried out by evaluating the criteria provided by the GRI standards such as: severity scale, scope, irretrievable character, and likelihood.

For each of the aforementioned criteria, a score was assigned, which determined a final score that would allow the classification of the impact into the categories described above.

In line with GRI methodology, all impacts above the threshold were considered significant, thus excluding the category of so-called negligible impacts.

The impacts were then grouped and traced back to a list of material topics for the Group, recognized and approved by corporate management.

The end result is the following list of material topics, and their associated positive and negative impacts, with a brief description of them and how they are managed by Rodastel.

MATERIAL TOPICS	IMPACT DESCRIPTION		MANAGEMENT APPROACH BY RODASTEEL
Attention to employees and their development	Damage to employee well-being from missed welfare initiatives Failure to establish welfare initiatives or activities to ensure the well-being of employees can generate detrimental effects on people's work-life balance.	Potential negative impact	Rodastel strives to provide its employees with welfare initiatives and activities that ensure well-being and a balance between the private and personal spheres.
	Development of workers' skills Rodastel cura lo sviluppo delle competenze tramite un'offerta formativa mirata in termini di contenuti tecnici e soft skills, che contribuiscono ad accrescere le competenze tecniche e trasversali dei dipendenti.	Actual positive impact	Rodastel promotes a corporate culture geared toward developing the skills of its people through professional development paths that enable workers to fulfill their potential.
Energy consumption and climate change	Climate change resulting from GHG emissions The processing and activities that occur along the group's entire value chain are characterized by the generation of high amounts of GHG emissions, which impact ongoing global climate change.e.e.	Actual negative impact	Rodastel constantly monitors the emission impact of the Group's activities, and also carries out energy efficiency measures in production processes to reduce its emission footprint.
	Reduced energy availability due to high consumption Steel production, along the entire supply chain, is characterized by an intensely energy-intensive process, which, if not properly managed, could erode energy availability for other external stakeholders..	Actual negative impact	Rodastel regularly implements energy efficiency measures at all its production sites to mitigate its impact on energy resources.
Socio-economic value creation and support for local communities	Creation and distribution of economic value in the territory Rodastel's business generates economic value along the entire value chain, contributing to the economic and social development of the communities and territories where it operates, directly or indirectly.	Actual positive impact	Rodastel ensures high levels of medium- to long-term economic performance through operational and financial efficiency, consolidating the Group's presence internationally.
	Supporting the integration of young people in the labor market Rodastel promotes initiatives with local schools and universities aimed at introducing young people to the world of work, encouraging their employment or professional training experiences, and disseminating technical knowledge and skills	Actual positive impact	Rodastel has created a work environment that generates strong attractiveness to young talent through targeted programs with local schools, which are realized in the hiring of a portion of the students involved.
Circular economy	Depletion of natural resources due to the use of virgin raw materials The supply of raw materials, if managed unsustainably, can affect their availability, impacting the proper balance of ecosystems.	Actual negative impact	Rodastel promotes and implements circular economy initiatives, aimed at reducing the amount of virgin raw materials used, including through the valorization and reuse of processing waste.

Circular economy	Land occupation and pollution due to generation of non-recyclable/reusable waste Raw material extraction and production activities generate waste that, if not subjected to recycling or recovery activities, is destined for landfill disposal, resulting in the occupation of useful land and the generation of pollutants.	Actual negative impact	Rodastel pays close attention to waste management in order to minimize impacts, promoting circularity through recovery and reuse activities.
Air pollutant emissions	Damage to the ecosystem and people resulting from the generation of air pollutants Rodastel's manufacturing activities generate air pollutants, which could have a significant impact on public health locally as well as on the surrounding environment.	Potential negative impact	Rodastel conducts periodic monitoring activities of pollutant emissions and adopts specific abatement systems.
Water resources management	Damage to ecosystems by water scarcity due to water consumption The withdrawal and consumption of water resources for productive purposes, especially when done in water-stressed areas, can affect ecosystems and the organisms that live in them, reducing the availability of the resource for them.	Actual negative impact	Rodastel constantly monitors its water consumption in order to identify improvement opportunities to increase efficiency and reduce leaks or losses.
Business integrity	Damage to the socio-economic system from unfair business practices The occurrence of behavior contrary to laws and regulations on environmental, social, and governance issues, including issues of corruption and business ethics or inappropriate fiscal strategies, can impact both the market in which Rodastel operates and the stakeholders related to its activities.	Potential negative impact	Rodastel pursues ethically correct behavior in compliance with the Code of Ethics and current regulations, especially in terms of combating active and passive corruption.
Product quality and innovation	Effects on end-consumer safety due to products of inadequate reliability Steel industry products, if not properly sized and controlled, can have a negative impact in terms of safety on the end consumer and the user of the finished product.	Potential negative impact	Rodastel conducts quality control on the products that are supplied to customers, ensuring the safety of end consumers.
Respect for and protection of human rights	Failure to respect equal opportunity and discrimination in the workplace Business processes are potentially prone to incidents where the risk of not always ensuring equal opportunity in labor relations emerges, generating discrimination based on aspects such as gender, ethnicity, religious belief, disability or sexual orientation.	Potential negative impact	Rodastel guarantees equal professional opportunities for all workers while respecting all types of diversity (e.g., gender, ethnicity) and ensuring the full inclusion of people from protected categories.
	Violation of fundamental human rights Along the entire value chain, which can be heterogeneous and geographically extensive, negative impacts on people related to the disregard of workers' human rights can occur.	Potential negative impact	Rodastel has established a Corporate Code of Ethics, which formalizes the corporate values and principles that guide all relationships within and outside the Group itself.
Worker health and safety	Effects on the health and safety of workers and co-workers Workers could be exposed to risks to their own health and safety attributable both to any suboptimal working conditions and to unsuitable worker behavior..	Actual negative impact	Rodastel guarantees high standards in corporate health and safety, promoting the adoption of preventive measures to reduce potential risks and ensures continuous and specific training also through compliance with the rules in the M.O.G. (Legislative Decree 231/01).

1. THE RODASTEEL IDENTITY

RODASTEEL GROUP PRESENTING ITSELF TO DATE AS ONE OF THE INTERNATIONAL LEADERS IN STEEL PRODUCTION AND PROCESSING



Presenting itself to date as one of the international leaders in steel production and processing, the Rodasteel Group distributes finished products in stainless steel, alloy steels, and unalloyed steels worldwide.

Behind this success, multiple factors can be identified: from the wide and diverse range of high-quality products, to the constant attention paid to its customers, from the ability to continuously innovate while looking to the future, to the experience of its people, who are able to readily seize market opportunities.

In addition to all this, there is the ability to take advantage of profitable opportunities in terms of the acquisition and merger of new companies within the Group: in fact, it is thanks to the presence of production and sales offices on three continents (Europe, Asia and America), that the Group has acquired an international scope and has been able to develop a wide sales network.

The history of the Rodasteel Group includes those of Olarra and Rodacciai. In particular, the history of the latter began in 1956 in Italy, in the town of Pusiano (Como), where Trafilera Roda & C. was founded by a charismatic and innovative entrepreneur, Giuseppe

Roda. Starting as a small local cold-drawing company for steel bars in 1960, Trafilera Roda & C. embarked on a path of verticalization of the production process along the steel processing chain.

With the installation of a hot processing plant specifically for high-speed and special steels, the market offering, originally consisting of only cold semi-finished products, was thus expanded. Thus began a structured and continuous path of growth and manufacturing verticalization that has led Rodasteel to become a major international group in the steel processing industry today.

As previously described, the Group consists of two principal companies: Rodasteel S.p.A. in Italy and Aceros Inoxidables Olarra S.A. in Spain; both are production companies to which multiple, mainly European, sales companies respond. All companies are part of a governance system that provides for one Board of Directors in Rodasteel, supported by one Board of Directors (BoDs)¹ in Rodacciai and one² in Olarra, which direct company organization in matters of operational management and process control.

There are no official committees in the organization.

A key figure within the BoDs of the two production entities and a promoter of sustainable development is the chairman, Mr. Gianluca Roda³, who personally manages sustainability issues together with the other directors through monthly dedicated management meetings, with the involvement of both the front lines and additional delegated corporate functions, within which the results obtained in terms of sustainability and the achievement of the objectives of the two companies Rodacciai and Olarra are evaluated, which nevertheless remain autonomous in the management of the environmental and social impacts of their activities.

The content of the Sustainability Report is also shared within the Group's Board of Directors, after a review of the content by the Group's data owners, for validation, although there is currently no formal procedure of the approval for publication.

The primary values that guide the work of corporate governance, and of the entire Group, include transparency and integrity, which must always form the basis of every internal and external decision and every action.

These principles govern all Rodasteel activities and are clearly and publicly expressed

in the Group's Code of Ethics, which establishes the code of conduct to be followed in external relations and in relations with employees, defines company policy and regulates the management of confidential information and conflicts of interest.

The Code of Ethics defines methods of preventing and mitigating certain conflicts of interest, among other issues.

The Code of Ethics is an integral part of the Organization, Management and Control Model.

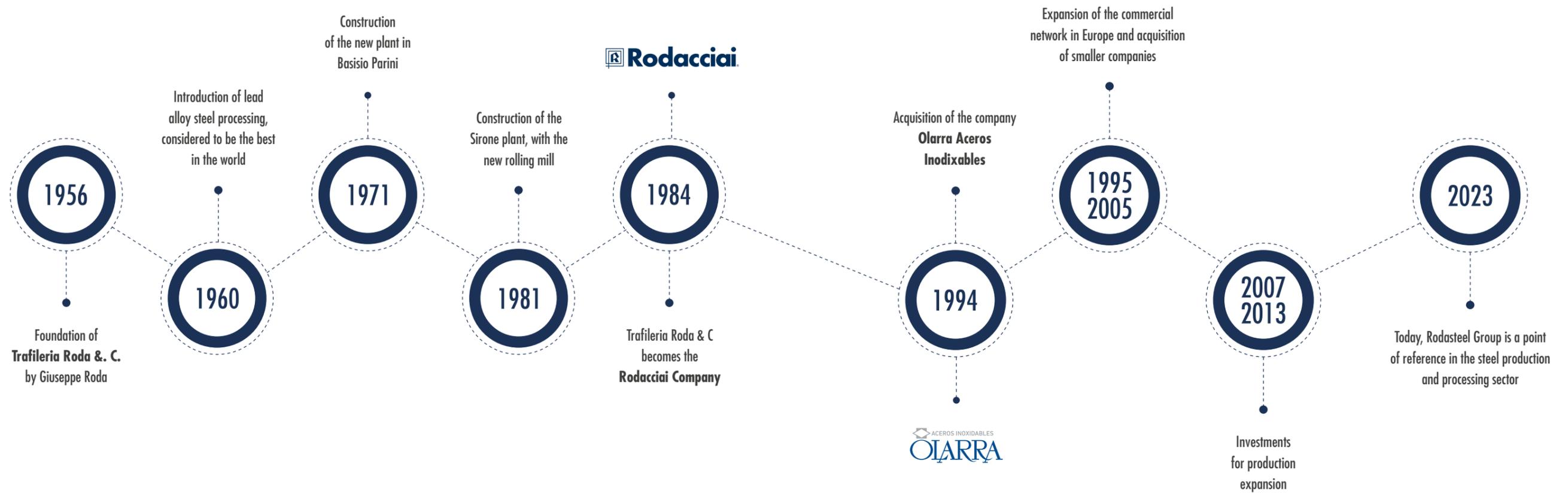
This Model is subject to monitoring by the supervisory body, which, with periodic meetings and specific audits also against a flow of information from the various Process Owners, (as well as, for the part relating to Whistleblowing, from other stakeholders) proceeds to verify the proper maintenance of the system by drawing up reports on the progress of the activities analyzed.

As a confirmation of the Group's integrity, we report the absence of proven incidents of corruption and/or anti-competitive and discriminatory behavior that occurred during the entire three-year reporting period in both Rodacciai and Olarra.

¹ At 31/12/2023 the Board of Directors of Rodacciai consists of 5 men, one under 30 years of age, one between 30 and 50 years old, and three over 50 years old (a situation that has changed compared to 2022 when it was composed of five men, one under 30 years old, two between 30 and 50 years old, and two over 50 years old, and from three men in 2021, one between 30 and 50 years old and two over 50 years old).

² The Olarra Board of Directors consists of 5 members in 2023, as it did in 2022 and 2021. Throughout the three-year period, the board consists of 1 female over 50 years of age and 4 males over 50 years of age.

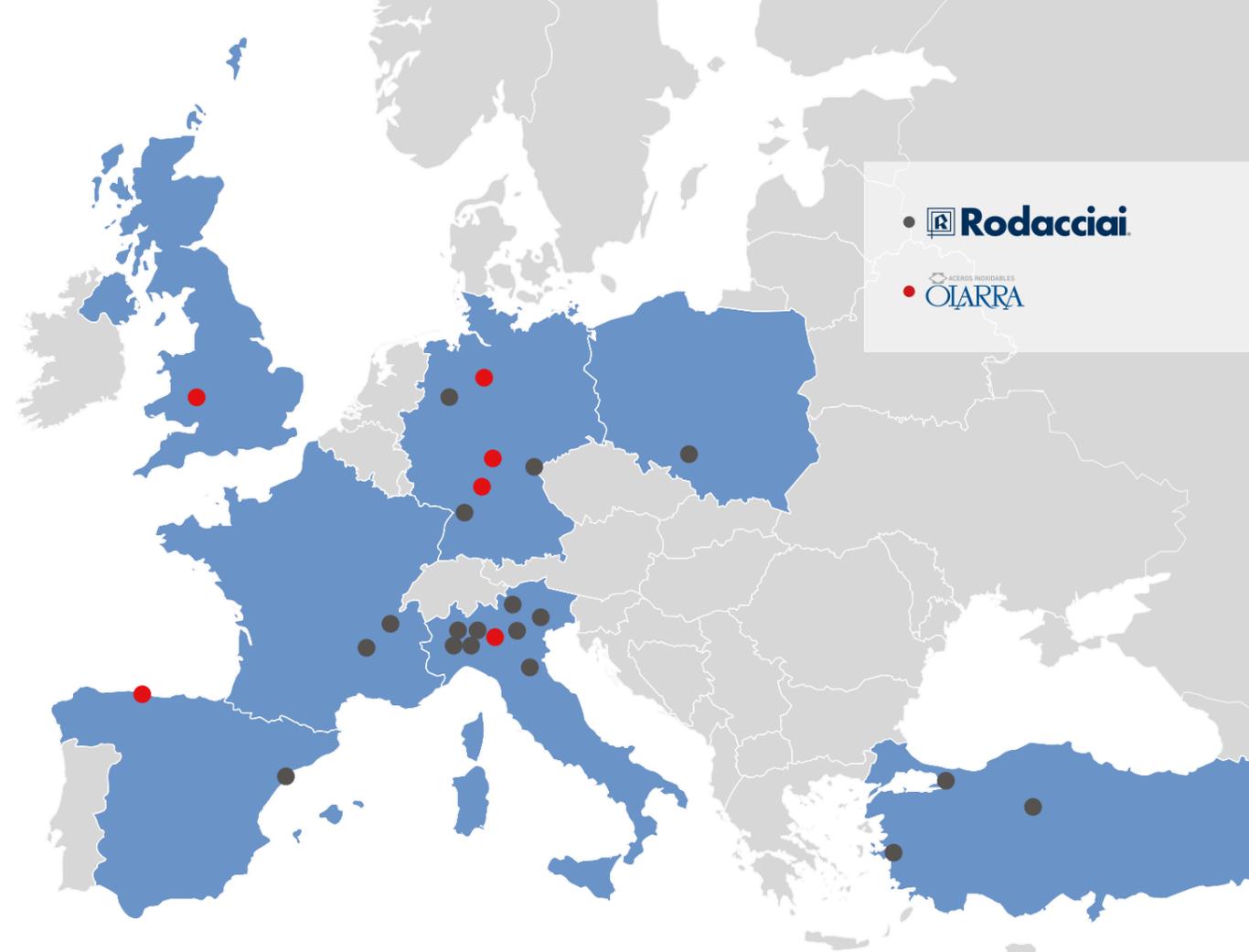
³ Gianluca Roda, chairman of the Board of Directors of Rodacciai, does not hold an executive position; therefore, there is no conflict of interest within the organization.



ORGANIZATIONAL MANAGEMENT IN RODASTEEL: MODEL 231

Rodasteel adopted its own Organization, Management and Control Model (or Model 231), approved by the company's Board of Directors. The Board of Directors was also instructed to appoint the members of the Supervisory Board, which is responsible for verifying the effective adoption of the Model. The document outlines the procedures developed by the company to manage and control the internal operating environment. The Model contains information and indications aimed at guiding the management process in a clear and uniform manner. The Model presents the essential elements of Rodasteel S.p.A. governance and corporate organization, details the purposes of the document and its adoption, and defines the disciplinary and penalty system as well as the sensitive business activities and control measures in place.

As of today, 142 hours of online training were provided to 76 managers and supervisors, with the future aim of promoting knowledge of the concepts of the Model 231 and its specificities among the entire company population. Throughout 2023, the whistleblowing procedure was developed, resulting in the subsequent adaptation of the Model 231. A training course on whistleblowing has already been carried out, and the system has been disseminated to all legal and non-legal entities at the level of the corporate intranet platform and on the website. This procedure is managed by an external specialized company tasked with verifying reports in compliance with the regulations and forwarding those deemed relevant to the Supervisory Body for further analysis and for the application of any sanctions.



• Rodacciai

• OIARRA

8 covered nations

27 distribution centres

EUROPE

Rodacciai

Country: Italy
N° of distribution centres: 6
Cities: Bosisio Parini, Torino, Bergamo, Padova, Bologna

Rodastahl

Country: Germany
N° of distribution centres: 3
Cities: Deisslingen, Hagen, Oelsnitz

Rodastal PL

Country: Poland
N° of distribution centres: 1
City: Gliwice

Rodacciai S L

Country: Spain
N° of distribution centres: 1
City: Barcelona

BIMEKS ÇELİK

Country: Turkey
N° of distribution centres: 3
Cities: Istanbul, Ankara, Izmir

Euroda Aciers

Country: France
N° of distribution centres: 2
Cities: Cluses, Chasse sur Rhône

CESI

Country: Italy
N° of distribution centres: 1
City: Piacenza

ALUPON

Country: Italy
N° of distribution centres: 1
City: San Giuliano Milanese

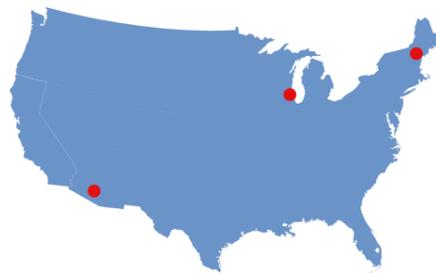
SIS

Country: Germany
N° of distribution centres: 3
Cities: Mulhem, Vaihingen, Francoforte

OIARRA

Country: Spain
N° of distribution centres: 1
City: Bilbao

USA



OIARRA - Italia

Country: Italy
N° of distribution centres: 1
City: Brescia

OIARRA U.K LTD

Country: Great Britain
N° of distribution centres: 3
City: Cleobury Mortimer

Roda Specialty Steel

Country: USA
N° of distribution centres: 3
Cities: Los Angeles, Chicago, New Jersey





1.1 EXPERIENCE AND COMPETITIVENESS



Olarra, Bilbao (steelworks)
Steel melt quantity 2023:
94,000 ton



Rodacciai, Bosisio Parini (cold finishing plant)
Quantity of finished product sold 2023:
203,000 ton

Rodacciai, Sirone (rolling mill)
Quantity of steel produced 2023:
169,000 ton



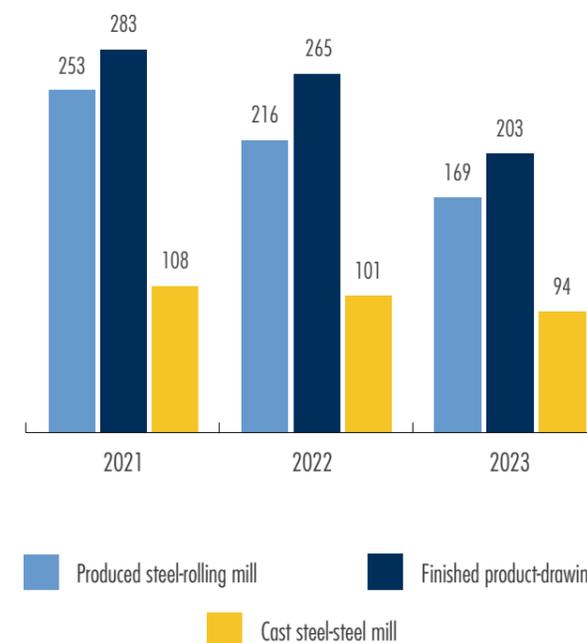
The vertical integration achieved over the years by the Rodasteel Group, through both the expansion of Italian production facilities and the acquisition of the Spanish steel mill, offers an important competitive advantage: protection along the entire value chain, from sources of supply (thanks to significant bargaining power with suppliers) to the production of steel and the sale of finished processed products to the customer.

With regard to the Group's⁴ production over the three-year period, Olarra recorded a 6.9% decrease in the tons of steel cast produced compared to 2022, continuing the downward trend that began in the previous year.

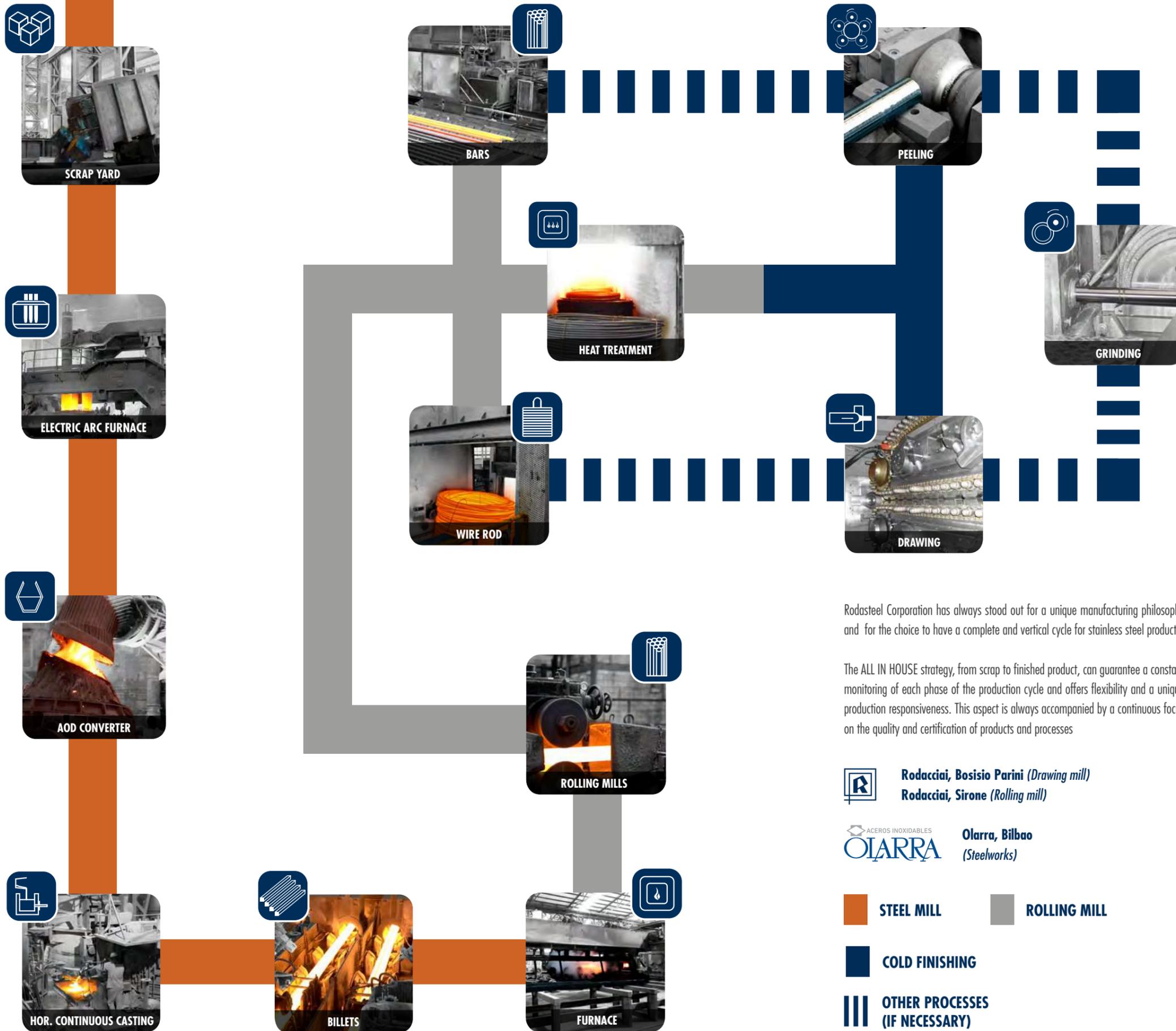
As for the Italian plants, in 2023, the production of steel from both the rolling mill and the wire drawing mill was down compared to the previous year, by 21.8% for the rolling mill (steel produced) and 23.5% for the wire drawing mill (finished products), a decrease of 14.7% and 6% respectively compared to 2021.

⁴ It is specified that much of the mill's production flows, in the form of semi-finished products, into the drawing mill.

QUANTITY OF PRODUCT PER PRODUCTION UNIT (PER 1000 TONNES)



STAINLESS STEEL SOLUTIONS ALL IN HOUSE FROM THE SCRAP TO THE FINISHED PRODUCT



Rodasteel Corporation has always stood out for a unique manufacturing philosophy and for the choice to have a complete and vertical cycle for stainless steel products.

The ALL IN HOUSE strategy, from scrap to finished product, can guarantee a constant monitoring of each phase of the production cycle and offers flexibility and a unique production responsiveness. This aspect is always accompanied by a continuous focus on the quality and certification of products and processes

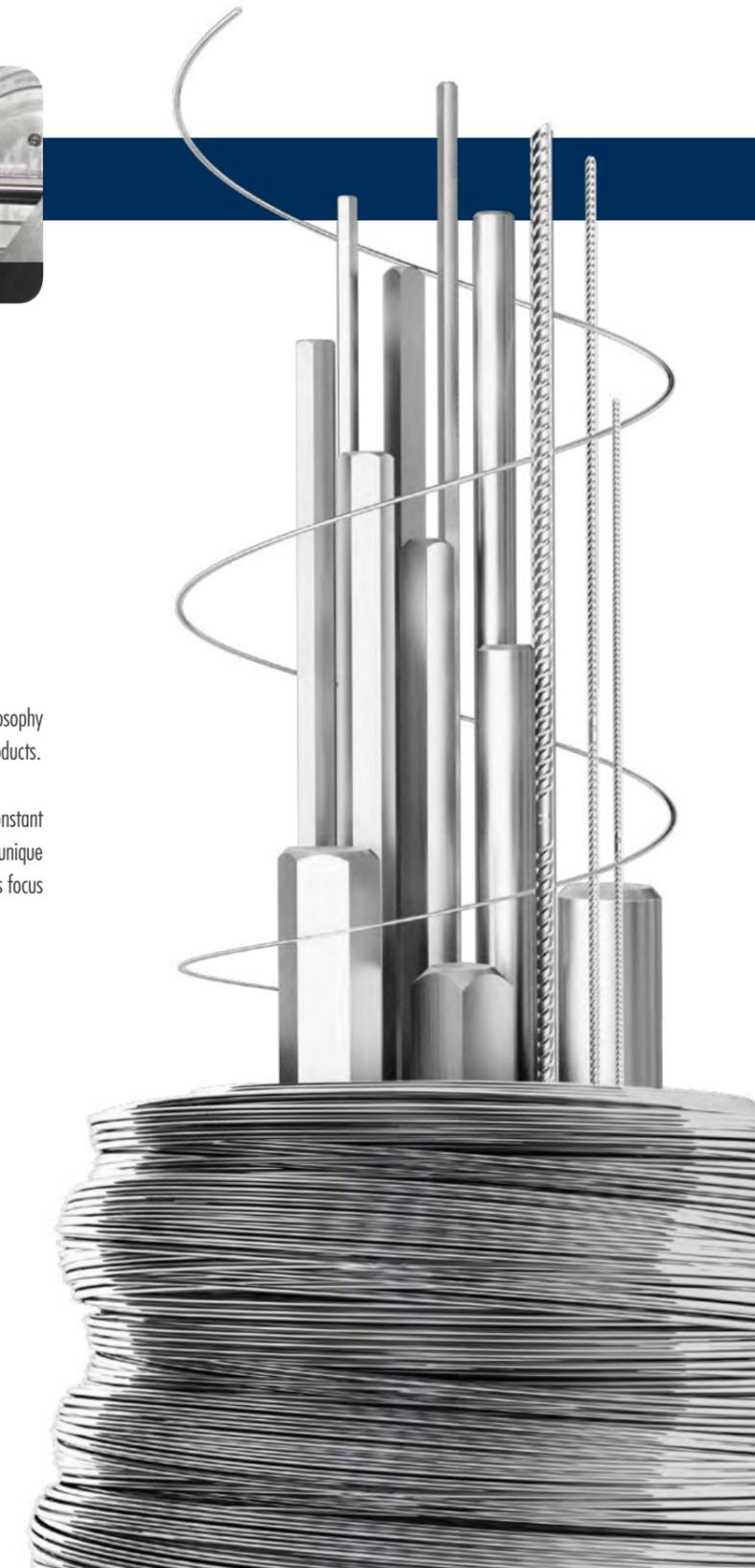
 **Rodacciai, Bosisio Parini** (Drawing mill)
Rodacciai, Sirone (Rolling mill)

 **OLARRA** **Olarra, Bilbao**
(Steelworks)

 **STEEL MILL**  **ROLLING MILL**

 **COLD FINISHING**

 **OTHER PROCESSES
(IF NECESSARY)**



1.1.1 RODACCIAI, THE ITALIAN FACILITIES

EFFICIENCY AND VERSATILITY IN A COMPLETE PRODUCTION CYCLE, FROM HOT ROLLING TO COLD DRAWING.



The Group's Italian production unit, Rodacciai, consists of two production plants located in the province of Lecco: Sirone, in which hot rolling is carried out, and Bosisio Parini, where cold drawing and other related specific processes take place.

The processes that take place at these two production sites make it possible to cover all stages of steel processing: from the purchase of billets as raw materials to the production of machined bars and coils, of different types.

These products are then sold on the international market, and are aimed at multiple sectors, of which hydraulics, transportation, general mechanics, fittings, welding and stamping are examples.

Steel processing begins at the Sirona lamination plant, where billets, purchased from third-party suppliers, undergo hot deformation for transformation into wire rod (i.e. rolls) or rolled bars. The hot rolling process endows steel with mechanical properties that make it suitable for subsequent processing for a variety of final uses. The billets undergo a number of different processes: heating in a furnace up to temperatures of 1,300 °C; flaking to eliminate surface oxides formed during heating; and rolling to shape the product.

Before being sold or sent to the Bosisio Parini facility, the rolls and bars may undergo further heat treatments such as tempering and annealing depending on customer requirements and product specifications.

Having a proprietary rolling mill allows us to engage in rolling production based on the needs at any given moment, both in terms of timing and the product required.

At the Bosisio facility, bars and rolls processed in Sirona (or purchased) undergo a series of cold processes to modify surface characteristics, dimensions and mechanical properties.

These processes are mainly drawing (using drawing dies to reduce the bar section through traction), peeling (removal of the surface layer of the rolled product to eliminate surface imperfections) and finally grinding (precision calibration using abrasive elements to improve product and surface dimensional tolerances).

The output of activities in Bosisio is therefore a wide range of bars and rolls of diverse shape/section ready for sale on the market.

Rodacciai products include square, round, hexagonal and special made-to-measure section bars.

Rodacciai can also offer products in a wide range of materials, such as:

- **FREE-CUTTING STEEL:** this category accounts for the largest volume of Rodacciai manufacturing. It includes steel products used in carburization and tempering, as well as other uses which do not involve heat treatment. This category of steel is ideal for machine tool processing. The sulfur and lead content means the alloy can be processed at high speeds with less wear on the inserts;
- **ALLOY STEELS:** used for structural purposes, for bearings, carburisation and tempering. This steel type is classified as low alloy or high alloy based on the ratio of other elements to the iron and carbon base content of the alloy. The additional element content determines how the steel is used;
- **STAINLESS STEEL:** used in different sectors including chemical plants, marine environments, offshore platforms and welding. This category of steels consists of ferrous alloys with a minimum chromium content of 10.5%, to which may be added other elements such as nickel and molybdenum; the addition of these elements increases the steel's resistance to multiple forms of corrosion.

- **CARBON STEEL:** used in carburization, tempering and for products intended for surface hardening. This type of steel is essentially an iron-carbon alloy and represents the least sophisticated category of steel.

Whatever the final product, it is extremely important that Rodacciai monitor compliance with its high-quality standards, in terms of both technical/product specifications and customer satisfaction.

The quality of outgoing products is monitored within the production sites through chemical/physical/metallographic tests aimed at identifying any non-compliance.

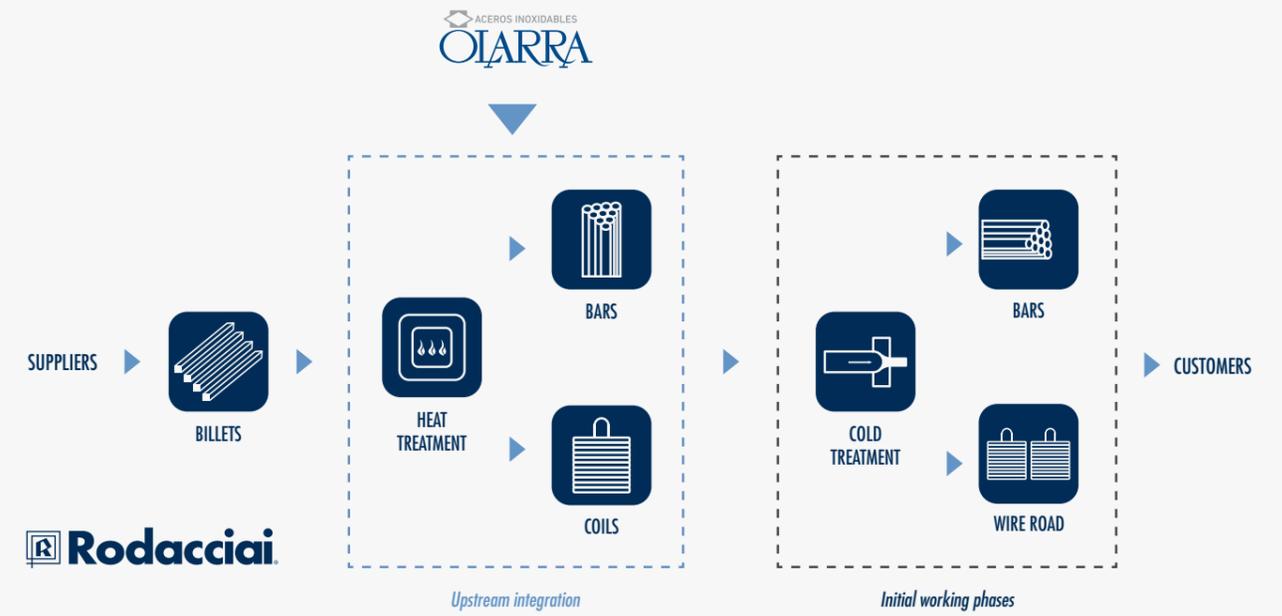
The treatment of non-compliant products depends on the type of defect found: downgrading to a lower quality class of products; recovery, for example by peeling to a smaller size and then re-released on the market; or scrapping in case of irremediable defect.

To assess the level of customer satisfaction, Rodacciai sends questionnaires soliciting feedback on strengths and weaknesses identified.

Excellent customer satisfaction is a fundamental company objective and Rodacciai intends to establish a corporate function dedicated to customer satisfaction.



SUPPLY OF SEMI-FINISHED STAINLESS-STEEL PRODUCTS



In 2023, Rodacciai obtained the IATF 16949:2016 certification, related to quality management in the automotive field.

This certification will allow the company to further develop the market and establish itself as a key player, ensuring a high standard of quality and excellent service to its customers.

This attention to product non-conformity and customer satisfaction are the basis of one of the company's foundational priorities: quality.

A publicly available policy on customer satisfaction highlights a number of management objectives, which include combating waste and reducing costs, increasing product quality and continuous investment in know-how and technological innovation.

The Bosisio and Sirone production facilities are certified pursuant to the international standard ISO 9001:2015 for quality management systems.



1.1.2_OLARRA, THE SPANISH FACILITY

OLARRA'S EXCELLENCE IN THE PRODUCTION AND QUALITY MANAGEMENT OF STAINLESS STEEL.



Olarra is the second manufacturing company of the Rodaccai Group, is based in Spain near Bilbao and specializes in making stainless steel products.

Founded as a steel mill, over the years Olarra has inversely mirrored Rodaccai's path to success by integrating its production activity downstream with hot rolling and cold treatments.

The substantial difference with Rodaccai is the presence of the steel mill.

Within the mill, scrap metal purchased from suppliers is melted inside an electric furnace and the resulting steel is cast and solidified into billets.

As at the Italian facility, billets undergo hot rolling for the production of stainless-steel bars and rods, which can be sold to Rodaccai as semi-finished products or remain at the Spanish site for cold finishing and then be sold to customers as finished products.

This integration between Olarra and Rodaccai based on the sale to the latter of semi-finished stainless steel products brings a double advantage: on the one hand, the Spanish company is able to optimise production capacity and absorb fixed costs, while on the other hand the Italian company enjoys more flexibility in purchasing steel quantities from

the subsidiary based on market trends (i.e. on demand and prices).

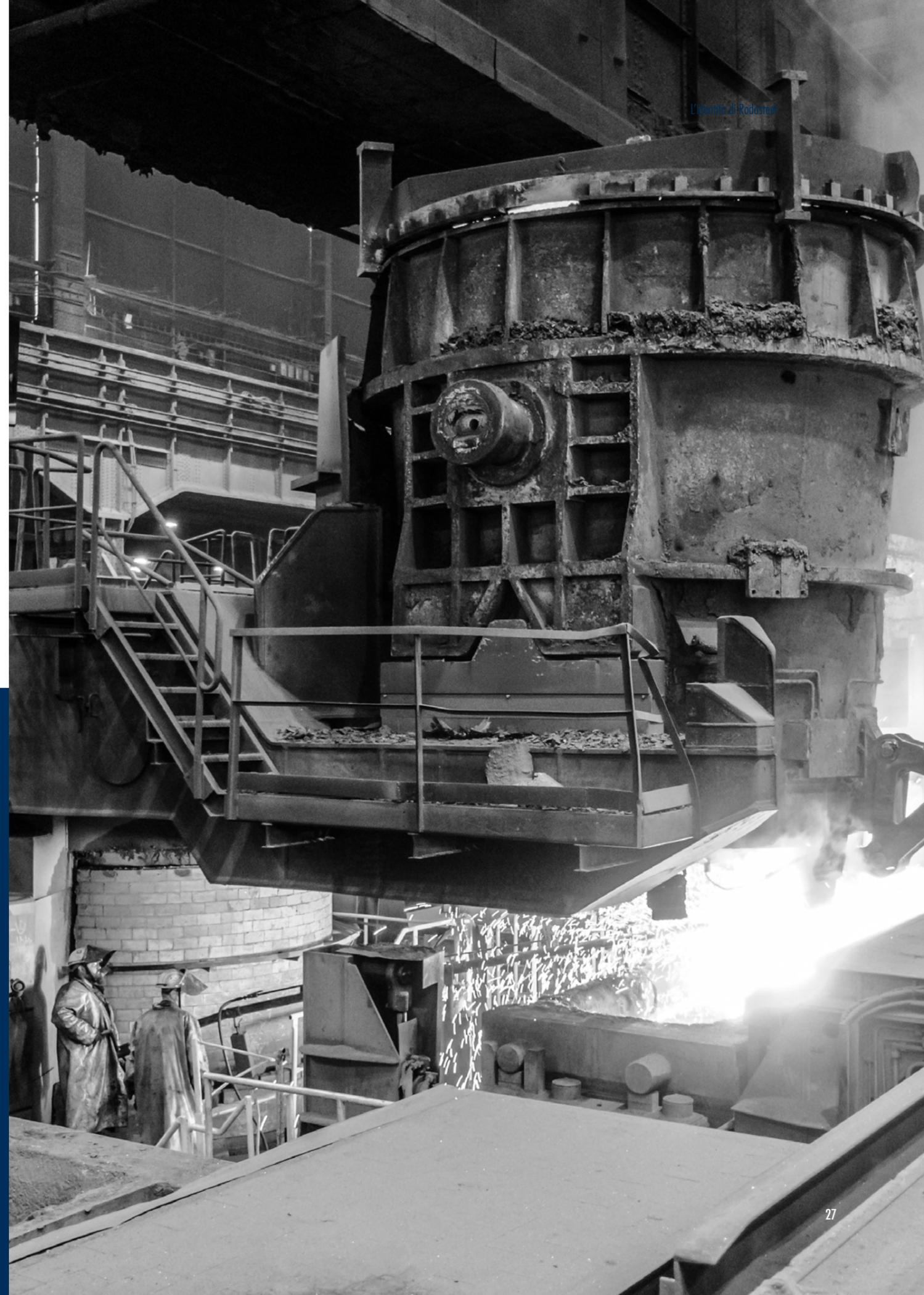
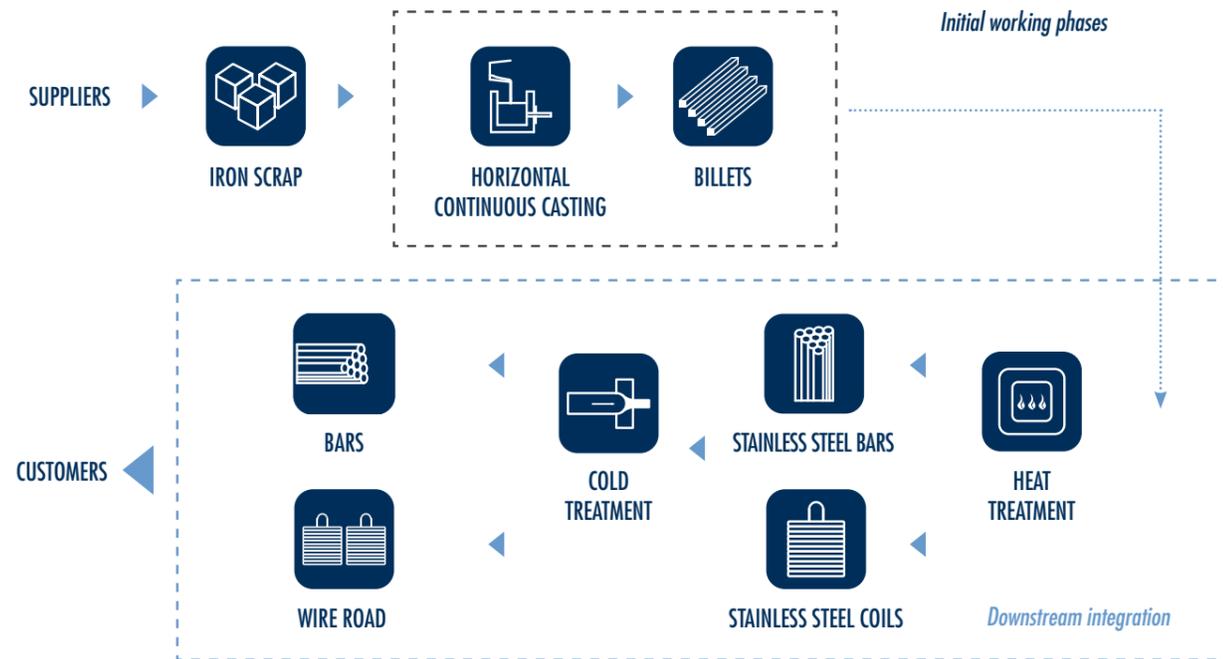
The finished products (stainless steel bars and rod) manufactured at the Spanish plant are sold in different profiles and sizes to distributors (largely) and end customers for use in multiple sectors including the automotive, construction, household appliance, welding and the health and food industries. It is vitally important for Olarra, as it is for Rodaccai, to create and maintain a lasting and trusting relationship with the customer, assuring their satisfaction through high quality products and support services.

In order to improve the relationship with its customers, specific training courses were therefore provided at the Spanish plant by the Quality Department to the managers of the production areas, focusing on the ability to understand customer needs and the negative impacts potentially resulting from a lack of understanding.

Already certified according to the international standard ISO 9001:2015, in 2021 Olarra obtained IATF⁵ 16949:2016 certification for quality management in the automotive field. With a view to continuous improvement of its processes, and to ensure the health and safety of its employees, in 2021 Olarra obtained ISO 45001:2018 certification.



⁵ International Automotive Task Force.



CONTINUOUS INNOVATION FOR THE QUALITY OF OUR PRODUCTS

Since its inception the Rodasteel Group has been defined by its continuous desire to innovate in the belief that knowing how to seek out and face new challenges without remaining anchored to the past is essential to being able to respond to changing market needs and explore new sales opportunities.

This means constantly investing in research and development to discover new materials and new solutions for efficient production lines, with the ultimate goal of maximising customer satisfaction in terms of response time and quality. In recent years the Group's efforts have largely focused on expanding the production mix and increasing the variety of products we can put on the market, with a particular focus on the product and service quality offered to customers.

Rodacciai, for example, has started processing ferritic steels that can be used in magnetic applications and nickel-based alloys which can be used in the Oil & Gas industry (where products are subject to high corrosion). Significant investments have also been made in Industry 4.0 to create a new product line (Roda Custom Line) that meets specific "customised" product configurations, with close attention to the reduction of defects and adherence to current regulatory provisions.

Warehouse WMS, manufacturing execution system (MES) and tracking software systems were introduced in 2022 and in 2023 to monitor, track, document and control the production process of goods from raw materials to finished goods. Operators can check product availability directly on the control plane, computerizing a process that was previously handled in paper form.

A new portion of the Olarra facility is now given over to the production of martensitic stainless steels. Other innovations include the Manufactu projects, which use artificial intelligence in predictive maintenance and process optimisation and Tarcinox, which involves advanced technologies for the recovery of metals and the carbonation of stainless-steel waste.

The Group's commitment to product and process innovation is also demonstrated in spending: expenditure on innovation, research and development projects and initiatives amounted to 7,0M€ in 2023⁶ and includes, in particular, the investments described above. This amount is in line with 2021 and shows strong growth compared to 2022, which was a year of completion and consolidation of investments initiated during the previous three-year period.

⁶ 1,8M€ nel 2022 e 7,2M€ nel 2021.

1.2_ PROFESSIONALISM AND TRANSPARENCY ALONG THE SUPPLY CHAIN

STRATEGIC SUPPLIER MANAGEMENT WITHIN THE GROUP: SELECTION CRITERIA, QUALITY, AND PERFORMANCE IN 2023



Upstream of the Group's production activities, there is a supply chain that, in 2023, included more than 2.500 active suppliers, 80% of whom serve Olarra while the remaining 20% serve Rodaccai. Towards this broad spectrum of suppliers, in 2023, goods and services were purchased for a total of about 500 million euros⁷ (a sharp decrease compared to 2022: -33.6%), of which approximately 82% was spent on the procurement of raw materials for the production processes.

This decrease is mainly due to the reduction in demand, especially in the second half of the year, as well as the management's intention to reduce the level of stock. In 2023, about 56% of purchases were made by the Group at the local level⁸.

Considering the two companies Rodaccai and Olarra separately, the percentage of local proxy stands at 35% and 81% in 2023, respectively.

Currently, the selection of suppliers based on geographical proximity to the production plants is not envisaged.

Rodaccai's supplier selection is essentially based on any successful historical collaborations with the same supplier or on market reputation. In the event that a new

good must be purchased, the purchasing department identifies a candidate supplier and verifies whether or not it is already listed as qualified.

If not qualified, a qualification process is initiated that involves sending a questionnaire comprising both general registration information and more specific questions relating, for example, to any certified Quality Management System.

Depending on the type of product, the questionnaire may be accompanied by other documents such as purchase specifications or specific technical data sheets.

As an alternative to the questionnaire, a technical audit may also be carried out by the Quality department at the supplier's production site in order to assess its alignment with ISO9000 standards.

In 2023, the questionnaire was updated, including questions related to suppliers' environmental performance, such as the management of emissions into the atmosphere, water resources and waste.

All new suppliers selected during 2023 were therefore assessed according to environmental criteria.

The questionnaire does not include an assessment of suppliers on social criteria. In 2023, Rodaccai introduced a quality manual, developed with the aim of assisting suppliers in understanding the quality requirements for the products and services provided.

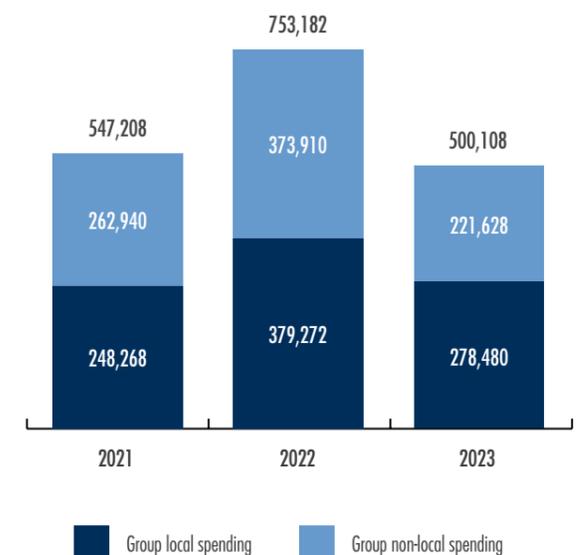
Additionally, the manual serves as a tool to ensure the company's and its suppliers' compliance with the end customer's needs. The manual is considered a crucial element for achieving the goals of 'Zero Defects' and 'Zero Delay in Delivery'.

This document is also in compliance with the IATF certification and must be signed by each supplier.

Qualified suppliers or new suppliers who have successfully passed the qualification process are sampled to perform quality and intrinsic property verification tests of the requested material.

If the outcome is favourable, the department in charge may place a procurement order for that particular product.

TOTAL GROUP PROCUREMENT (K€)



⁷ It includes intercompany purchases (e.g., rolled products supplied by Olarra for Rodaccai), which account for about 10% of the total procurement.

⁸ By local procurements, we mean purchases made on a national scope (Italy for Rodaccai and Spain for Olarra). The average value of local procurement over the three-year period 2021-2023 is about 53 percent.



Qualified suppliers included in the Vendor List of Rodacciai and considered strategic for the supply of raw materials are subject to a six-monthly performance assessment process, based on three indicators: the quality of the material, based on non-conformities found; the quality of the service, determined by parameters such as delivery times and level of support; and the conditions of supply, such as price and payment terms. This assessment process, which involves both the Quality department and the Purchasing department, ends with the assignment of an overall score deriving from the weight attributed to each indicator, which determines the supplier's position on a rating scale. Suppliers to whom the lower judgment class is attributed must repeat the qualification process.

With a view to transparency and collaboration, the results of the assessment are shared with the individual suppliers. Specifically, there were 5 new suppliers undergoing the qualification process in 2023 (compared to 6 in 2021 and 2 in 2022). With the aim of monitoring environmental impacts throughout the value chain, Rodacciai also established a survey in 2022 to be submitted to its carriers regarding their environmental practices (see section 3.2 for more details). At the end of 2023, Rodacciai initiated the development of "CARGO-ON," a software platform dedicated to the management of carriers.

This tool is designed to minimize errors and costs, enhance process efficiency, and strengthen security and monitoring, with the ultimate goal of shortening shipping times. The platform will become fully operational over the course of 2024.

Like Rodasteel, Olarra also has a system for assessing critical suppliers with the aim of classifying these into three categories based on satisfaction levels.

There are two assessment criteria: quality and certification (ISO 9001 or, as a minimum, successful completion of a specific internal questionnaire).

Specifically, the quality assessment (which carries the most weight of the two assessment criteria) is based on the severity of non-conformities found: these are considered serious when they could be able to generate an economic impact on the process or pose a risk to the safety or the environment.

During 2023, and then refined in 2024, environmental and social evaluation criteria for new suppliers were introduced.

To date, there are no planned assessments of new suppliers on environmental and social criteria.

It is reported that in 2023 there were no cases of serious noncompliance, such as related to the supply of defective or contaminated products.



1.3

1.3_PROXIMITY TO LOCAL COMMUNITIES

THE GROUP DRIVEN BY A STRONG SENSE OF SOCIAL RESPONSIBILITY



In 2023, the Rodasteel Group generated an economic value of 687 million euros, a decrease of about 30% compared to the previous year. Of this, 3.6% (approximately 24.8 million) was retained within the Group, while the remaining 96.4% (about 662 million) was redistributed to the Group's main stakeholders. In particular, it should be noted that:

- operating costs amounted to 555 million euros, of which about 81% were to raw material suppliers;
- the value distributed to employees was 87 million euros, up from the previous year;
- a total of 20 million euros was distributed to capital providers and the public administration.

In addition to these contributions, there is also a share of economic value (about 180 thousand euros) that has been distributed to the community in the form of donations, membership contributions and sponsorships.

An industrial group cannot ignore the territory in which it is located and should be able to generate benefits for the surrounding community with a view to sustainability.

In today's world it is increasingly difficult for a company to maintain its license to operate in a certain context if focused only on its own economic interest without allowing for the potential impacts of its activities on the local territory and the people who live in direct contact with it.

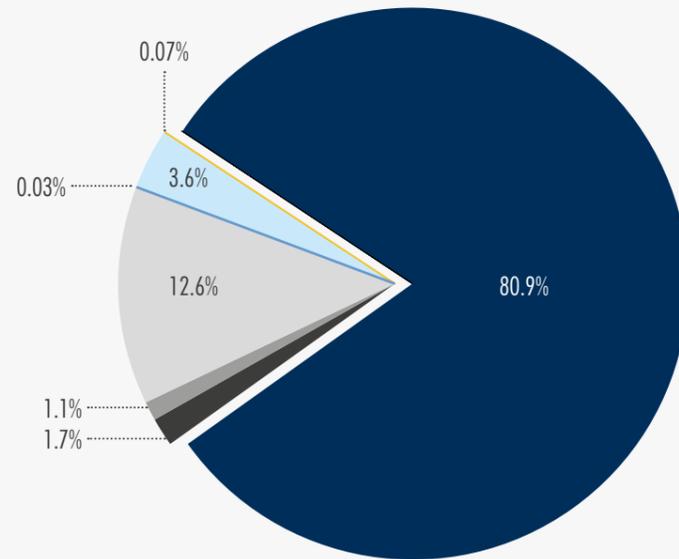
For the Rodasteel Group, which is driven by a strong sense of social responsibility, it is very important to maintain a long-term relationship of trust with the local communities surrounding its production facilities and to support charitable, sporting and cultural initiatives that benefit them as far as possible.

To support territorial development, with a focus on supporting younger people, Rodacciai promotes two initiatives:

- **RODACCIAI ACADEMY**, a project inaugurated in 2015 that deals with the development and skills of the company's human resources and bringing new generations closer to the company and the industry, in collaboration with stakeholders and the local area. The goal is the transmission and development of values, experience, and technical skills, and it targets employees with specific programs through reskilling and upskilling activities.

BREAKDOWN OF THE ECONOMIC VALUE GENERATED IN 2023

- Operating costs
- Value distributed to employees
- Value distributed to capital providers
- Value distributed to P.A.
- Value distributed to shareholders
- Economic value retained
- Value distributed to communities



- **PCTO** (Pathways for Transversal Skills and Orientation, formerly known as School-Work Alternation), for which the Company facilitates and promotes training courses for high school and university students through visits to the plants, explanation of the work process and the company system, and shadowing experienced staff in the factory and office to understand specifically how certain company activities are carried out.

- **ROADJOB**, a non-profit foundation that promotes STEM disciplines through orientation, training and retraining initiatives. Formed as a cultural association in 2019, Roadjob counts on the participation of 27 other companies and 11 training institutions and is active in the provinces of Como, Lecco and Monza and Brianza. The issues addressed are those of gender equality, skill mismatch and youth unemployment. The main activities consist in the provision of professionalizing training courses, aimed at unemployed, unempoyed, NEET, precarious young people up to 29 years old, and orientation activities for high school students.



Through these specific projects, from 2015 to the present, about 450 young people have been introduced to the industrial sector, particularly in the mechanical and production fields. A total of 97% of these individuals found stable employment within a year of completing the program.

There were 180 participants who then chose to undertake the training course at Rodacciai aimed at toolmakers, maintenance workers, wire drawers, and specialists in the commercial network and distribution of the Group.

To date, 25% of the trainees work on the Italian plants/offices, and one individual has been placed in the Hagen branch in Germany through the Academy.

Scholarships are also awarded annually to deserving students from local schools and universities. The judge who assisted in the awarding of the scholarships in 2023 was Alessandro Milan, a well-known journalist and radio host.

On this occasion the Company, in order to encourage the cultural theme aimed particularly at young people and, to allow, a general dissemination of the aspect related to reading, donated a copy of the book "I giorni della libertà" written by Milan himself, in addition to a financial contribution.

The purpose of the Initiative is to develop the culture of merit and study as a means of both personal and collective enrichment, and to promote within the family environment a constant dialectical element. In addition, in support of the local community, Rodacciai collaborates with the Erba-based non-profit organization "Noi Genitori" and to varying

degrees, with Telethon initiatives, periodically hosting markets for sweets, plants, flowers, and other stationery items. Guided by a tutor, the same children, differently abled, of the Noi Genitori association pool their skills acquired in the non-profit organization's workshops. Rodasteel's commitment to solidarity extends to crisis situations such as floods, earthquakes, and armed conflicts, offering the company the opportunity to play an active role. In addition to making a donation in 2022 to the Soleterre non-profit organization for the conflict in Ukraine, Rodacciai supported in 2023 a municipality in the Emilia Romagna region that was devastated by an earthquake and flood.

The contribution was made directly by two members of the Works Council to the mayor, who sent a letter of deep gratitude to Rodacciai.

The same goes for Olarra: attention towards the local community is extremely important. In fact, Olarra has always been involved with local institutions, associations and foundations, promoting and financing many initiatives of cultural and sporting natures. Considering the cultural side, Olarra has been financing the Fundacion del Museo Guggenheim Bilbao since 1997, aiming at promoting culture dissemination through the exhibitions and activities organized by the museum.

As far as the sporting side is concerned, the Spanish company promotes the Fundacion Bizkaia Bizkaialde, which favors local sports clubs in order to promote their development, both at a competitive and amateur level.

In addition, Olarra sponsors the local football club of the city of Loiu: Club Deportivo Loiu.



2.

2. A STAINLESS BOND WITH PEOPLE

THE BEATING HEART OF RODASTEEL: SKILLS, COLLABORATION, AND PROFESSIONAL GROWTH FOR A SUCCESSFUL FUTURE

Rodasteel's people have always represented the real strength of the entire Group. In fact, experienced and capable figures are employed throughout the production chain, whose professional skills, mutual cooperation and desire for continuous improvement enable Rodasteel to actively compete in the market and adapt to the multiple and changing needs of stakeholders.

Since people are the basis of our success, it is important for Rodasteel to create a work environment that attracts more and more talented individuals and retains those already present for as long as possible. This means, for example, offering a path of professional development and enhancement, ensuring adequate standards of occupational health and safety and providing an extensive and varied program of corporate welfare initiatives.



2.1

2.1__ THE STRENGTH OF ONE LARGE TEAM

A CONSTANT COMMITMENT TO EMPLOYEE INCLUSIVITY AND WELL-BEING



As of December 31, 2023, Rodasteel employs 1,205 workers (in line with 2022 values and +9% compared to 2021), of which 1,083 are at the production sites of Bosisio Parini and Sirone in Italy (56%) and Olarra, Spain (44%); and 122 at the commercial offices of the Group.

The Rodasteel team is predominantly male (about 90% in 2023), with a constant female presence rate of about 10% throughout the three-year reporting period. This percentage is strongly influenced by the absence, both in the steel mills and in the rolling mills, of women among the blue-collar workers, an occupational category that at the end of 2022 represents about 69% of the Group's entire workforce.

By contrast, the rest of the employees are divided into white-collar workers (27%), middle managers (2%) and executives (2%). Rodasteel offers and guarantees equal opportunities to all its employees regardless of gender, geographic origin, disability or any other difference⁹.

This attitude of inclusion and openness towards diversity is demonstrated for example, by

the Policy of Equality and Respect (Política de igualdad y respeto) drawn up in 2017 by the Spanish steel company. The policy condemns any act of violence and discrimination and stresses the company's commitment to the fair, timely and confidential management of any complaint brought before it.

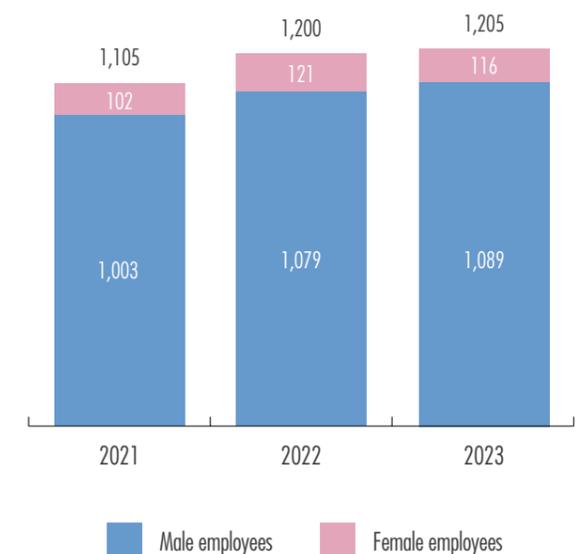
Respect for diversity and combating discrimination are also central to the Rodacciai Code of Ethics, alongside other social topics such as the promotion and support of human rights. The Company, as early as the end of 2020, has had an organization, management and control model ex dlgs 231, as described in Chapter 1.

This model provides for monitoring and control, with the possibility of disciplinary intervention, on many aspects of corporate life that may refer to offenses that, with regard to the sphere of human resources refer to illicit brokering with exploitation of labor, employment of non-EU workers without a regular residence permit as well as everything related to protection and prevention measures and therefore the consequences in terms of manslaughter and serious or very serious culpable injury.

The Group's concern for its people is not only seen in its capacity to welcome diversity, but also in its ability to understand what employees need to make the most of their working lives. The principles of equality and respect supported by Rodasteel are shared and applied on a daily basis by all the people of the Group: zero is the number of discrimination incidents that have been reported during the three-year period from 2021 to 2023 within the Group's companies. As defined within the integrative contract, Rodacciai, for example, reserves many different kinds of company benefits for its employees.

Examples include the Individual Welfare Account, which can be spent on the purchase of vouchers and services on a dedicated online platform, flexible work in and out, medical care, and life insurance reserved for managers. As of 2022, paid leave for medical examinations and the resulting help from a charitable, worker-Company, contracted collection has been added to go toward families who may be dealing with the loss of their loved one, an employee of the Company.

EMPLOYEES



⁹ Circa il 2% dei dipendenti del Gruppo appartiene ad una categoria protetta.

EMPLOYEES BY PROFESSIONAL CATEGORY ¹⁰

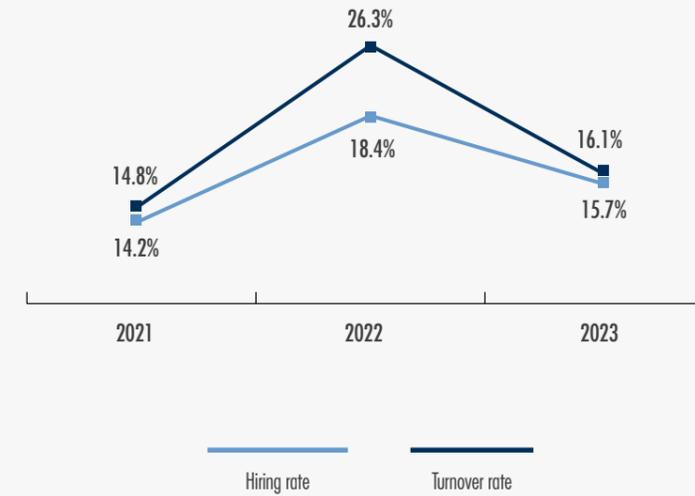
The following table shows the employees divided by professional category for the Group's production sites.

Rodacciai



Professional category	Gender	2021	2022	2023	2021	2022	2023
Executives	Women	0	0	0	2	2	2
	Men	10	9	10	8	8	8
Managers	Women	3	3	4	0	3	2
	Men	10	10	9	7	21	11
White collars	Women	43	62	60	54	51	48
	Men	92	102	109	97	96	108
Blue collars	Women	0	0	0	0	0	0
	Men	399	460	472	380	373	362
TOTAL	Women	46	65	64	56	56	52
	Men	511	581	600	492	498	489

HIRING AND TURNOVER RATE



It is also worth mentioning the creation, not yet activated by the signing social parties, of an accumulation fund that will be able to allow employees to set aside overtime hours and other contractual institutions over the course of their working careers, to be used especially when approaching retirement, to decrease their working hours or to accelerate the period of their exit.

Other benefits, offered instead to Olarra's employees, are the possibility of a bus service for transportation along the home-work commute (with a consequent advantage also in terms of avoided emissions compared to a scenario of trips conducted alone), a physiotherapist available daily at the production plant, a dental service, and subsidies for their children's schooling.

Throughout 2023, the Italian company also offered cardiac screening to employees over 45. This initiative identified some health issues in certain employees, who then chose to undergo further diagnostic tests.

Rodacciai decided to contribute to its employees' health beyond what is established by the National Collective Bargaining Agreement (CCNL) through the Metasalute fund. Two additional levels of coverage were introduced in addition to the basic one, allowing employees to go to affiliated institutes and benefit from a more substantial

reimbursement or to cover services that were not previously included.

Additionally, 45 days of coverage for long-term illness-related issues were added.

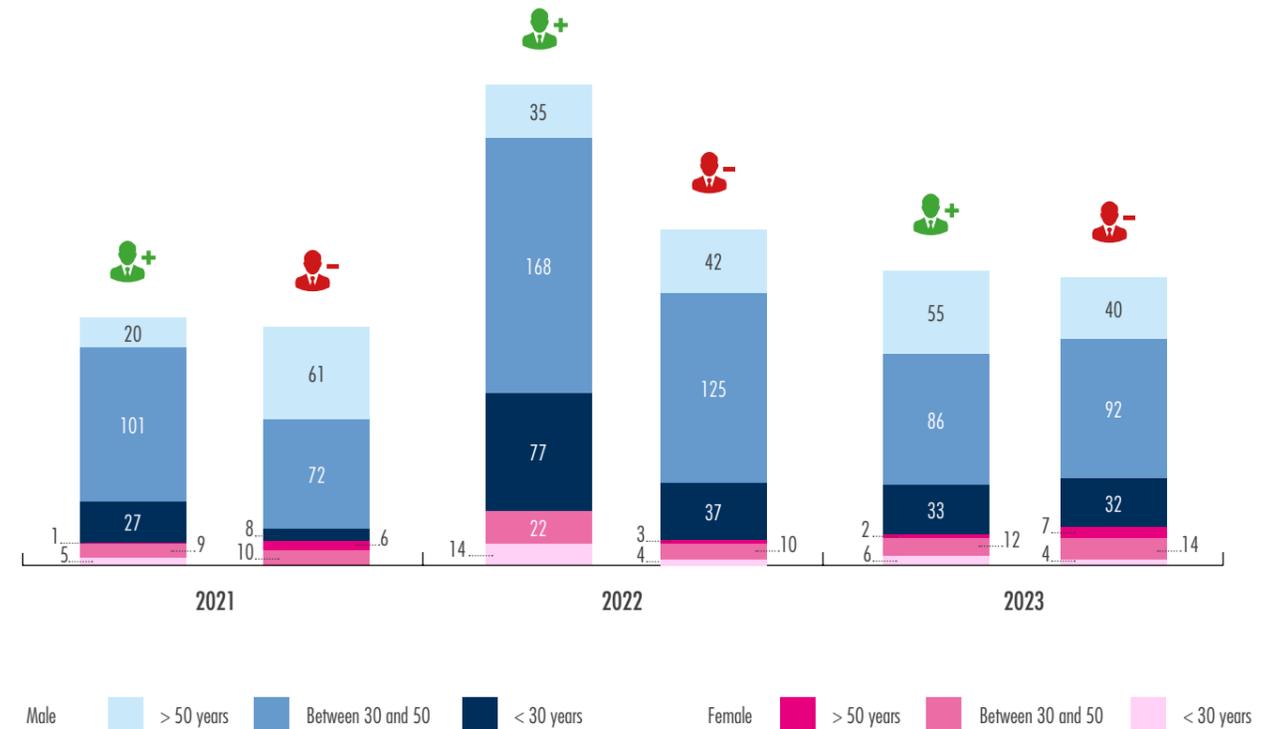
The presence of a rich portfolio of corporate initiatives and benefits, together with the prospects for professional educational growth and the importance the Group devotes to creating a healthy and safe environment (see Sections 2.2. and 2.3), are excellent elements for attracting industry professionals and new generations of talent.

In fact, over the three-year period, the hiring rate at RodaSteel has remained stable, with the exception of 2022 when the company hired 316 people, a significantly higher number compared to the 163 in 2021.

Indeed, in 2023, RodaSteel added 194 new employees to its workforce, with a hiring rate of 16%, realigning to the levels of 2021. New hires in the three-year period¹¹, mainly involved the male workforce between the ages of 30 and 50 (out of the total of about 44% in 2023).

Parallel to the hires, terminations also increased over the three-year period (down 20% from 2022), originating an outgoing¹² turnover of 15.7% (in line with 2021 values). Terminations¹³ along the three-year period mainly involved men between the ages of 30 and 50 (out of the total of about 48.7% in 2023).

HIRINGS AND TERMINATIONS PER GENDER AND AGE GROUPS



¹⁰ It should be noted that the 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the data related to the employees of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.

¹¹ 52% of which occurred in Spain

¹² Outgoing turnover = (number of departures in the reporting year/total employees at 31.12 of the reporting year) x 100

¹³ 62% of which occurred in Spain



The following table shows the hires and terminations divided by gender for the two companies of the Group¹⁴.

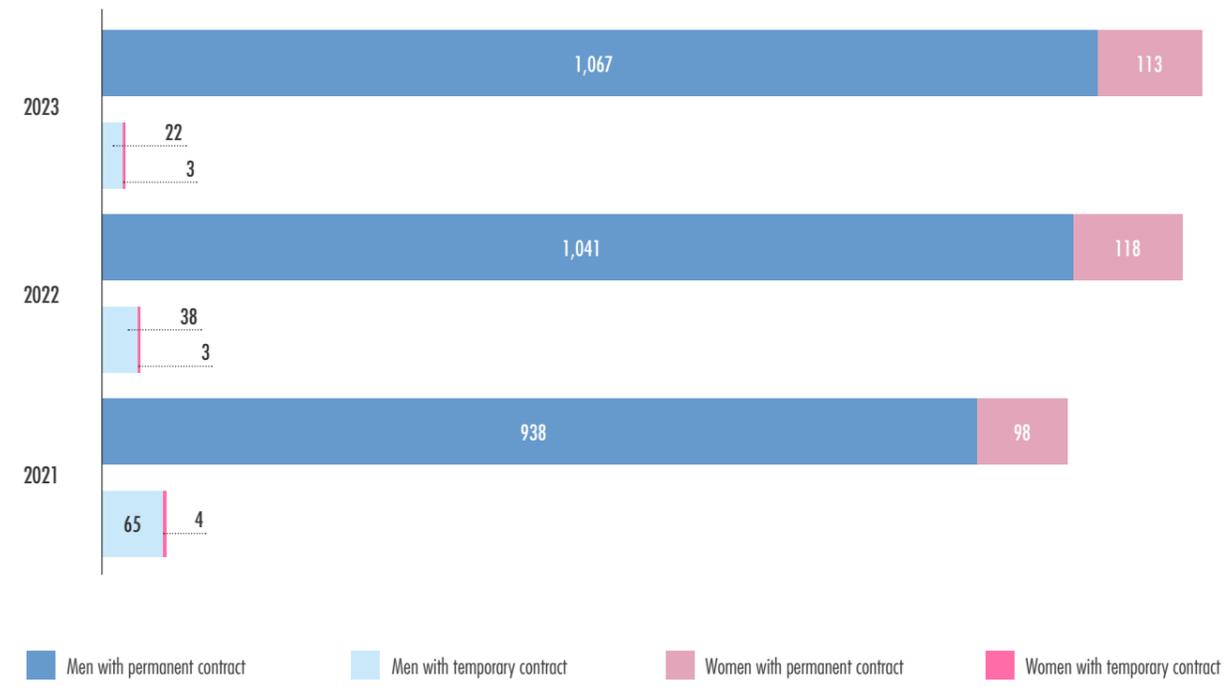
Rodacciai

	2021	2022	2023
Hirings	64	150	94
Women	8	27	13
Male	56	123	81
Terminations	56	61	76
Women	6	8	14
Male	50	53	62
Hiring rate	11.5	23.2	14.2
Turnover rate	10.1	9.4	11.4

Olarra

	2021	2022	2023
Hirings	99	166	100
Women	7	9	7
Male	92	157	93
Terminations	101	160	113
Women	10	9	11
Male	91	151	102
Hiring rate	18.1	30.0	18.5
Turnover rate	18.4	28.9	20.9

EMPLOYEES PER TYPE OF CONTRACT



¹⁴ It should be noted that the 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the data related to the employees of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.



In 2023, the majority of employees were hired on permanent contracts (98%). This situation is almost unchanged from previous years' data, where permanent contracts were 94% in 2021 and 97% in 2022. Furthermore, employees were usually hired on a full-time contract basis (98%), a situation similar to previous years, where full-time contracts accounted

for 98% in both 2021 and 2022. Specifically, regarding full-time contracts in 2023, 10% were related to female employees, while 90% were related to male employees. The following tables show the data related to the types of employee contracts for the two companies of the Group.

EMPLOYEES BY CONTRACT TYPE

Rodacciai

		Unit of Measurement	2021	2022	2023
Permanent contracts	Total	n.	557	638	660
	Female	n.	46	65	62
	Male	n.	511	573	598
Temporary contracts	Total	n.	0	8	4
	Female	n.	0	0	2
	Male	n.	0	0	2
Total Employees		n.	557	646	664

Olarra

		Unit of Measurement	2021	2022	2023
Permanent contracts	Total	n.	479	521	520
	Female	n.	52	53	51
	Male	n.	427	468	469
Temporary contracts	Total	n.	69	33	21
	Female	n.	4	3	1
	Male	n.	65	30	20
Total Employees		n.	548	554	541

To complete the Rodasteel team, several workers not directly employed by the Group are also present at the production facilities. These amount to 97 people in 2023 (166 in 2021 and 104 in 2022).

¹⁵ Please note that the 2021 and 2022 data in the table have been restated from what was reported in the 2022 Sustainability Report since the employees of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.



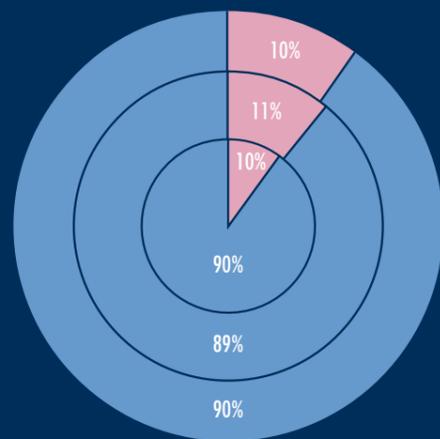


EMPLOYEE DATA

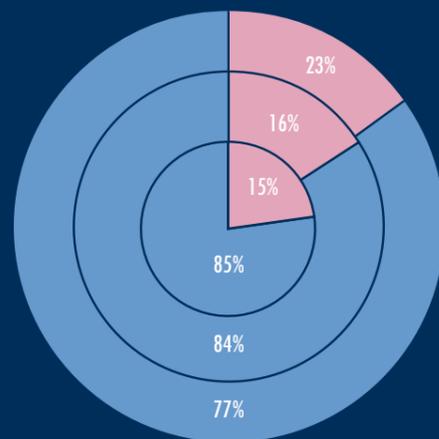
Representation of the professional categories of the Group, considering the production and commercial sites over the entire three-year period, by gender and age group, in the three-year period 2021-2023. The innermost circle represents 2021 data, the middle circle represents 2022 data, and the outermost circle represents 2023 data.

FOCUS

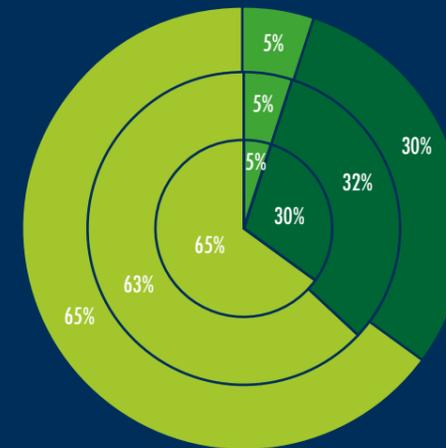
Executives



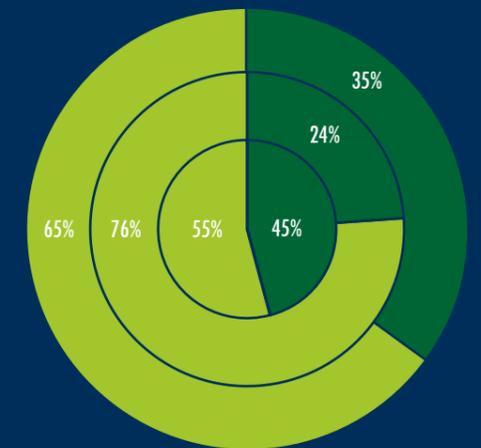
Manager



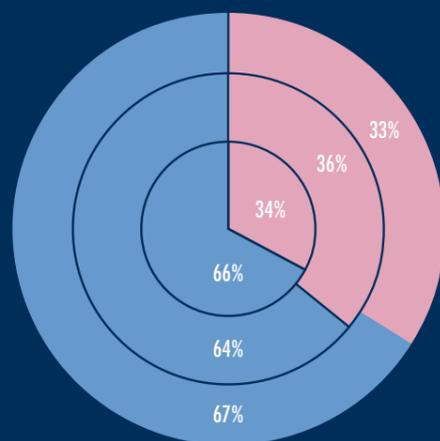
Executives



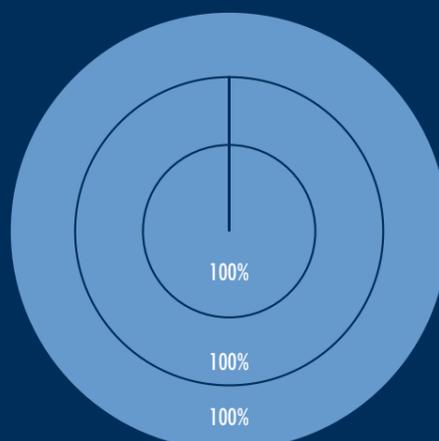
Manager



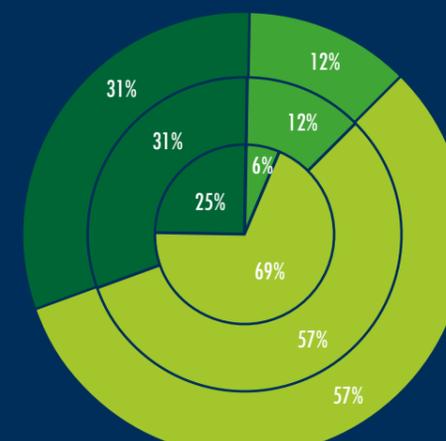
White collars



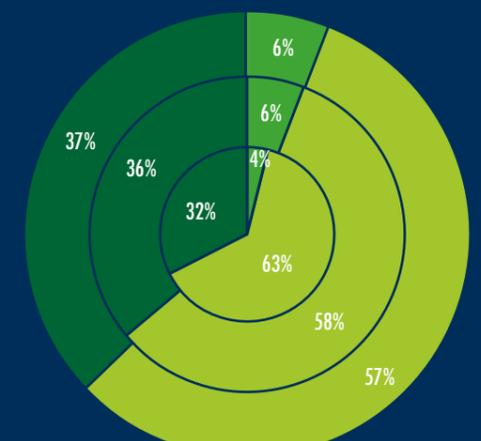
Blue collars



White collars



Blue collars



Gender Male Female

Age < 30 years between 30 and 50 years > 50 years

2.2

2.2 THE DEVELOPMENT OF HUMAN CAPITAL

IMPLEMENTATION OF TARGETED TRAINING PROGRAMS AIMED AT ENHANCING THE SKILLS AND EXPERIENCE OF EMPLOYEES



Rodasteel's constant focus on employees also includes implementing structured training and development programs to increase the professional skills and personal experience of Group employees in a variety of areas.

The training catalogue offered by the Group covers a range of course types which are enriched with new content each year. In 2023, 20,409 hours of training were provided, a 33 percent decrease from 2022 (30,533) and in line with 2021 figures (20,582).

The decrease does not reflect a reduction in Rodasteel's commitment to training and development of its human capital, but is the result of a combination of factors that made 2022 an atypical year, including the end of restrictions related to the Covid-19 pandemic and the necessary updating of mandatory occupational health and safety courses that occurred in 2022.

The largest number of hours in absolute terms is devoted annually to courses on occupational health and safety. This is in line with the importance placed on the topic by the Group and responds to the need to raise employee awareness of safe behaviours to

reduce the risk of work-related injury (see section 2.3 for further details).

Courses include training in the use of forklifts and bridge cranes, fire and first aid courses, training on the specific risks of production lines and tasks and a course on the use of the defibrillator. Additional training hours are given over to managerial and management topics, delivered largely in Italy, which include the implementation of training on communication methods, process management and stress management.

There are also dedicated language courses, such as those in Italian and German for Olarra employees, English for Rodacciai employees, and training courses inherent to the technological innovation project (Industry 4.0) resulting from the introduction of new hardware and software technologies.

For Rodasteel, professional training is important for all individuals working within its plants and offices, in order to increase the quality of company operations and, thanks to courses on safety, reduce the risk of workplace accidents.

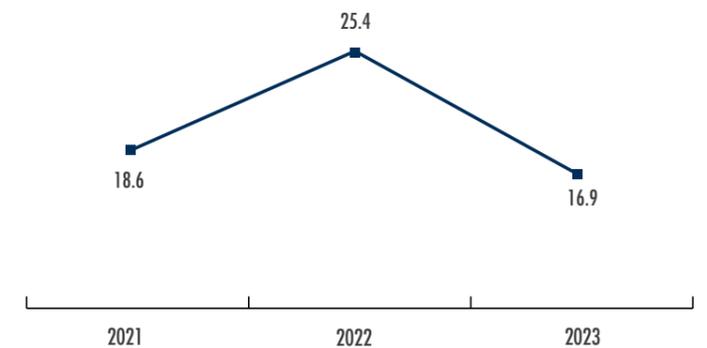
At Rodacciai, for example, the hiring of temporary workers, particularly those who

first go through an Academy course, is carried out following a training process, financed by a dedicated external fund focused on different topics such as safety, the quality of the products offered, sales management and the production process (the latter using passive and active on-the-job training).

For the personnel who take the courses prepared by the Academy's project scheme and who should not be hired by the Company (if they are, instead, most often with an apprenticeship contract), there remains an important wealth of skills learned, expendable in the search for another job position, sometimes already prepared by the same administration agency that collaborated with Rodacciai.

Moreover, in 2023 Rodacciai launched the "Onboarding" project to facilitate the integration of new collaborators into the company.

AVERAGE TRAINING HOURS PER CAPITA





Each quarter, new hires from the company and its Italian branches participate in a Welcome Day during which they are introduced to the company culture and visit the production facilities in Bosisio Parini and Sirono. Lastly, the company considers it essential, for its

own development and for the growth of its collaborators, to offer training focused on soft skills. Indeed, it is believed that promoting a common language among the members of the organization is a crucial factor for the integration of the different company components.

AVERAGE TRAINING¹⁶

	2021	2022	2023
Total training hours	20,582	30,533	20,409
Total training per capita			
Hours per capita	18.6	25.4	16.9
Training per capita by gender (hours per capita)			
Men	18.7	20.3	16.4
Women	18.3	71.1	20.8
Training per capita by professional category (hours per capita)			
Executives	24.9	26.5	36.4
Managers	39.8	27.1	33.2
White collars	16.6	28.2	25.5
Blue collars	18.7	24.3	12.6

¹⁶ The data for 2021 and 2022 have been restated from what was reported in the 2022 Sustainability Report since the data related to the Group's branches have been included in the reporting for the entire three-year period.

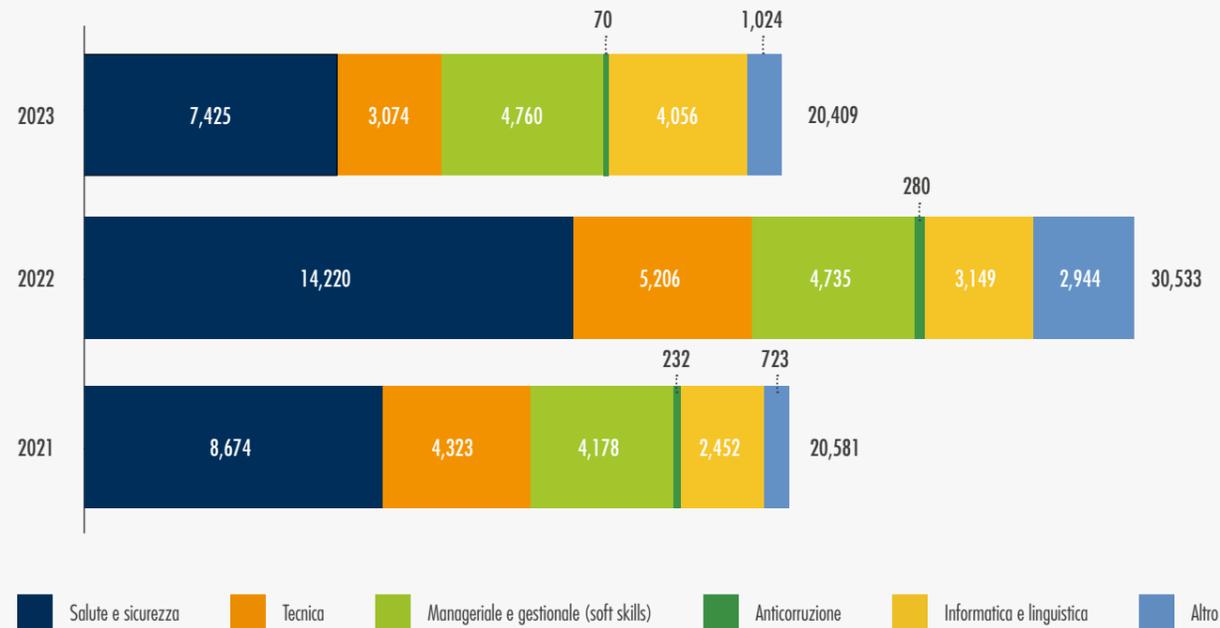
SPECIFIC TRAINING ACTIVITIES

FOCUS

During 2023 Rodacciai carried out specific training activities designed to train professional figures dedicated to managing specific business processes, improving their knowledge and operational skills. These initiatives include paths dedicated to the training of:

- **Industrial relations and communication technician:** path dedicated also to employee union delegates;
- **Performance appraisal:** a conceptual and practical path useful for developing the necessary familiarity with a tool that, at first paper-based has become computer-based and, above all, has provided a fundamental interpretative model for human resources development.

TRAINING BY SUBJECT AREA¹⁷



HR EXCELLENCE

Continuing the initiative from 2022, Rodaccai carried on with the HR Excellence initiative in 2023, engaging STEM students with the aim of fostering a culture of technical knowledge excellence and proper business interaction skills in those who represent the future of the country. In collaboration with technical institutes, ITS (Higher Technical Institutes), and universities, 41 students were involved in the 2022/2023 academic year.

FOCUS

The following table shows the total training hours and the per capita hours for the employees of the two companies of the Group.¹⁸

Course type	UM	Rodaccai			OLARRA		
		2021	2022	2023	2021	2022	2023
Total hours of training	h	13,147	23,264	12,474	7,435	7,269	7,935
- of whom male employees	h	12,211	19,449	11,279	6,501	2,485	6,524
- of whom female employees	h	936	3,815	1,006	934	4,784	1,411
Ore pro capite	h	23.6	36.0	18.8	13.6	13.1	14.7

To complete the training plan, Rodaccai has put in place a process of performance evaluation of its employees based also on individual meetings with workers in order to create a constructive moment of confrontation.

In this context, the need for training additions may be indicated by measuring aspects inherent to technical and transversal skills that in some cases may involve significant professional and/or economic development. The number of people periodically evaluated by Rodaccai was 231 in 2021, 487 in 2022 and 492 in 2023; on average, of the people evaluated, about 92% were male workers, mostly blue-collar workers (about 70% of the total number of people evaluated).

Regarding the Group's branches, in 2023, 101 people were evaluated, a number slightly lower than the 110 in 2020, but higher than the 92 in 2021.

The annual performance evaluation, which is carried out at two times during the year (in May and November), is associated with possible economic rewards. In addition, objective-based measurement (MBO) systems are adopted, which serve as leverage for the successful continuation of professional activity. To date, however, there is no formalized system of annual employee performance evaluation at Olarra.



¹⁷ The data for 2021 and 2022 have been restated from what was reported in the 2022 Sustainability Report since the data related to the Group's branches have been included in the reporting for the entire three-year period
¹⁸ 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the data related to the employees of the commercial branches of both Rodaccai and Olarra have been added for the entire three-year period.

2.3

2.3 HEALTH AND SAFETY: THE PRIORITY OF RODASTEEL

ONGOING COMMITMENT TO EMPLOYEE SAFETY AND HEALTH THROUGH PREVENTION, TRAINING, AND TECHNOLOGICAL INNOVATION



Protecting and promoting the health and safety of employees is a top priority of business management for Rodasteel, which is reflected first and foremost in promoting and supporting all measures to ensure compliance with applicable regulations.

Thus, prevention and control, risk assessment, training and communication on health and safety, investments in technological modernization of plant and machinery and injury monitoring and cause analysis have always provided the basis for Rodasteel's approach and represent the key points underpinning safety policy for both Group production companies¹⁹, along with their Code of Ethics.

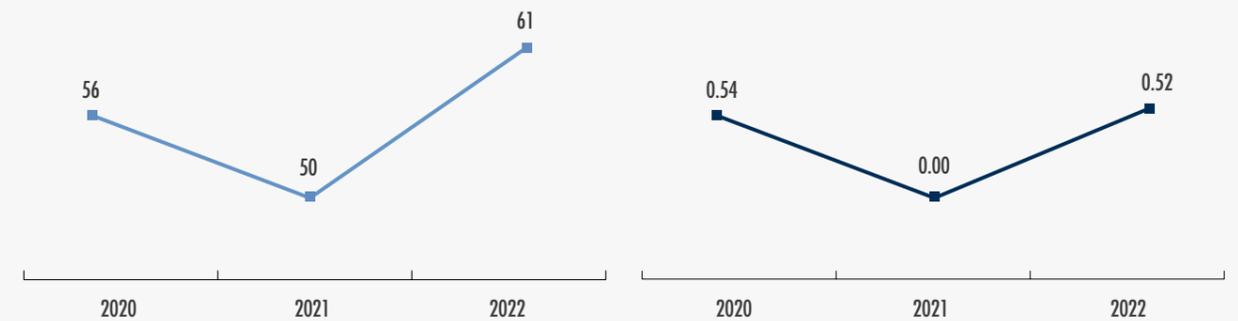
In particular, the number of work-related²⁰ injuries involving Group employees amounted to

103 in 2021, 97 in 2022 and 116 in 2023, with an accident frequency index that was about 61 in 2023, 50 in 2022, and 56 in 2021.²¹

All occupational injuries recorded in the three-year period (consisting mainly of bruises, sprains and fractures) were injuries without serious consequences²², except for two cases occurring at the Spanish steel mill (one in 2021 and one in 2023) and are mostly attributable to incorrect behavior or carelessness on the part of operators.

In addition to the injury frequency and injury with serious consequences frequency indices²³, Rodacciai also monitors the severity index²⁴, which scored 0.9 in 2021, 0.9 in 2022 and 1.3 in 2023. Over the three-year period there were no fatal injuries within the Group.

INJURY FREQUENCY RATE



Injury frequency rate

High consequences injury frequency rate

¹⁹ Enterprise Policy for Safety and the Environment (Rodasteel) and Integrated Management Policy (Olarra).

²⁰ A work-related injury is an injury occurring in the workplace that results in one of the following: death; absent days from work; limitations on duties or transfer to another duty; medical care beyond first aid or unconsciousness; serious injury. Commuting injuries are excluded.

²¹ Injury frequency index: (Number of work-related injuries/hours worked) x 1,000,000.

²² Serious consequences" means non-fatal injuries which can cause permanent irreversible damage to the injured person or injuries that result in an absence from work greater than 180 days

²³ Injury with serious consequences frequency index: (Number of work-related injuries with serious consequences/hours worked) x 1,000,000.

²⁴ Please note that the 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the data related to the employees of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.

The following tables provide specific data related to the two companies of the Group²⁵.

Rodaccai	2021	2022	2023
Number of injuries	43	46	57
- of which high-consequences injuries	0	0	0
Worked hours	1,046,990	1,124,054	1,112,982
Injury frequency rate	41.1	40.9	51.2
High- consequence injury frequency rate	0.0	0.0	0.0

Olarra	2021	2022	2023
Number of injuries	60	51	59
- of which high-consequences injuries	1	0	1
Worked hours	799,436	816,127	797,429
Injury frequency rate	75.1	62.5	74.0
High- consequence injury frequency rate	1.3	0	1.3



Rodaccai has started to monitor injury data not only for Group employees but also about supply workers for the purposes of enhancing health and safety performance oversight and improving the understanding of the dynamics that lead to injury or hazardous situations within the facilities.

Over the three-year period, there were 31 injuries recorded for this category in 2021, 15 in 2022, and 11 in 2023 and none were classified as serious injuries.

The accident frequency index decreased from 107.9 in 2021, to 71.5 in 2022 and to 79.9 in 2023. In addition, the severity index decreased over the three-year period by about 42 percent, from 1.8 in 2021 to 1.3 in 2022 and 1.1 in 2023.

Regarding the occurrence of occupational disease incidents, a total of 5 cases (2 in 2020, 1 in 2021, and 1 in 2022) were recorded during the three-year period 2020-2022, all at the Olarra plant. Specifically, the diseases encountered are epicondylitis, dermatitis, and tendonitis.

To improve health and safety oversight and drastically reduce injury rates the Group

companies have defined plans and targets for the coming years and are implementing more and more health and safety initiatives.

Olarra, whose production facility is certified OHSAS 18001:2007 and, as of 2021, also ISO 45001:2018, has begun a process of computerizing its prevention system as of 2019, which allows it to identify and intervene more quickly when faced with a situation of possible safety risk.

Using tablet devices, any anomalies detected during safety checks can be photographed, geolocated and immediately reported to the maintenance and safety managers who can then promptly activate the health and safety protocols.

This initiative is one of the activities that the Spanish steel industry is developing to achieve its safety objectives, which include the reduction of injuries, the improvement of health and safety training and the efficient administration of documentation relating to the integrated risk prevention management system at work (S.G.I.P.R.L, Sistema de Gestión Integrada de Prevención de Riesgos Laborales), of which the computerisation project is part.

This initiative will be joined in 2022 by the OLARRABIZI program, which, in addition to health insurance available to employees at the Spanish plant, offers physiotherapy services and training workshops on health-related topics.

Rodasteel has also defined, for the period 2019-2024, a targeted prevention plan called "lower the index", which comprises several activities including updating the environment and safety policy, the launch of a periodic and preventive safety device maintenance program and the formalization of a detailed training plan.

Rodasteel regards training and communication as indispensable tools to guarantee the protection of workers. Safety is the responsibility of everyone, not only of the employer and supervisors but of each individual entering/leaving a Group site.

Rodasteel invests considerable resources to spread a "culture of safety" among its staff (see section 2.2) and ensure that everyone plays their part in reducing work-related injuries.

This commitment is evident in, for example, the annual training plan prepared by

Rodaccai on health and safety that covers both the courses required by law and any emerging needs at production sites (such as newly identified risks).

To further encourage virtuous and safe behavior within the company, Rodaccai has also decided to include a safety bonus as part of the incentive system defined in the supplementary agreement, in addition to the result bonus and the individual operating efficiency bonus.

This safety bonus is based on a combination of the injury frequency index and the injury severity index and aims to reward the joint efforts made by the company, workers, and workers' safety representatives to improve workplace health and safety.

Finally, Rodaccai carries out specific controls on the noise and vibrations produced at production sites, as well as exposure to hazardous substances (such as lead).

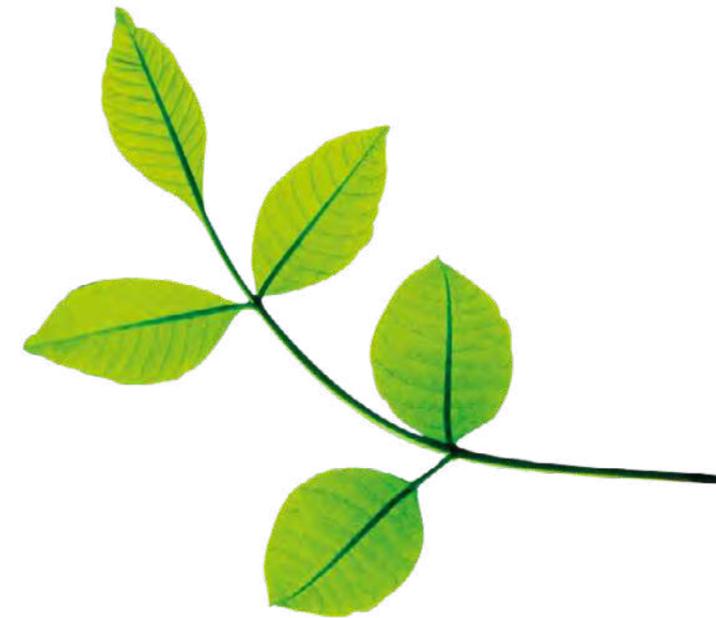
Annual blood tests are performed on employees to determine potential exposure to lead, particulates, and oil mists.

²⁵ Please note that the 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the data related to the employees of the commercial branches of both Rodaccai and Olarra have been added for the entire three-year period.



3.

3. ATTENTION TO THE ENVIRONMENT AND THE TERRITORY



ENVIRONMENTAL PROTECTION AS A FUNDAMENTAL ELEMENT OF OUR PRODUCTION ACTIVITIES AND GROWTH OBJECTIVES.

Aware of the potential effects on the environment and on the communities living near its production facilities and, at the same time, of the possibility of losing competitiveness within a market that is increasingly attentive to the protection of natural resources, Rodasteel manages all its activities guided by a strong sense of responsibility towards environmental protection, with a view to reducing the impacts generated by its production processes on the environment.

These processes are in fact characterized by different phases, from the melting of raw materials to hot treatment activities to cold processing, all operations that generate

significant effects on the environment, in terms of consumption of raw materials, energy and water resources and generation of emissions of climate-changing gases, atmospheric pollutants and waste. In line with the concepts expressed in their policies²⁶, both Group companies are committed to continuously monitoring and evaluating their environmental impacts above and beyond mere regulatory compliance to identify winning strategies and innovative solutions to mitigate and reduce these impacts.

Rodasteel's principal environmental impacts and the related management methods are described and analysed below.

²⁶ Enterprise Policy for Safety and the Environment (Rodasteel) and Integrated Management Policy (Olarra).

3.1

3.1 THE MANAGEMENT OF RAW MATERIALS

TOWARDS A CIRCULAR ECONOMY: THE ROLE OF STEEL RECYCLING IN REDUCING ENVIRONMENTAL IMPACT

Responsible consumption of raw materials and the circular economy are environmental issues that are strongly interconnected and given much attention by the Group.

Steel is originally created from virgin ferrous minerals, although nowadays the most used raw material in steel production is scrap metal: end-of-life steel products and processing waste from the same steel production activities.

In fact, steel itself turns out to be a durable, indeed “permanent,” material that is 100 percent recyclable and capable of being remelted over and over again without ever losing any of its characteristic properties, such as strength and ductility, which make it the most suitable choice in numerous applications across multiple industries.²⁷

Recycling steel saves raw materials and energy when compared to a virgin steel production process. For example, it is estimated that for every ton of carbon steel scrap recycled, a CO₂ saving of 1.4 tCO₂ is achieved (World Steel’s LCA methodology)².

Rodaccai’s commitment to reducing its environmental impacts means gradually reducing the consumption of virgin raw materials entering the production process and limiting the

production of waste through recovery and reuse to promote a continuous and increasingly circular use of materials (for more details see paragraph 3.4).

If ferrous alloys and metal scrap are the raw materials to produce steel billets at Olarra, in the Italian facilities it is the billets themselves, together with bars and rod (or rolls), that are the raw material for production activities.

Starting in 2022, with a desire to reduce the use of virgin raw materials in its processes, Rodaccai has set up a questionnaire to send to its suppliers to assess the percentage of recycled material in the products they purchase.

In blast furnace products, recycling is at lower percentages, while in electric furnaces this percentage is more significant. In 2023, Rodaccai also renewed its supplier analysis questionnaire, considered essential. The intent is to examine suppliers not only in terms of quality but also from an environmental perspective.

Consequently, Rodaccai requests detailed data regarding emissions, wastewater, waste, and existing hazards within industrial facilities.



During the three-year reporting period, the trend in consumption of materials (raw materials and semi-finished products) is closely related to the trend in production recorded by the Group. Rodaccai recorded a decrease compared to the previous year, both in 2022 (-10%) and in 2023 (-22%).

Rodaccai

Materials (tonnes)	2021	2022	2023
Raw materials	323,345	288,603	214,231
Billets	265,163	218,916	172,810
Bars	4,075	8,202	3,777
Rolled coils	54,107	61,485	37,644
Auxiliary materials	305	369	309
Lubricating material	305	369	309
Packaging materials	1,081	1,066	866
Cardboard	97	78	68
Wooden packaging	714	797	591
Packaging straps	270	191	207
TOTAL	324,731	290,038	215,406

Olarra

Materials (tonnes)	2021	2022	2023
Raw materials	92,329	83,847	75,776
Ferrous alloys	17,434	17,365	16,688
Metal scrap	74,895	66,482	59,088
Auxiliary materials	11,838	11,937	11,068
Lubricating oils	137	126	112
Refractory materials	6	6	5
Process gases (O ₂ , N ₂ , argon)	9,561	9,967	9,357
Acids	2,135	1,838	1,594
Packaging materials	137	137	145
Paper	33	32	25
Plastics	3	4	10
Wooden packaging	101	101	110
TOTAL	104,304	95,921	86,989

²⁷ Source: Federacciai, Rapporto di sostenibilità – Assemblea Annuale 2021

3

3.2 ENERGY AND GHG EMISSIONS

2

STRATEGIE DI EFFICIENTAMENTO ENERGETICO: COME RODASTEEL RIDUCE I CONSUMI E MIGLIORA LA SOSTENIBILITÀ.



Particular attention is paid by Rodasteel to the efficiency and reduction of its energy consumption, which consists mainly of the use of electricity (39%) and natural gas (59%), used for steel production and processing (smelting and hot and cold treatments) and supporting activities, such as lighting and building heating.

The fuels used by the Group also include, albeit less significantly (1.3% of the total), diesel, used mainly as fuel for internal handling equipment at production facilities (e.g., forklifts) and for vehicles in the company's fleet, for which gasoline is also used in smaller quantities (0.06%).

The trend of energy consumption at the Group level shows a decrease compared to the consumption of 2022, consolidating the downward trend that began after the sharp increase in 2021, in line with production trends.

Consumption in 2023 decreased by 8.3% compared to 2022 and by 14.2% compared to 2021. Moreover, if energy consumption is related to production, it can be seen that energy intensity in the three-year period has remained almost constant: for example, in the Olarra plant this value fluctuates close to 7.6 GJ/ton of molten steel, while in the Bosisio Parini drawing mill of Rodacciai it takes values around 1.2 GJ/ton of finished product.

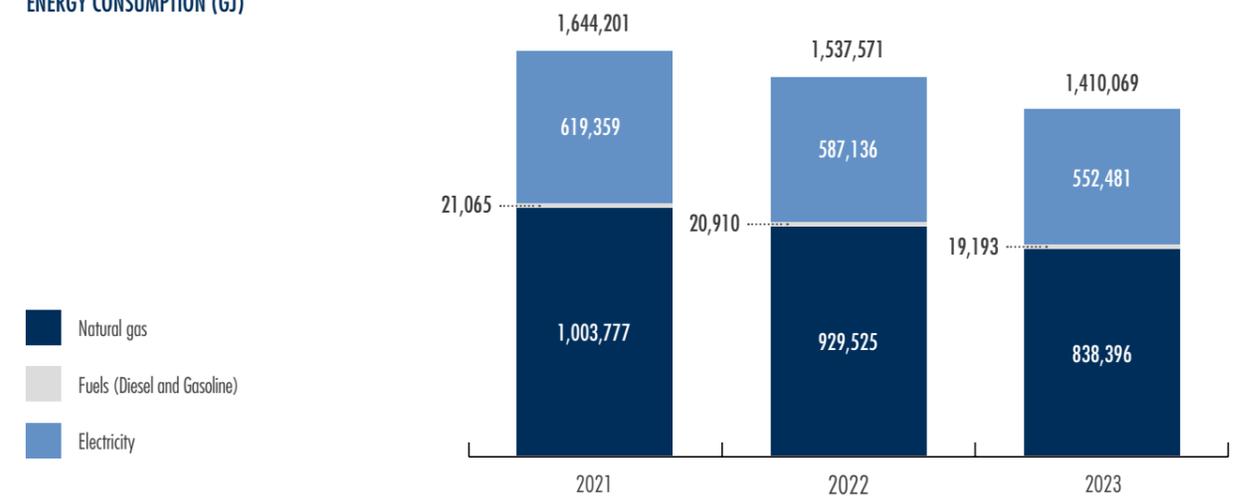
With the aim of reducing its consumption, Rodasteel has implemented a number of energy saving and energy efficiency initiatives during the three-year period.

At the Rodacciai site in Sirone, for example, in 2019, maintenance activities were carried out on the combustion management system of the furnace used for heating billets, with the aim of making it more efficient.

In 2022, a revamping of the burners was carried out on the same furnace, which can now operate with a hydrogen mixture, and work began on the construction of a regasifier for the use of liquid biomethane, whose installation was completed in the first half of 2023 and is now awaiting the necessary authorizations for its operation.

During 2023, also in Sirone, the complete revamping of one of the annealing furnaces was completed. At both the Bosisio and Sirone sites, in order to optimize the use of electricity, the updating of lighting systems with LED lamps and the optimization of the generation and distribution of compressed air were promoted during the reporting three-year period. In order to identify new solutions for reducing energy consumption, in 2023 Rodacciai carried out specific Energy Diagnosis activities on both the Bosisio and Sirone sites, thereby also complying with the mandatory requests set by national legislation.

ENERGY CONSUMPTION (GJ)





CIRCULAR ECONOMY AND STEEL

FOCUS

Unlike many other materials that are simply recyclable, steel is a durable material that can be remelted over and over again without ever losing any of its inherent properties such as strength, ductility, formability, which make it irreplaceable in multiple applications. Therefore, to speak of steel as a material that is simply recyclable is today reductive: steel can in fact be classified as a “permanent material.” Permanent materials should be understood as a new category of durable materials that can complement the overly simplistic distinction between recyclable and non-recyclable material or between renewable or non-renewable resource. In addition to the issue of recyclability, steel’s contribution to the circular economy also needs to be evaluated for a number of other aspects more generally related to production processes and in particular the efficient use of natural resources, reduction of energy and water consumption, reduction of waste production, and reuse of by-products.

The virtuous recycling of ferrous scrap is one of the clearest industry-wide examples of how the two main strategic goals the EU has set for the coming decades can be combined together: circular economy and decarbonization. Italy is the top European country for scrap recycling: in 2020 alone, Italian steel mills remelted about 17 million tons of ferrous scrap. To get a concrete idea of the relevance of this figure, one can calculate that this amount translates into a “recycling rate” in Italy of about 32 tons of recycled steel per minute²⁹.

The following tables show the energy consumption of the two companies of the Group²⁸.

ENERGY CONSUMPTION (GJ)

Rodacciai	2021	2022	2023
Natural gas	585,736	511,016	441,240
Fuels	12,875	13,194	12,406
Electricity	278,934	264,196	243,392
TOTAL	877,545	788,406	697,038

Olarra	2021	2022	2023
Natural gas	418,042	418,509	397,156
Fuels	8,190	7,716	6,787
Electricity	340,395	322,920	309,089
TOTAL	766,627	749,145	713,032

²⁸ Please note that the 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the data related to the electricity and natural gas consumption of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.

At the Olarra plant, investments were made in two heat treatment furnaces in 2022. One of them was renovated in both the casing and the combustion system. In addition, investments were made in the purchase and installation of a new bell furnace for roll treatment. During 2023, a heat recovery unit was installed for the continuous furnace, and a second bell furnace was replaced, similar to the intervention already mentioned for 2022. These innovations aim to achieve a higher degree of product quality and, at the same time, reduce natural gas consumption. As for electricity consumption, the installation of solar panels in all production halls and the office building continued. With this installation, the total installed peak power at Bilbao in Olarra is 2.9 MWh. Direct and indirect energy consumption is the cause of another significant environmental impact for the Group: greenhouse gas emissions (GHG), which represent the largest contribution to climate change. Rodasteel is conscious of the fact that everyone has an important role to play in the fight

against total GHG emissions (and of the increasing concern that stakeholders have on the topic) and as such the group has undertaken a process of monitoring and managing its own emissions of climate altering gases. The following emission types have been calculated at Group level again for the current year in accordance with the guidelines defined by the principal international standards²⁹:

- **Scope 1 GHG emissions**³⁰, primarily from the combustion of fossil fuels used in Rodasteel activities (natural gas, diesel), from process emissions in steelworks and, to a lesser extent, from refrigerant gas leaks in air conditioning systems³¹.
- **Scope 2 GHG emissions**³², generated by the purchase of electricity from Group suppliers. Specifically, these indirect emissions have been calculated by Rodasteel using two different approaches: Location-Based (LB) and Market-Based (MB). Scope 2 emissions calculated with the Location-Based approach are based on an average emission factor relating to the national electricity mix specific to each country in which Rodasteel operates. The higher the share of renewable electricity used in the country, the lower the emission factor associated with it.

²⁹ Specifically, reference was made to the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).

³⁰ Emissions of direct origin, i.e. deriving from emission sources owned or directly controlled by the Group (e.g. combustion of fossil fuels).

³¹ As for Olarra, this data is not available for the entire the three-year reporting period.

³² Indirect emissions related to the purchase of energy (electrical or thermal) from suppliers outside the Group.



The Market-Based approach instead considers the electricity market in which the Group chooses to purchase energy, referring to the contractual agreements stipulated with the supplier. Under this approach, a zero-emission factor is applied to any share of renewable electricity purchased with guarantee of origin (GO) certificates. The remaining portion is multiplied by a residual mix factor, which considers the origin of

electricity from non-renewable sources. In 2023, Olarra decided to purchase 26,302 MWh of Guarantees of Origin (GO) to cover approximately 30% of its own electricity consumption, resulting in a substantial decrease in the Group's emissions calculated according to the Market-Based (MB) approach compared to previous years.

The following graph also takes into account the greenhouse gas emissions produced by the commercial offices of the Group, in addition to the production sites.

GHG EMISSIONS (TONNES)³³

- Scope 1
- Scope 2 - approach LB



Over the three-year period from 2021 to 2023, GHG emissions follow a linear decreasing trend, with a slight decrease in 2022 compared to 2021 (-6%), and then a relatively more significant decrease in 2023 compared to 2022 (-14%), in line with the reduction in energy consumption and lower production, and following the purchase of Guarantees of Origin at the Olarra plant. Specifically, the total GHG emissions at the Group³⁴ level are 102,639 tonnes in 2021, 96,514 in 2022, and 83,156 in 2023, with Scope 2 emissions calculated using a Location-Based approach, marking a decrease of 6% in 2023 compared to 2022 and

19% compared to 2021. According to a Market-Based approach for Scope 2, instead, the total GHG emissions amount to 121,724, 113,988, 96,886 tonnes respectively in 2021, 2022, and 2023. It should be noted that the Olarra plant and the Rodacciai plant based in Sirone are subject to the Emission Trading System, a system defined by European legislation, through Directive 2003/87/EC (ETS Directive), with the aim of reducing CO₂ emissions. For this reason, both plants are required to constantly monitor their direct emissions and report them annually to the relevant authorities.

³³ Please note that, as a result of the update to the applied calculation methodology, the 2022 data have been restated from what was reported in the previous edition of the Group's Sustainability Report.
³⁴ 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the emission data related to the electricity and natural gas consumption of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.

The following tables show the greenhouse gas emissions of the two companies of the Group³⁵

Rodacciai

GHG emissions (ton)	2021	2022	2023
Scope 1	33,428	29,256	25,364
From Combustion (in ETS)	25,641	22,920	19,038
From Combustion (not in ETS)	7,558	6,404	6,319
From leakage of refrigerant gas	70	31	8
Scope 2 - LB approach	24,407	23,117	17,037
Scope 2 - MB approach	35,376	34,870	32,124
TOTAL - LB approach	257,835	52,473	42,402
TOTAL - MB approach	68,804	64,226	57,489

Olarra

Emissioni GHG (ton)	2021	2022	2023
Scope 1	24,948	25,591	23,565
From Combustion /Process (in ETS)	24,908	24,615	23,489
From leakage of refrigerant gas	40	976	76
Scope 2 - LB approach	19,856	18,450	17,190
Scope 2 - MB approach	27,972	24,171	15,833
TOTAL - LB approach	44,804	44,041	40,755
TOTAL - MB approach	52,920	49,762	39,398

Monitoring and calculating CO₂ emissions is the first practical step in a process of reducing emissions: in this way it is possible to identify the Group's most impactful activities and therefore those for which intervention is necessary (or possible).

With the aim of also monitoring GHG emissions generated indirectly along the entire value chain, Rodacciai set up a survey in 2022 to be submitted to its transporters regarding their environmental practices, with the goal of mapping them and identifying the most

virtuous ones, in order to identify solutions that guarantee a lower emission impact.

With this in mind, part of the transportation of materials has been shifted from trucks to trains, thus shifting to a means with less impact on ongoing climate change.

At the end of 2023, a development process was initiated for a data acquisition system related to the calculation of upstream Scope 3, which will have effects starting from 2024.

³⁵ 2021 and 2022 data have been restated from what was reported in the 2022 Sustainability Report since the emission data related to the electricity and natural gas consumption of the commercial branches of both Rodacciai and Olarra have been added for the entire three-year period.

EMISSION TRADING SYSTEM

FOCUS

The EU emissions trading system (EU ETS) is the European market for greenhouse gas emissions, an instrument created to combat climate change through the progressive reduction of GHG emissions. Introduced in 2005, it is the first emission trading system ever created (and currently the most widely used: it is in force throughout the European Union and in Iceland, Liechtenstein and Norway). The ETS sets emission limits for more than 11,000 industrial and energy installations operating within EU borders, as well as for airlines operating between EU countries. This system, which covers approximately 45% of GHG emissions generated within the European Union, operates a cap and trade mechanism. This means that a cap is set on permitted GHG emissions that can be generated in the system, which is progressively lowered over time with a view to reducing GHG emissions. On the basis of this cap, each individual company subject to ETS receives a quota of economically quantifiable permits (emission allowances), which can be exchanged with other companies if needed. Every year, each company must hold a sufficient number of emission allowances to cover the GHG emissions it produces, otherwise it is subject to heavy penalties. Under this system a virtuous company (i.e. one which has generated fewer emissions than those allowed) will be able to keep the leftover permits for the following year or sell them to other companies that need them.

From 2021, in order to align with the European Union's emission reduction targets, the ETS has become even more stringent by entering Phase 4: in fact, the linear reduction factor, whereby the free allowances allocated to each company decrease linearly over the years, has been increased from 1.74% to 2.2%. In addition, the method of free allocation of allowances has been rewritten, so that the list of companies that will continue to receive 100% free allowances has been reduced to about 60 sectors, while for the remaining companies, considered to be operating in less exposed sectors, there is an initial 30% free allocation, which is expected to gradually decrease over the years.

Rodacciai and Olarra are included in the ETS. The Sirone site, which has been included in the scheme since 2013, was initially allocated emission allowances of 24,094 t CO₂, that in 2023 dropped to 19,058 t CO₂. At the Olarra site, allowances amounting to 19,644 t CO₂ were allocated for each of the three years of the 2021-2023 period.

The Rodasteel Group with the support of external consultants is defining its road map with the aim of meeting the goals that the European community has defined with a view to reducing atmospheric emissions and using resources increasingly from renewable sources.



3.3

3.3 THE MANAGEMENT OF POLLUTANT EMISSIONS

A CRUCIAL STEP FOR THE GROUP'S ENVIRONMENTAL AWARENESS AND REGULATORY COMPLIANCE.



In order to increase awareness of its environmental impacts and in compliance with current regulations, it assumes significant importance for the Group also the monitoring of emissions of pollutants into the atmosphere.

The principal pollutant emissions generated by production activities at the various Group sites are:

- **NITROGEN OXIDES (NO_x)**, generated during combustion for specific phases of the steel production cycle (e.g. melting at the steel mill and hot rolling) and for indoor heating.
- **SULFUR OXIDES (SO_x)**, produced during chemical pickling (a sulphuric acid treatment to eliminate the layer of surface oxides formed on the steel during hot rolling);
- **VOLATILE ORGANIC COMPOUNDS (VOCs)**, generated by electric furnaces in the steelworks
- **PARTICULATE MATTER (PM)**, deriving from various mechanical and chemical treatments applied to the steel along the entire production process (e.g. shot blasting,

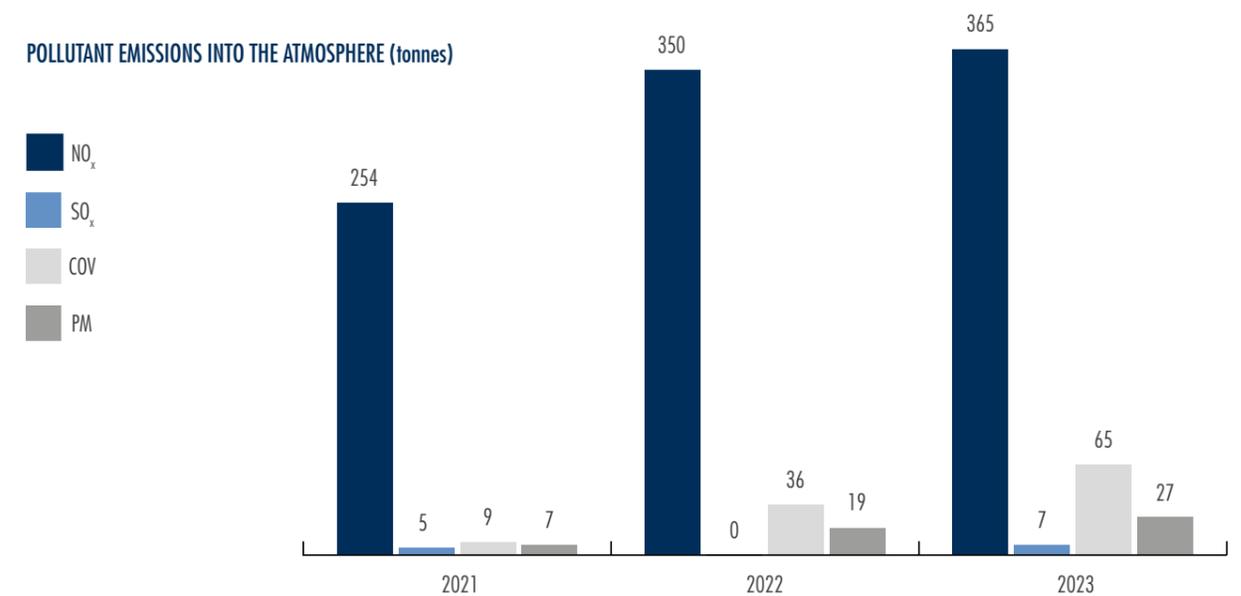
grinding, physical pickling, extrusion and drawing).

All these pollutants are periodically measured in accordance with the regulations in force in each country; therefore, one or more measurements of pollutant concentration are carried out at the different emission points at each production site every year.

In order to obtain an annual estimate of air emissions for each pollutant the Group first carried out sampling at each site and then multiplied the average concentrations measured at each chimney by the average flows recorded at the time of sampling and by the yearly operating hours of the systems.

The lack of continuous monitoring (and the resulting estimate of emissions from limited point measurements over time) is the main reason why fluctuations (in some case substantial) can be observed in the three-year period 2021-2023 between the yearly values measured by Rodasteel for each pollutant

POLLUTANT EMISSIONS INTO THE ATMOSPHERE (tonnes)





The precise time of measurement can strongly affect the measured value: this can vary considerably depending on the material being processed during sampling and on environmental variations (e.g. temperature).

Rodacciai

Inquinanti (ton)	2021	2022	2023
NO _x	161	242	196
SO _x	0.03	0.03	0.03
COV	0	0	0
PM	3	4	5

Olarra

Inquinanti (ton)	2021	2022	2023
NO _x	93	108	169
SO _x	5	0.4	7
COV	9	36	65
PM	4	14	22

RODASTEEL AND NOISE MANAGEMENT

FOCUS

Upgrading the Rodasteel Group's production process is aimed not only at improving market performance but also at minimising impacts. One of the principal impacts that the Group seeks to reduce is the noise pollution produced by the existing machinery at the Rodacciai and Olarra production sites. There were no violations of the legal emission limits during the three-year period 2021-2023 at the Italian sites.

In addition, since 2018 Rodacciai has engaged in an annual campaign to monitor daytime and night-time noise emissions. As regards the Spanish Olarra site, doors and sound-absorbing panels have been installed at its plants and actions have been taken to reduce noise pollution produced by the loudest machinery (e.g. motors and pumps).

3.4

3.4_WASTE MANAGEMENT

ANALYSIS OF RODASTEEL'S WASTE MANAGEMENT IN THE 2021-2023 PERIOD: TRENDS, HAZARD CLASSES, AND DISPOSAL



Waste management is extremely important for a company that aspires to monitor and consequently reduce its environmental impacts.

Over the 2021-2023 three-year period, the amount of waste produced by Rodasteel remained relatively constant, although it increased compared to the previous three-year period, due to maintenance activities at the Sirone plant and increased disposal of certain materials, such as pickling acids and metal sludges.

The Company recorded a decrease of 5.8% in 2023 compared to 2021 and 8.4% compared to 2022.

Although the Company recorded a trend without significant variations over the three-year period, in 2023 the distribution of hazard classes showed a 41% increase in hazardous waste compared to the previous year, due to the reclassification of a type of waste, production sludges, which have accumulated over the last few years due to issues related to their disposal. Indeed, hazardous waste (5,840 t in 2021, 5,562 t in 2022, 7,842 t in 2023) accounted for about 12% of the total in 2023, up from 8% in 2021 and 2022, while non-hazardous waste constituted about 88%, down from previous years,

with quantities of 63,884 t in 2021, 66,182 t in 2022, and 57,868 t in 2023.

The amount of waste sent to landfill disposal, in absolute terms, has not undergone significant changes over the three-year period; in 2023, it constitutes 48% of the total waste, while the amount of waste subjected to recovery/recycling treatment stands at 52%.

In line with the Group's principle of implementing circular economy initiatives, Olarra concluded in 2021 the project, started in 2018, aimed at enhancing the waste produced and reducing the consumption of virgin materials: the Tarcinox project.

The initiative, which used to see Olarra partner with Tubacex (another company active in the steel sector), Elinfe (an industrial waste manager) and Tecnalia (specialised in research and technological development), aimed at recovering three of the main types of waste produced by Olarra: slag and dust in steelworks and sludge produced in rolling mills.

The project is a continuation of an earlier industrial waste initiative (PIVASI) which demonstrated that while some properties of the waste could make it useful in the

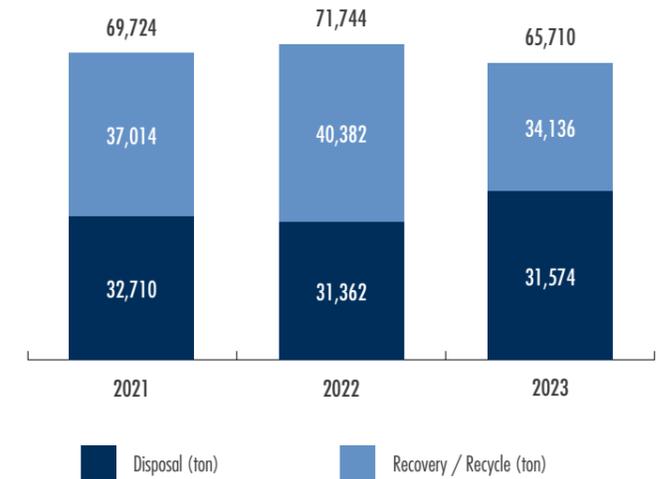
production of cement and mortar, other properties (high expansivity) render it less suitable.

Through the Tarcinox project Olarra now intends to study how to reduce these negative properties to use waste as a raw material and avoid its disposal in landfills.

For sludge and dust (both having a high metal content) the aim of the project is to find a way to use them as raw materials in the production process through separation, by treatment with ionic liquids, of the potentially recoverable metal portion.

Furthermore, after the completion of the corporate packaging waste minimization plan (with a time horizon of 2018-2021), the Spanish company has begun to define a new plan for the three-year period 2022 - 2025, focused on the recovery of the metals contained in the settling sludge as well as in the search for alternatives for the management and valorisation of steel slag.

WASTE (tonnes)



Rodacciai

Waste (ton)	2021	2022	2023
Hazardous	32,283	35,190	29,843
Destined for disposal	31,998	35,105	29,734
Destined for recovery/recycling	285	85	109
Non-hazardous	1,127	1,325	2,183
Destined for disposal	309	434	380
Destined for recovery/recycling	818	891	1,803
TOTAL	33,410	36,515	32,027

Olarra

Waste (ton)	2021	2022	2023
Hazardous	31,601	30,992	28,025
Destined for disposal	3,107	3,258	3,321
Destined for recovery/recycling	28,494	27,734	24,704
Non-hazardous	4,713	4,237	5,659
Destined for disposal	1,600	1,585	701
Destined for recovery/recycling	3,113	2,652	4,958
TOTAL	36,314	35,229	33,684

RECYCLING PROJECT

FOCUS

Rodacciai has implemented the Recycling Project at the Bosisio Parini headquarters which aims to increase the internal recycling of waste and the reuse of incoming material.

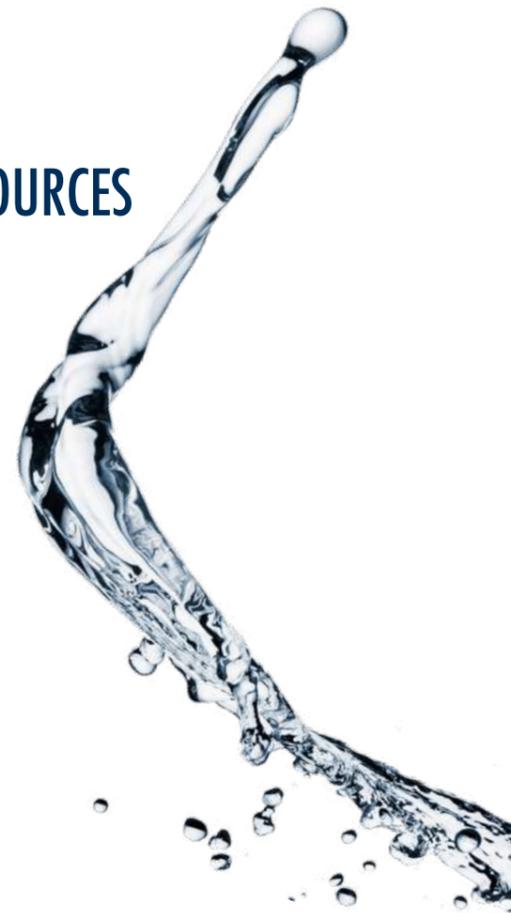
As part of this project, Rodacciai has developed specific filtering technologies to recover and reuse the phosphate used in the pickling phase. By doing so, Rodacciai both generates less waste and saves on the consumption of new phosphating agent.





3.5

3.5 THE MANAGEMENT OF WATER RESOURCES



OPTIMIZATION OF INDUSTRIAL PROCESSES AND WATER RESOURCE CONSERVATION

Responsible management of water resources is another important objective for environmental sustainability within the steel industry. The water collected is used both for industrial and civil purposes. At the Basisio plant in Italy about 71% of water deriving from the mains supply is used for industrial purposes and the rest for civil purposes while all well water is used in the production process (e.g. in pickling tanks) or used for machinery cooling. Well water is also abstracted at the Sirone site for cooling the machinery used in the rolling process and in heat treatments.

Specifically, the site uses a closed-loop water system whereby the continuously recycled water is abstracted from the well solely to restore water lost through evaporation. The remainder of the Sirone water table consists of water drawn from the mains supply and intended solely for civil use. A closed-loop water system for cooling is also in place at the Spanish steelworks (more than 70%), where water is withdrawn to compensate for the portion that evaporates due to high process temperatures. A small portion of the water drawn from the mains supply (less than 30%) is used for civil purposes.

Regarding Rodasteel, in 2023, about 300 thousand cubic meters of water were withdrawn, with a decrease of 13% compared to the previous year (-27% compared to 2021), in line with the trend of production.

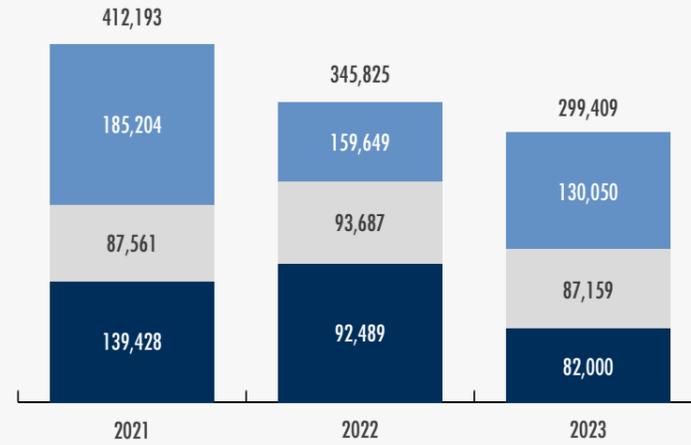
It is worth noting, at the Spanish plant of Olarra, the reduction in river water consumption (-8% compared to 2022), due to daily monitoring that allows for rapid intervention in case of issues.

Overall, in 2023, the Group discharged a volume of water into the sewage system amounting to 139,147 m³, which is 2.6% less than the value recorded in 2022 (142,925 m³; 152,505 m³ in 2021).

Geographically, this discharge is represented on average over the three-year period by approximately 78.9% from Italy (75% in 2021, 80% in 2022, and 81.5% in 2023), and consists predominantly of industrial waters (Basisio) and domestic and stormwater (Sirone). The remaining Spanish portion (21%) is predominantly made up of stormwater discharges (about 38,340 m³ in 2021, 28,144 m³ in 2022, and 25,716 m³ in 2023).

WATER WITH DRAWALS (m³)

- Surface water
- Well
- Aqueduct



The above data confirm the success of the Group's responsible water resource management projects.

Rodacciai

Water with drawal (m³)	2021	2022	2023
Surface water	0	0	0
Well	87,561	93,687	87,159
Aqueduct	143,377	124,871	95,272
TOTAL	230,938	218,558	182,431

Olarra

Water with drawal (m³)	2021	2022	2023
Surface water	139,428	92,489	82,200
Well	0	0	0
Aqueduct	41,827	34,778	34,778
TOTAL	181,255	127,267	116,978

In addition to discharges to sewers, stormwater discharges directly into surface water bodies are also reported at Italian sites³⁵. Finally, with a view to protecting the water resource, both in terms of quantity and

quality, it is important to point out that none of the areas where the production sites insist are subject to water stress³⁶ and that the water withdrawn and discharged has a total dissolved solids concentration below 1000mg/l.

³⁵ It is reported that, for surface discharges in Italian factories, there is no timely monitoring of discharged quantities to date.

³⁶ As defined by the "Aqueduct Water Risk Atlas" of the World Resources Institute. Specifically, the Group's facilities fall within areas at medium-low water stress risk.



METHODOLOGICAL NOTE

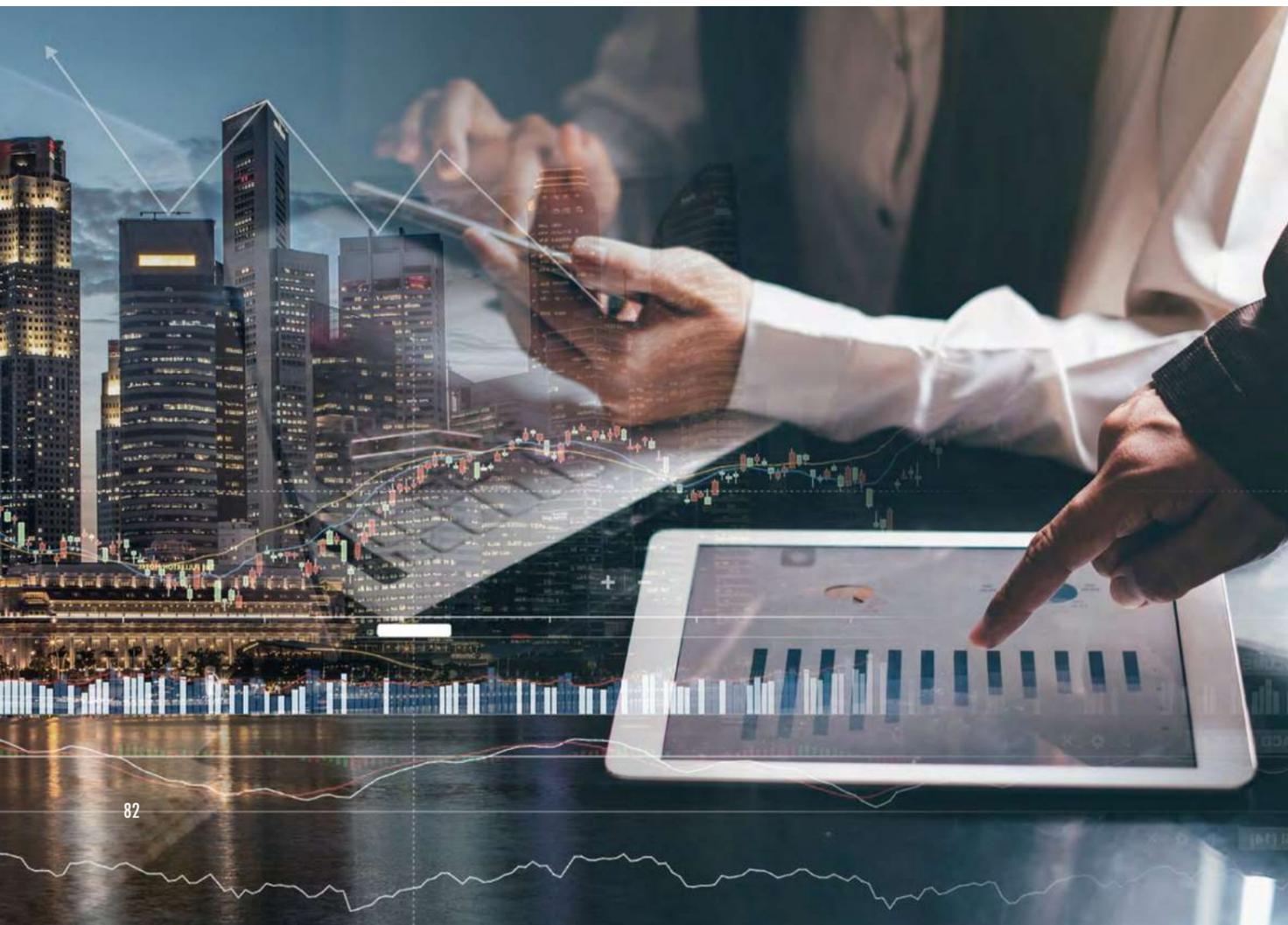
This document represents the third Sustainability Report of the Rodasteel Group and relates to the reporting year 2023 (from 1 January to 31 December 2023).

The Report also contains the performance data (where available) relating to the previous two-year period to allow for a comparison of the data for the three-year period 2021-23. Unless otherwise indicated, the reporting scope includes only the Rodasteel Group production companies: Rodasteel S.p.A. and the Spanish company Aceros Inoxidables Olarra S.A. Other companies of the Rodasteel Group, i.e. sales, real estate, service companies and financial holdings are excluded from the reporting perimeter of this document. The details of the Rodasteel Group's production sites (Registered Office in

Chiasso, via E. Bossi 50) included in the perimeter of these Sustainability Statements are shown at the beginning of Chapter 1.

The reporting standard adopted by Rodasteel Group in drafting the Sustainability Report 2021 is the GRI Sustainability Reporting Standards under the in accordance-core option. As of the date of publication of the Annual Report, no significant events that occurred in 2024 that could be considered relevant to sustainability reporting have come to the Group's attention.

This document has been subject to limited examination ("limited assurance engagement") by EY S.p.A., whose Report is available at the end of the document.



MATERIAL TOPICS

In accordance with the GRI Standards, the content reported in the Sustainability Report depends on the materiality analysis carried out by the Group, the definition process of which is described in the opening chapter.

The following table lists the material topics identified by Rodasteel, the corresponding

GRI Topics and their perimeter in terms of impact, and any limitations to reporting due to the unavailability of data elsewhere.

For the coming years, the Rodasteel Group is committed to gradually extending the reporting scope of material aspects.

GRI Topics 308: Supplier Environmental Assessment 2016 and 414: Supplier Social Assessment 2016 were considered cross-cutting to all identified impacts, so they are not shown in the following table but are reported within the Sustainability Report.

MATERIAL TOPICS FOR RODASTEEL	GRI TOPIC	PERIMETER OF THE TOPIC		REPORTING LIMITATIONS (PERIMETER)	
		INTERNAL	EXTERNAL	INTERNAL	EXTERNAL
Attention to employees and their development	404: Training and education 2016	Group			
Energy consumption and climate change	302: Energy 2016 305: Emissions 2016	Group	Suppliers		Reporting not extended to suppliers
Socio-economic value creation and support for local communities	201: Economic performance 2016 204: Procurement practices 2016 401: Employment 2016	Group			
Circular economy	301: Materials 2016 306: Waste 2020	Group			
Air pollutant emissions	305: Emissions 2016	Group			
Water resources management	303: Water and effluents 2018	Group			
Business integrity	205: Anti-corruption 2016 206 Anticompetitive behaviour 2016	Group			
Product quality and innovation	NON-GRI topic*	Group			
Respect for and protection of human rights	405: Diversity and equal opportunities 2016 406: Non discrimination 2016	Group			
Worker health and safety	403: Occupational health and safety 2018	Group	Suppliers and contractors		Reporting partially extended to contractors

(* With regard to the issue in question (not directly linked to a topic covered by GRI Standards), the Rodasteel Group reports the management approach adopted and, where available, specific internal indicators.

PRINCIPLES DEFINING THE CONTENT AND GUARANTEEING THE QUALITY OF THE GROUP REPORT

The Sustainability Report of the Rodasteel Group is prepared in accordance with the Reporting Principles defined by GRI Standard 1, namely the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability for the overall quality assurance of the document.

REPORTING PROCESS AND CALCULATION METHODOLOGIES ADOPTED

The contents expressed in the Rodasteel Group Sustainability Report have been defined based on materiality analysis. Qualitative-quantitative data relating to social, environmental, and economic/financial matters were collected (on an annual basis) through the use of specific data collection forms sent to the representatives of the Group's main departments, who were also involved in a series of interviews to identify the information to be reported in the Report.

Below are the principal calculation methods and assumptions adopted for the performance indicators included in the Sustainability Report, which are in addition to what is already expressed in the document. For unavailable environmental data, conservative estimation was used that led to selecting the hypotheses associated with the least positive environmental performance for the Group.

Greenhouse gas (GHG) emissions have been reported in accordance with the guidelines

defined by the principal internationally recognised reporting standards.

Specifically, reference was made to the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).

Emissions were calculated based on the following formula: CO₂ emissions = activity figure x emission factor x GWP (Global Warming Potential).

The calculation of greenhouse gas emissions shall also consider the emission associated with any refrigerant gas leakage.

In this case, the amount of refrigerant lost is multiplied by the respective GWP. Emissions generated by the Rodasteel Group and subject to the Emissions Trading System (ETS) scheme were assumed to be equal to the value communicated by the Group in the official declaration forwarded to the scheme's management body.

The emission factors and GWP used are shown in the following table:

SCOPE	COEFFICIENT	UNITY OF MEASURE	PERIMETER	2021	2022	2023	SOURCE
SCOPE 1	Natural gas E.F.	TonCO ₂ /1000 stdm ³	GROUP	1.983	1.991	2.00	Ministry for the Environment, Land and Sea
	Diesel E.F.	TonCO ₂ /Ton		3.169	3.169	3.169	
	GWP R410A	Kg CO _{2eq} /Kg F-Gas		2,088	2,255.5	2,255.5	IPCC, 4th Assessment Report (AR) (2020 e 2021), 6th Assessment Report (AR) (2022)
	GWP 407C			1,774	1,907.9	1,907.9	
	GWP R32			675	771	771	
	GWP R134A			1,430	5,810	1,530	
	GWP R448A			-	1,386	1,386	
SCOPE 2	Market-Based Electricity E.F.	gCO _{2eq} ./kWh	ITALY	456.57	457.15	457.15	AIB – European Residual Mixes
			SPAIN	295.83	275.11	275.11	
	Location-Based Electricity E.F.	gCO _{2eq} ./kWh	ITALY	315	315	-	Terna – International comparisons
			SPAIN	210	210	-	
		gCO _{2eq} ./kWh	ITALY			252	European Environmental Agency – EF Scope 2 (2022)
			SPAIN			205	

For information and further details regarding this document, please contact:



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info@rodacciai.com

For the calculation of the Group's GHG emissions and energy consumption, the conversion factors used (lower calorific value and density of natural gas and diesel) are derived from the annually updated DEFRA (Department for Environment, Food and Rural Affairs) database of the Government of the United Kingdom.



GRI CONTENT INDEX

DECLARATION OF USE	Gruppo Rodasteel has published this report in compliance with GRI Standards for the period 01/01/2023 – 31/12/2023
GRI 1 USED	GRI 1 – Foundation 2021
RELEVANT GRI SECTOR STANDARD	Not applicable

GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
GENERAL DISCLOSURES				
	2-1	Organisational details	Methodological note	-
	2-2	Entities included in the organisation's sustainability reporting	Methodological note	-
	2-3	Reporting period, frequency, and contact point	Methodological note	-
	2-4	Revisione delle informazioni	GRI Content Index	No restatements of information were made in relation to the previous Sustainability Report. Any changes to 2021 and 2022 data due to changes in methodology or errors in charts are appropriately flagged within the text.
	2-5	External assurance	Methodological note	-
	2-6	Activities, value chain and other business relationships	1. The Rodasteel identity	-
	2-7	Employees	2.1 The strength of one large team	-
	2-8	Workers who are not employees	2.1 The strength of one large team	-
	2-9	Governance structure and composition	1. The Rodasteel identity	-

GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
GENERAL DISCLOSURES				
	2-10	Nomination and selection of the highest governance body	GRI Content Index	The board of directors of Rodasteel is appointed by the sole shareholder's meeting in accordance with the provisions of the bylaws. The selection process is consolidated over time and, at the end of each term, one of the main criteria for evaluating and selecting candidates is the maintenance of continuity.
	2-11	Chair of the highest governance body	1. The Rodasteel identity	-
	2-12	Role of the highest governance body in overseeing the management of impacts	1. The Rodasteel identity	-
	2-13	Delegation of responsibility for managing impacts	1. The Rodasteel identity	-
	2-14	Role of the highest governance body in sustainability reporting	1. The Rodasteel identity	-
	2-15	Conflicts of interest	1. The Rodasteel identity	-
	2-16	Communication of critical concerns	GRI Content Index	There is a criticality communication process that starts from the bottom, where the Boards of Directors of the two companies are a point of reference before reaching the Rodasteel Board. In the three-year reporting period, there were no criticality communications to the BoD.
	2-17	Collective knowledge of the highest governance body	1. The Rodasteel identity	-
	2-18	Evaluation of the performance of the highest governance body	GRI Content Index	Currently, board members are not subject to periodic performance evaluation on sustainability issues.
	2-19	Remuneration policies	GRI Content Index	Currently, there is no company policy regarding remuneration.
	2-20	Process to determine remuneration	GRI Content Index	Currently, there is no company policy regarding remuneration.



GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
GENERAL DISCLOSURES				
	2-21	Annual total compensation ratio	GRI Content Index	The annual total pay ratio is not reported within the document due to confidentiality constraints, the information being confidential and non-publishable.
	2-22	Statement on sustainable development strategy	Lettera agli stakeholder	-
	2-23	Policy commitments	1. The Rodasteel identity	-
	2-24	Embedding policy commitments	1. The Rodasteel identity	-
	2-25	Processes to remediate negative impacts	Materiality analysis	-
	2-26	Mechanisms for seeking advice and raising concerns	1. The Rodasteel identity	-
	2-27	Compliance with laws and regulations	GRI Content Index	In the three-year reporting period, noncompliance was found with respect to regulations in 2022, resulting in fines.
	2-28	Membership associations	GRI Content Index	Rodasteel is a member of the following associations: Federacciai, Cetronox, Eurofer, Italian Metallurgy Association.
	2-29	Approach to stakeholder engagement	Rodasteel stakeholders	-
	2-30	Collective bargaining agreements	GRI Content Index	All Group employees are covered by collective bargaining agreements.

GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
MATERIAL TOPICS				
GRI 3: Material topics 2021	3-1	Process to determine material topics	Materiality analysis	-
	3-2	List of material topics	Materiality analysis	-
ATTENTION TO EMPLOYEES AND THEIR DEVELOPMENT				
GRI 3: Material topics 2021	3-3	Management of material topics	2.2 The development of human capital	-
GRI 404: Formazione e istruzione 2016	404-1	Average hours of training per year per employee	2.2 The development of human capital	-
	404-3	Percentage of employees receiving regular performance and career development reviews	2.2 The development of human capital	-
ENERGY CONSUMPTION AND CLIMATE CHANGE				
GRI 3: Material topics 2021	3-3	Management of material topics	3.2 Energy and GHG Emissions	-
GRI 302: Energy 2016	302-1	Energy consumed within the organisation	3.2 Energy and GHG Emissions	-
	302-4	Energy intensity	3.2 Energy and GHG Emissions	-
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.2 Energy and GHG Emissions	-
	305-2	Energy indirect (Scope 2) GHG emissions	3.2 Energy and GHG Emissions	-
SOCIO-ECONOMIC VALUE CREATION AND SUPPORT FOR LOCAL COMMUNITIES				
GRI 3: Material topics 2021	3-3	Management of material topics	1.2 Professionalism and transparency along the supply chain 1.3 Proximity to local communities 2.1 The strength of one large team	-
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	1.3 Proximity to local communities	-



GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	1.2 Professionalism and transparency along the supply chain	-
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	2.1 The strength of one large team	-
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.1 The strength of one large team	-
CIRCULAR ECONOMY				
GRI 3: Material topics 2021	3-3	Management of material topics	3.1 The management of raw materials 3.4 The waste management	-
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.1 The management of raw materials	-
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.4 The waste management	-
	306-2	Management of significant wasterelated impacts	3.4 The waste management	-
	306-3	Waste generated	3.4 The waste management	-
AIR POLLUTANT EMISSIONS				
GRI 3: Material topics 2021	3-3	Management of material topics	3.3 The management of pollutant emissions	-
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	3.3 The management of pollutant emissions	-
WATER RESOURCES MANAGEMENT				
GRI 3: Material topics 2021	3-3	Management of material topics	3.5 The management of water resources	-
GRI 303: Water and effluents 2018	303-1	Interaction with water as a shared resource	3.5 The management of water resources	-
	303-2	Management of impacts related to water discharge	3.5 The management of water resources	-

GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
WATER RESOURCES MANAGEMENT				
GRI 303: Water and effluents 2018	303-3	Water withdrawal	3.5 The management of water resources	-
	303-4	Water discharge	3.5 The management of water resources	-
BUSINESS INTEGRITY				
GRI 3: Material topics 2021	3-3	Management of material topics	1. The Rodasteel identity	-
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1. The Rodasteel identity	-
GRI 206: Anticompetitive behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1. The Rodasteel identity	-
PRODUCT QUALITY AND INNOVATION				
GRI 3: Material topics 2021	3-3	Management of material topics	FOCUS: Continuous innovation for the quality of our products 1.1 Experience and competitiveness	-
RESPECT FOR AND PROTECTION OF HUMAN RIGHTS				
GRI 3: Material topics 2021	302-1	Management of material topics	2.1 The strength of one large team	-
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees	2.1 The strength of one large team	-
GRI 406: Non discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	2.1 The strength of one large team	-
WORKER HEALTH AND SAFETY				
GRI 3: Material topics 2021	3-3	Management of material topics	2.3 Health and safety: the priority of Rodasteel	-
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	2.3 Health and safety: the priority of Rodasteel	-

GRI STANDARDS	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	NOTES AND OMISSIONS
GRI 403: Occupational health and safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	2.3 Health and safety: the priority of Rodasteel	-
	403-3	Occupational health services	2.3 Health and safety: the priority of Rodasteel	-
	403-4	Worker participation, consultation, and communication on occupational health and safety	2.3 Health and safety: the priority of Rodasteel	-
	403-5	Worker training on occupational health and safety	2.2 The development of human capital 2.3 Health and safety: the priority of Rodasteel	-
	403-6	Promotion of worker health	2.3 Health and safety: the priority of Rodasteel	-
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.3 Health and safety: the priority of Rodasteel	-
	403-9	Work-related injuries	2.3 Health and safety: the priority of Rodasteel	-
	403-10	Work-related ill health	2.3 Health and safety: the priority of Rodasteel	-
CROSS-CUTTING INDICATORS ACROSS ALL THEMES				
GRI 3: Material topics 2021	3-3	Management of material topics	1.2 Professionalism and transparency along the supply chain	-
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	1.2 Professionalism and transparency along the supply chain	-
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	1.2 Professionalism and transparency along the supply chain	-



Independent Accountant's Assurance Report on the "2023 Sustainability Report"

(Translation from the original Italian text)

To the Board of Directors of
Rodasteel Corporation AG

We have been appointed to perform a limited assurance engagement on the Sustainability Report of Rodasteel Group (hereinafter "the Group") for the year ended on December 31, 2023.

Directors' responsibility on the Sustainability Report

The Directors of Rodasteel Corporation AG are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Rodasteel Group regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles 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, professional competence and diligence, confidentiality, and professional behavior.

Our audit firm applies the International Standard on Quality Control (ISQM Italy) 1 and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, based on the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the criteria established by the principle "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. This principle requires the planning and execution of procedures to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, in order to assess the reasonableness of the selection process followed having in mind the reporting standard used;
2. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report. In particular, we have conducted interviews and discussions with the management of Rodasteel Corporation AG and with the personnel of Rodacciai S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report. Furthermore, for significant information, considering the Group's activities and characteristics:
 - at Group level
 - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidences;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
 - for Bosisio Parini plant of Rodacciai S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Rodasteel Group for the year ended on December 31, 2023 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, reference to the GRI Standards selection as described in the paragraph "Methodological note" of the Sustainability Report.

Milan, 25 July 2024

EY S.p.A.
Massimo Meloni, Auditor

This report has been translated into the English language solely for the convenience of international readers.



A handwritten signature in black ink, appearing to read "John", is centered on the page.



Stampato su carta riciclata al 100%

RODASTEEL  **CORPORATION**®

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