Arvedi AST TERNI

Sustainability report 2026

Financial year 2025



Arvedi

Arvedi AST TIERNI

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Letter to the stakeholders

The 2025 Sustainability Document of Arvedi AST confirms the path undertaken towards an industrial model capable of combining competitiveness, environmental responsibility, safety, innovation and local roots.

As in previous years, we have chosen to report our ESG performance voluntarily, as part of the Group's performance, because we consider sustainability not as a formal obligation, but as an integral part of our industrial identity, of the way we do business and of the relationship of trust we intend to maintain with workers, customers, suppliers, institutions, local communities and financial stakeholders.

2025 was a particularly significant year. Arvedi AST operated in a complex industrial context, marked by market volatility, pressure on energy costs, growing decarbonisation needs and profound changes in customer demand. In this scenario, the company continued to oversee its role as a European stainless-steel hub, maintaining a strong focus on product quality, process efficiency and the continuity of its sustainable development path. Our production capacity remained based on an integrated, flexible and highly technological industrial model.

On the climate and energy front, 2025 marks an important step. The electricity consumed at the production plant comes entirely from certified renewable sources. Scope 2 emissions calculated according to the market-based approach were zero, while total Scope 1 and Scope 2 market-based emissions decreased by 47.3% compared with the previous year. This is a significant result, confirming the direction of our decarbonisation pathway, while recognising that the transition requires investment, methodological consistency and continuity over time.

The reduction of the carbon footprint cannot rely on a single measure. For this reason, Arvedi AST's strategy is based on several integrated levers: energy efficiency, energy from renewable sources, circular economy, increased use of recycled materials, technological innovation, and the progressive replacement of carbon-intensive fuels and materials. This perspective includes projects such as the new walking beam slab reheating furnace, the development of the product carbon footprint according to ISO 14067 and work on the supply chain.

Circularity is a significant feature of our production model. Stainless steel is a durable, recyclable and strategic material for many supply chains in the ecological transition. In 2025, recycled metal content in solid steel production reached 90.0%.

This figure clearly reflects the company's ability to enhance the value of secondary raw materials and reduce the use of virgin materials, contributing to more efficient use of resources.

A central milestone during the year was the Programme Agreement signed at the Ministry of Enterprises and Made in Italy. The Agreement provides a strategic framework for the future of the Terni site, integrating industrial development, environmental safety measures, decarbonisation, investments, employment protection and institutional collaboration.

Environmental sustainability, however, cannot be separated from social responsibility. Occupational safety remains our foremost value. We will continue to invest in prevention, training, technologies, procedures and organisational culture, because no industrial result can be considered fully positive unless it is accompanied by the protection of people. The same attention is paid to skills development, dialogue with workers' representatives, corporate welfare and relations with schools, universities and the local area.

The ResponsibleSteel™ certification is also part of this framework and represents an international benchmark for responsible steel production for Arvedi AST.

Our commitment also extends to the local area. Arvedi AST has operated for over 140 years in the heart of the city of Terni. This characteristic entails a specific responsibility: Producing steel in an urban context means maintaining ongoing dialogue with the community, monitoring environmental impacts, investing in more efficient technologies, working with institutions and contributing to the economic and social development of the local area.

The 2025 Sustainability Document therefore describes a company engaged in a transition path that is not without complexity, but is based on measurable industrial choices. Our ambition is to continue producing high-quality stainless steel that is competitive on international markets, while progressively reducing environmental impacts and strengthening the value generated for people, the local area and the value chain.
We know that industrial sustainability requires realism, investment and continuity. With this approach, Arvedi AST intends to address the coming years, confirming its role in European steelmaking, contributing to the ecological transition and continuing to build a solid and innovative industrial future in Terni.

Dimitri Menecali, engineer
AD Arvedi AST

1 Introduction



Arvedi AST TERNI

1.1 Sustainability reporting criteria

Publication of the Sustainability Document (hereinafter also the "Report" or "Sustainability Reporting") is not a regulatory obligation for Arvedi AST. However, the company has long chosen to report its ESG performance voluntarily, confirming its consolidated commitment to social and environmental responsibility.

The Report is a tool for transparency and dialogue with stakeholders, as well as a strategic support for the integration of sustainability principles into decision-making processes, in a context characterised by the ecological transition and the evolution towards sustainable development models.

Reporting standards

The Report was prepared with reference to the European Sustainability Reporting Standards (ESRS), provided for by Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD), as well as to the GRI Sustainability Reporting Standards 2021 published by the Global Reporting Initiative.

Considering the voluntary and proportionate nature of the reporting, the document does not apply all the standards and disclosures provided for by the ESRS framework in full, but includes the information considered most significant for presenting the material topics, the main impacts, risks and opportunities (IROs), and the Company's ESG performance.

The report was prepared considering both the interoperability between GRI and ESRS and ongoing regulatory developments, with special reference to the proposed revision and simplification of CSRD requirements contained in the 'Omnibus package' presented by the European Commission on 26 February 2025.

The "ESRS Content Index" and "GRI Content Index" tables, included in the appendix, show the level of coverage of information for each sustainability topic reported.

Considering the importance of Arvedi AST's activities in the transition towards a circular economy, the Report integrates the information provided in accordance with the ESRS with additional indicators relating to circularity performance. This information is processed with reference to the monitoring framework on the circular economy published by the European Commission in 2023, as well as to ISO 59020 and ISO 14021.

In order to enable a more accurate assessment of environmental performance and more complete monitoring of progress towards the objectives set, intensity indicators (for example, energy intensity and emissions intensity) are calculated not only in relation to revenue, as provided for by the ESRS, but also in relation to the quantities of material processed and steel produced. This approach makes it possible to assess environmental performance more accurately, as it is not subject to the variability associated with economic and financial factors.

Reporting period

The information contained in the Report refers to financial year 2025 (1 January – 31 December). Where available, data is presented in chronological order to enable an assessment of the evolution of company performance.
The document also includes information on significant events occurred after the end of the financial year.

Agenda 2030

The reporting of corporate activities and performance is also related to the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, to which Arvedi AST contributes through its own strategies and initiatives.

OBJECTIVES FOR SUSTAINABLE DEVELOPMENT



1.2 Materiality analysis

The identification of the topics reported in this Sustainability Report derives from an analysis process started by Arvedi AST in previous years, based on an internal and external survey that formed the basis of the first materiality analysis conducted according to the GRI guidelines.

Over time, this approach was updated and strengthened through the development of a materiality analysis carried out by the Arvedi Group and conducted according to the criteria provided for by the European Sustainability Reporting Standards (ESRS).

The analysis underwent a methodological update aimed at ensuring greater robustness and alignment with regulatory and market developments. In particular, the process took into account:

- of the criteria introduced by the ESRS, although Arvedi AST is not currently subject to the reporting obligations provided for by the CSRD Directive;
- of the assessment of the impacts, risks and opportunities (IRO) associated with corporate activities and the value chain;
- the findings of the materiality analysis conducted at Arvedi Group level, as a common reference for the subsidiaries.

The analysis process made it possible to identify the material topics, i.e. the priority areas for effective, complete and transparent reporting of sustainability performance. Identification was carried out by assessing the current and potential impacts generated by the company, integrated with stakeholder expectations and an analysis of the main contextual trends. The analysis made it possible to identify and assess the impacts, risks and opportunities (IROs) associated with Arvedi AST's activities, defining the ESG priorities relevant for reporting purposes. More detailed information is provided in the appendix.

TANGIBLE TOPICS

GOVERNANCE

- Business model and strategy — ESRS 2
- Governance of sustainability topics — ESRS 2
- Relations with Stakeholders — ESRS 2
- Value chain — ESRS 2

ENVIRONMENTAL TOPICS

- Energy and climate change — ESRS E1
- Pollution (air, water) — ESRS E2
- Water — ESRS E3
- Biodiversity and ecosystems — ESRS E4
- Use of resources and circular economy — ESRS E5

SOCIAL TOPICS

- Own workforce (workers' rights, health and safety, training, equal opportunities, company welfare) — ESRS S1
- Workers in the value chain — ESRS S2
- Affected communities — ESRS S3

BUSINESS CONDUCT

- Ethics, business conduct, compliance — ESRS G1
- Human rights — ESRS G1
- Relations with suppliers — ESRS G1

Impacts, risks and opportunities

The analysis of impacts, risks and opportunities (IRO) was conducted in line with the ESRS standards, with the objective of identifying the main ESG factors relevant to the business model and to the company's operating context. In particular:

- **Impacts** represent the positive or negative, actual or potential effects that the company's activities generate on the environment and on people.
- **Risks** refer to events or conditions that could have negative financial, operational, legal or reputational effects.
- **Opportunities** concern environmental, social or governance factors that can make a positive contribution to strategy, the business model and value creation in the medium to long term.

The analysis shows that the most significant risks are linked to climate change, occupational safety, supply-chain continuity and regulatory compliance, with potential economic, operational and reputational impacts. In particular, physical and transition risks linked to climate, together with growing regulatory and market requirements in the ESG area, represent the main areas of strategic focus.

At the same time, established positive impacts emerge, including structured welfare and safety systems, a solid corporate culture and strong local roots, which contribute to the creation of shared value. The opportunities are closely linked to the ecological transition, the development of human capital, the strengthening of governance and the creation of a sustainable supply chain capable of improving the company's competitive positioning.

Overall, the analysis highlights an evolutionary path oriented towards the transition from a risk management logic to an integrated perspective of sustainable value creation over the medium to long term, through the integration of ESG factors into the corporate strategy.

The detailed analysis of impacts, risks and opportunities is provided in the **APPENDIX.**



2
General information

Arvedi AST TERNI

Arvedi AST



PRODUCTION

846,975

tonnes



TURNOVER

over 2.1

billion euros



EMPLOYMENT

2,279

employees

AST S.p.A., subsidiary and integral part of Arvedi Group, is based in Terni and specialises in the production of flat-rolled stainless steel products through an integrated hot and cold rolling cycle. The plant is one of the leading integrated production sites internationally.

The history of steelmaking in Terni dates back to 1884, when the city of Terni was chosen to host the largest industrial complex in unified Italy, the “Società degli Alti Forni, Fonderie ed Acciaierie di Terni”. This gave rise to a production entity that was unique on the national landscape and destined to become a symbol of the modernisation of Italian industry.

Today, with over 140 years of experience, Arvedi AST is one of the leading European steelmaking hubs in the stainless steel sector with an integrated cycle.

The company's core business consists in flat-rolled stainless steel products, to segment in which AST is leader in Italy and among the top four producers in Europe. These activities are complemented by the production of stainless steel welded tubes through Tubificio di Terni, a subsidiary, and special steel forgings, among the largest worldwide, produced by the Forging Division.

Production activities are concentrated at the Terni site, which extends over an area of more than 1.5 million square metres and covers the entire industrial cycle, from melting through to packaging of the finished product.

Arvedi Group

Finarvedi is the holding company of the Arvedi Group, whose core business consists of steelmaking activities, with total production of over 7 million tonnes of steel intended for highly specialised markets and characterised by high quality standards. The Group employs more than 6,400 people and generates consolidated turnover of approximately EUR 5.5 billion.

The acquisition, in 2022, of Acciai Speciali Terni's operations further strengthened the Group's positioning in the stainless steel segment, contributing significantly to the expansion of production volumes and revenues.

Today, the Arvedi Group stands out as one of the leading European operators in steel production, thanks to an integrated portfolio of activities covering the entire steel value chain. The offering ranges from primary products — such as steel and hot-rolled coils — to high-value-added finished products, including cold-rolled products, precision re-rolled products, tubes and stainless steel forgings.

The Group's activities include the production of hot- and cold-rolled flat products in carbon and stainless steel, the manufacture of steel tubes, precision re-rolling and the trading of steel products.

The Group companies operate according to an organisational model focused on specialisation, with technologically advanced plants and optimised processes designed to ensure high levels of efficiency, quality and flexibility.

Highly qualified management leads a lean and responsive organisation capable of responding promptly to market needs and ensuring a high level of service. The technological, ergonomic and environmental choices adopted by the Group reflect a constant commitment to sustainability, with particular attention to the protection of people and the environment.

Thanks to its development strategies and investment policies focused on product quality, the Arvedi Group is one of the most technologically advanced steel groups in Europe, with modern plants, state-of-the-art technologies, specific know-how and patents, trademarks and quality approvals.

The Arvedi Group formally joined the UN Global Compact in March 2025.

Finarvedi SpA

CARBON STEEL

- AcciaieriaArvedi
- CSI Centro Siderurgico Industriale
- Euro-Trade
- Arvedi Tubi Acciaio
- Metalfer
- Metalfer Poland
- Metalfer Automotive
- Metalfer Morocco
- Arvedi Metalfer Brasil

STAINLESS STEEL

- Arvedi AST
- SDF
- Terninox
- AST Deutschland
- AST Turkey
- Tubificio di Terni
- iltainox
- Arinox

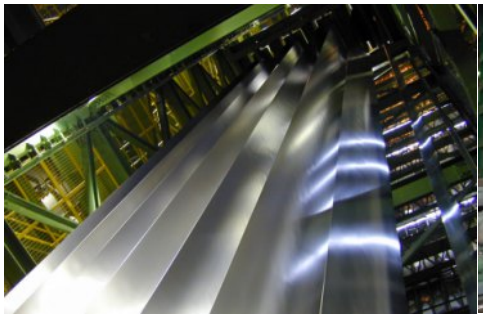
Arvedi AST production

Arvedi AST's core business consists of flat stainless steel products, a segment in which the company is leader in Italy and among the leading producers at European level.
The production cycle, characterised by advanced technologies and a high level of industrial integration, covers the entire value chain, from melting to finishing. In particular, it includes:

- Electric arc furnaces;
- AOD/VOD converters;
- Continuous casting;
- Hot rolling;
- Finishing processes, including pickling lines;
- Sendzimir cold rolling mills;
- Bright Annealing lines, also with in-line Skin Pass and Stretch Leveller;
- Cutting and finishing lines.

Core production includes hot- and cold-rolled coils and sheets in austenitic, ferritic and martensitic stainless steel, available in a wide range of sizes and surface finishes. The offering is completed by pre-painted stainless steels, produced at a modern Service Centre equipped with a painting line, cutting systems and surface finishing processes (brushing and satin finishing), placing AST among the leading European service centres in the sector.

The products are used in many areas - including transport, household appliances, construction and industrial applications - thanks to the high technical performance and versatility of stainless steel.



ROLLED PRODUCTS



FORGINGS



PIPES

Arvedi AST TERNI

MAIN PRODUCTION AREAS



ROLLED PRODUCTS
They represent the heart of the plant. Production includes austenitic, ferritic and martensitic stainless steels, characterised by different chemical compositions and mechanical properties, capable of meeting a wide variety of applications.
The products are available in numerous combinations of finishes, thicknesses, widths and lengths, with customised packaging solutions according to customer needs.



FORGINGS
The Forging Division, extending over an area of approximately 120,000 m², produces a wide range of high-quality special steel forgings for strategic sectors such as energy, industry and mechanical engineering.
The business is based on consolidated metallurgical expertise, integrated with advanced technologies and strict quality controls, in order to ensure reliability, safety and operational continuity.



TUBES (TUBIFICIO DI TERNI)
Tubificio di Terni, an AST subsidiary, specialises in the production of welded stainless steel tubes and is recognised internationally, particularly in the automotive and furniture sectors.
The offering is supported by a highly structured quality management system and an extensive logistics network, with approximately 30 warehouses in Europe, enabling fast and efficient delivery times.

Production volumes

In 2025, **internal production** stood at **846,975 tonnes,** down compared with 2024 as a result of the reduction in stainless-steel slab volumes, while production of forgings increased.

Production (tonnes)	2024	2025
Stainless Steel Slabs	1,016,555.7	826,358.42
Forged items	18,153.5	20,616.15
Total	**1,034,709.2**	**846,974.57**

At the same time, an increase was observed in the use of slabs purchased from external suppliers, subsequently introduced into the company production cycle starting from the reheating and hot rolling phases, amounting to 214,496 tonnes in 2025.

Taking these contributions into account as well, the total production volume used in this Report to calculate intensity indicators (energy intensity, emissions intensity, water intensity, etc.) amounted to **1,061,470 tonnes** in 2025 (compared with 1,095,053 tonnes in 2024). The use of external semi-finished products reflects the company's ability to adapt its operating model to the market context, ensuring production continuity and competitiveness, while also enhancing higher-technology segments.

Sustainability report 2026



Arvedi

2.2 Governance

Corporate governance system

The corporate governance system adopted by Arvedi AST is based on the Board of Directors, whose Chairman, in accordance with the provisions of law and the Articles of Association, also holds the legal representation of the company.

In order to ensure improved operational management, the company also proceeds — following the guidelines of the reference shareholder and within the scope of management and coordination activities regarding corporate organization — with the appointment of delegated bodies (CEO and/or Managing Directors), each with specific mandates and related powers.

The Board of Directors is supported in its control functions by a Board of Auditors appointed by the shareholders' meeting.

Within its governance model, the company also promotes the integration of environmental, social and governance (ESG) factors into decision-making processes and control systems, in order to support sustainable, long-term management of its activities.

BOARD OF DIRECTORS

CdA

Giovanni Amedeo Arvedi
Chairman

Mario Carlo Arvedi Caldonazzo
Deputy Chairman and Managing Director

Dimitri Menecali
Chief Executive Officer

Angelo Saracino
Managing Director

Gian Luca Gigli
Managing Director

Giancarlo Stringhini
Director

BOARD OF STATUTORY AUDITORS

BoA

Pietro Carena
Chairman

Fabrizio Colombo
Standing Auditor

Andrea Parolini
Standing Auditor

Management Committee

During 2025, the Management Committee was established with the aim of supporting the decision-making process and ensuring a structured and continuous flow of information to the ownership on the company's operational, financial and management developments, as well as ensuring implementation of the related strategic guidelines.
In particular, the Committee is responsible for:

- monitor the performance of corporate activities and the main decisions in progress;
- collect and analyse data, results and trends, preparing Report informational to support of the Chairman;
- ensure the timeliness, accuracy and relevance of information for decision-making purposes;
- propose operational solutions and strategic directions in relation to the critical issues identified.

The Committee is composed of members appointed by the Chairman and includes the main corporate functions, including:
- Chief Executive Officer (Director);
- Chief Technology Officer (Director);
- Chief Financial Officer (Director);
- Plant Manager (Employer);
- Production Director;
- Quality Manager;
- Sales Director;
- PURCHASING DIRECTOR

System of delegations and authorisations

The corporate governance system is implemented through the allocation of delegated powers and powers of attorney within senior management. The company has adopted a structured approach for the management of the system of delegations and authorisations that is based on the following principles:

- the powers conferred must be consistent with the organisation and with the role and responsibilities of the person granting and the person receiving the delegation;
- the conferral of unlimited powers must be avoided;
- where possible, the “four eyes” principle must be guaranteed (e.g. by joint signature, preventive or ex post information flows);
- the system must be communicated and disseminated within the organisation;
- the system must be promptly updated following changes to corporate organisation and/or governance.

Delegations and functions in environment, health and safety, sustainability

The sustainability governance structure is completed by a system of delegated powers and functions in the areas of environment, health and safety, designed to ensure effective and continuous oversight of the relevant areas.
Delegated functions are constantly updated to ensure full compliance with regulatory obligations, with particular reference to environmental protection, occupational health and safety, plant safety and control of activities carried out within the company complex.

Sustainability Committee

Since 2023, the company has adopted a dedicated organisational structure for sustainability governance. Among the members of the Board of Directors, the CTO (Chief Technical Officer) was appointed as sustainability officer for the AST site. A Sustainability Committee has also been established, acting as a link between the Board of Directors and the corporate functions involved in implementing ESG initiatives.

The Committee's main tasks include:

- supervise and assess the organisation's sustainability performance, in line with ResponsibleSteel standards and applicable legislation;
- encourage the integration of sustainability into the business plan and corporate culture, promoting its disclosure at all levels;
- Define ESG performance objectives and monitor their achievement;
- coordinate and monitor sustainability plans and projects and their KPIs;
- examine and approve the structure and content of the Sustainability Report;
- promote initiatives in the field of energy transition, both in terms of the evolution of production processes and the development of the product portfolio;
- identify the certification initiatives, ESG ratings, and carbon disclosure processes best suited to represent the organization's commitment;
- collaborate with corporate functions in implementing sustainability initiatives;
- ensure effective and transparent communication with internal and external stakeholders;
- report periodically to the Board of Directors on progress against sustainability objectives and compliance with ResponsibleSteel standards.

The Committee is made up of members appointed by Top Management and representative of the main corporate functions, including:

- CTO (Chief Technology Officer), who chairs and coordinates the Committee's activities in his capacity as Head of Sustainability;
- Group Sustainability Manager;
- Product and Process Development Manager;
- Factory Manager;
- Ecology, Environment, Safety Manager;
- Purchasing Manager;
- Human Resources Manager;
- Head of Management Control;
- Head of Legal and Corporate Affairs;
- Head of Group Compliance and Governance;
- Information System Manager;
- Energy Manager;
- Head of External and Institutional Relations, Corporate Welfare and Social Responsibility Activities;
- Quality Data Manager.

The technical coordination and reporting of sustainability projects are entrusted to Ente projects of Sustainability (Sustainability Projects Unit).

Incentive systems and ESG factors

As at 31 December 2025, there were no formally structured incentive systems directly and systematically linking the remuneration of directors and managers to the achievement of specific ESG objectives.

However, variable incentive systems are indirectly correlated with overall corporate performance, which also includes relevant aspects relating to safety, operational efficiency and sustainability.

The company is progressively assessing possible developments in incentive systems, with a view to greater integration of ESG factors.

Group Compliance and Governance Department

Arvedi AST's sustainability governance is supported by the Group Compliance and Governance function, which is entrusted with defining and overseeing the corporate values and commitments that guide the organisational culture, provide the reference framework for internal policies and guide conduct and decision-making processes.

The function ensures the consistency and uniform application of these principles across all company areas, overseeing the review and updating of the internal regulatory corpus through Guidelines and Management Procedures. In this area, it ensures alignment between systems, processes and organisational structure, as well as the clear definition of roles and responsibilities, in line with the principles expressed in the Arvedi Group Code of Conduct.

The function also carries out support activities in the following areas:

- due diligence on commercial partners (in particular agents);
- trade compliance relating to suppliers and customers;
- preparation of compliance statements for contracts of particular relevance.

It also handles the analysis and updating of the Organisational Models pursuant to Legislative Decree 231/2001 and ensures coordination with the Supervisory Bodies of the Group companies.

As part of the Arvedi Group's compliance programme (Antitrust, Anti-Corruption, GDPR, Anti-Money Laundering), it provides information and training to staff on compliance and governance issues.

Organisational model 231

The company adopts an organisation, management and control model pursuant to Legislative Decree 231/2001, designed to prevent the offences provided for by the legislation.

The Supervisory Body, appointed by the Board of Directors, consists of three members with autonomy, independence and adequate professional expertise, and is responsible for monitoring the effective implementation, updating and observance of the Model.

The internal auditing department, which reports directly to the Managing Director, is tasked with supporting the company in the assessment of the internal control system and the corporate risk management system. In coordination with the Supervisory Body, it contributes to monitoring the application of the procedures and tools adopted for compliance with Legislative Decree 231/2001.

During the reporting period, internal audits under Legislative Decree 231 were carried out on specific processes and predicate offences, in line with the supervision plan defined by the Supervisory Body.

Document management system

The most relevant areas of ESG sustainability risk are overseen and described within the Safety and Environment Management Systems.

Furthermore, with reference to the Quality Management System, the Company has adopted a specific framework to define the documentation hierarchy, in order to ensure:

- alignment between the corporate mission, the Code of Conduct, the Guidelines, the Management Procedures, the operational Procedures and instructions, and all other internal regulatory documentation;
- effective and efficient management of the document system, ensuring consistency, traceability and continuous updating.

In this area, a multi-year programme has been defined for reviewing and updating company documentation, involving more than 100 documents, with the aim of rationalising and harmonising the overall system.

In the reporting period, the following were issued/ revised/ updated:

- 5 Guidelines Leads of Group (for total overall of 9);
- 13 procedures Management of Quality (for total overall of 18).

2.3 Business model and strategy

Arvedi AST aims to consolidate and strengthen its leadership position in the market for flat stainless steel products, both nationally and internationally, with a particular focus on cold-rolled products and on increasing sales to end users.

Quality is a cross-cutting element of the entire business model and extends to all stages of the production process, contributing to improved effectiveness (product and service quality), operational efficiency (cost optimisation) and flexibility (ability to adapt to market needs).

In this context, the company strategy is based on several key drivers:

- innovation continua and development technological of the processes and of products;
- improvement of production efficiency through the optimisation of industrial processes;
- environmental sustainability, as a lever for competitiveness and long-term value creation;
- strengthening the relationship with the end customer, including by enhancing customer service.

This approach enables Arvedi AST to combine industrial performance, quality and sustainability, with a view to solid and lasting growth.



The EUROPEAN CONTEXT
Strategy for the competitiveness and decarbonisation of the steel industry

Within the context of the **Clean Industrial Deal**, the EU has defined a structured strategy to relaunch the competitiveness and decarbonisation of the steel sector, which is considered strategic but is under strong pressure due to high energy costs, global overcapacity and the investment required for the climate transition. The 2025 **European Steel and Metals Action Plan** addresses these critical issues through a coordinated set of measures.



A first pillar concerns **energy**, with the objective of ensuring access to clean electricity at competitive prices for the steel industry. In this direction, the aim is to facilitate long-term supply contracts (PPAs), reduce charges and taxes for energy-intensive sectors and strengthen energy infrastructure, including renewables and hydrogen.

A second pillar is **support for investment in low-carbon steel,** promoting technologies such as electric furnaces and hydrogen-based production. The instruments include state aid, European funds such as the Innovation Fund, and carbon contracts for difference, which reduce the economic risk of the transition.

The plan also provides for strong **trade defence** against international competition by strengthening safeguard measures, introducing new instruments after 2026 and using anti-dumping and anti-subsidy tools.

A central role is also played by the **CBAM,** which will be strengthened to prevent carbon leakage and circumvention practices such as resource shuffling, ensuring fairer conditions of competition.

At the same time, the aim is to **create markets for low-emission steel** by introducing standards and certification systems and using public demand (procurement, infrastructure and automotive) to support decarbonised products. This is accompanied by the promotion of **the circular economy,** with greater use of scrap and the development of recycling supply chains.

To complement this framework, **the Industrial Accelerator Act (IAA)**, presented by the European Commission in March 2026, introduces cross-cutting instruments that also affect steel, especially on the demand side. In particular, it provides that a share (indicatively 25%) of the steel used in projects financed with public funds should be low-carbon, creating a stable market and reducing the "green premium".

The IAA also introduces **climate standards** for steel used in sectors such as construction and automotive, encouraging more sustainable production technologies. At the same time, it promotes the creation of **"lead markets"** through low-carbon criteria and, in some cases, "Made in EU" requirements in procurement and support programmes, in order to strengthen European production and counter low-cost competition.

Finally, the regulation includes relevant indirect measures: simplification of authorisations for new plants, conditions on foreign investment and development of industrial clusters to accelerate production and infrastructure projects.

Overall, the European approach combines four main levers: reduction of energy costs, support for investment in decarbonisation, trade defence and creation of demand for low-carbon and circular steel, with the aim of preserving Europe's industrial base and guiding the transition towards sustainable steelmaking.

Towards a European label for industrial steel products



The Clean Industrial Deal provides for the introduction of a voluntary carbon-intensity label for industrial products, starting with steel, based on the EU ETS system and the CBAM methodology, in order to provide a simple, robust and verifiable indicator for reference markets and for public and private procurement.

This approach is also recalled and developed at sector level in the Steel and Metals Action Plan, which identifies the development of a voluntary carbon-intensity label for steel as one of the key tools for supporting demand for low-emission steel products and accompanying the ecological transition in the sector.

PROGRAMME AGREEMENT

In June 2025, at the Ministry of Enterprises and Made in Italy, the Programme Agreement "For the implementation of the integrated project for the safety upgrading and industrial reconversion of the Acciai Speciali Terni site" was signed.

The Agreement – concluded pursuant to Article 252-bis of Legislative Decree 152/2006 and signed by the Ministry of Enterprises and Made in Italy, the Ministry of Environment and Energy Security, the Ministry of Labour and Social Policies, the Region of Umbria, the Municipality of Terni, Invitalia, Acciaieria Arvedi and Arvedi AST – is of considerable strategic importance. The initiative aims to promote sustainable economic development, environmental remediation and the decarbonisation pathway of the Arvedi AST production site, located within the Terni-Papigno Site of National Interest and the Terni-Narni complex industrial crisis area.

The Agreement represents a key step in the industrial relaunch of the site and in the environmental protection of the area, establishing a development model geared towards sustainability, innovation and long-term competitiveness.

The Programme Agreement aims to:

- coordinate measures to modernise the AAST plants **and improve their energy and production efficiency;**
- ensuring the maintenance of employment levels and, where possible, their future increase;
- promoting workers' training and reskilling;
- supporting climate neutrality and the reduction of pollutant emissions, in line with European and national targets.

Integrated environmental plan

The Integrated environmental plan provides for:

- Decarbonisation: De-carbonisation: introduction of advanced technologies for the use of green hydrogen and alternative fuels;
- Energy efficiency: upgrading production facilities ;
- Circular economy: recovery and treatment of production waste and improvements in production yield;

- Developing green products to meet market demand for low-environmental-impact products;
- Environmental remediation: Environmental remediation: operational and permanent site safety, with particular attention to soil, subsoil and groundwater. Every expansion will be linked to the achievement of the recovery targets met from time to time;
- Air and water quality: reduction of pollutants typical of the steelmaking process.

Investments

The Business plan envisages a total investment of EUR 1,130 million, broken down into two phases:

- *First phase (2022-2028)*: investments of €557 million, intended for energy efficiency, environmental safety and plant redevelopment measures;
- *Second phase:* investments totalling €573 million, focusing on the production of low-carbon electrical and magnetic steel, **depending on developments in the relevant markets.**

The Programme Agreement provides for the possibility of accessing public incentives to support industrial investment, particularly through Development Contracts. Within this framework, public support of up to €96.5 million may be made available to help implement the investments envisaged in the Industrial Plan, particularly those aimed at modernising plants and decarbonising production processes.

Energy costs

Article 7 of the Agreement states that, "in order to make energy costs environmentally and economically sustainable, bearing in mind that this is a requirement for the competitive production of stainless and magnetic steel", the Umbria Region undertakes to assess mixed public-private management models for energy concessions. Furthermore, in compliance with the current national and EU regulatory framework, it declares its readiness to reserve 30% of its energy production capacity for energy-intensive companies in Umbria that guarantee the maintenance of consistent employment levels and environmental targets. Energy will be sold at the cost of production plus a commercial fee in line with that applied by the market. The parties will also consider the possibility of implementing simplified production and consumption systems (SSPC), and AST has declared its willingness to co-invest in order to increase the capacity of regional hydroelectric reservoirs.

Tax credit for the use of scrap metal

The Agreement sets out the Government's commitment to introduce a tax credit for steelmaking companies that produce stainless steel in electric furnaces using more than 90% scrap. The measure is intended to encourage the use of recycled materials, promote the circular economy and support the decarbonisation of the Italian steel industry over the period 2026–2030.

Employment engagements

AST is committed to:

- maintaining current employment levels (direct employees and in subsidiaries);
- stabilizing agency workers;
- initiating training paths for reskilling, jointly with institutions.

The Umbria Region will support active labour market policies through the 2021-2027 European Social Fund Plus (ESF+) Regional Programme.

Air quality

The Government and Umbria Region, with the support of ISPRA and ARPA Umbria, will conduct specific studies to:

- identify nickel emitting sources;
- monitor air quality in the Terni valley;
- update AST's Integrated Environmental Authorisation (AIA) with targeted requirements.

Implementation status of the Agreement

During 2025 and in the first months of 2026, Arvedi AST gave concrete effect to the commitments undertaken, continuing implementation of the 2022–2028 industrial and environmental investment plan. The measures launched concern, in particular, the decarbonisation of the production cycle, the improvement of environmental performance, the development of circular-economy solutions, as well as the activities for securing and redeveloping the areas included in the Terni-Papigno SIN.

The cost of energy continues to be a determining factor for the competitiveness of the steel sector, particularly for energy-intensive companies. In this context, Arvedi AST is engaged in constant and constructive dialogue with national, regional and local institutions, aimed at identifying structural solutions to support the competitiveness of the industrial system. Although the context is still evolving, the ongoing dialogue reflects an approach based on institutional collaboration consistent with the purposes of the Programme Agreement.

Full implementation of the Programme Agreement remains a necessary condition for the sustainable development of the site, as it brings together industrial investments, environmental transition and public-private cooperation.



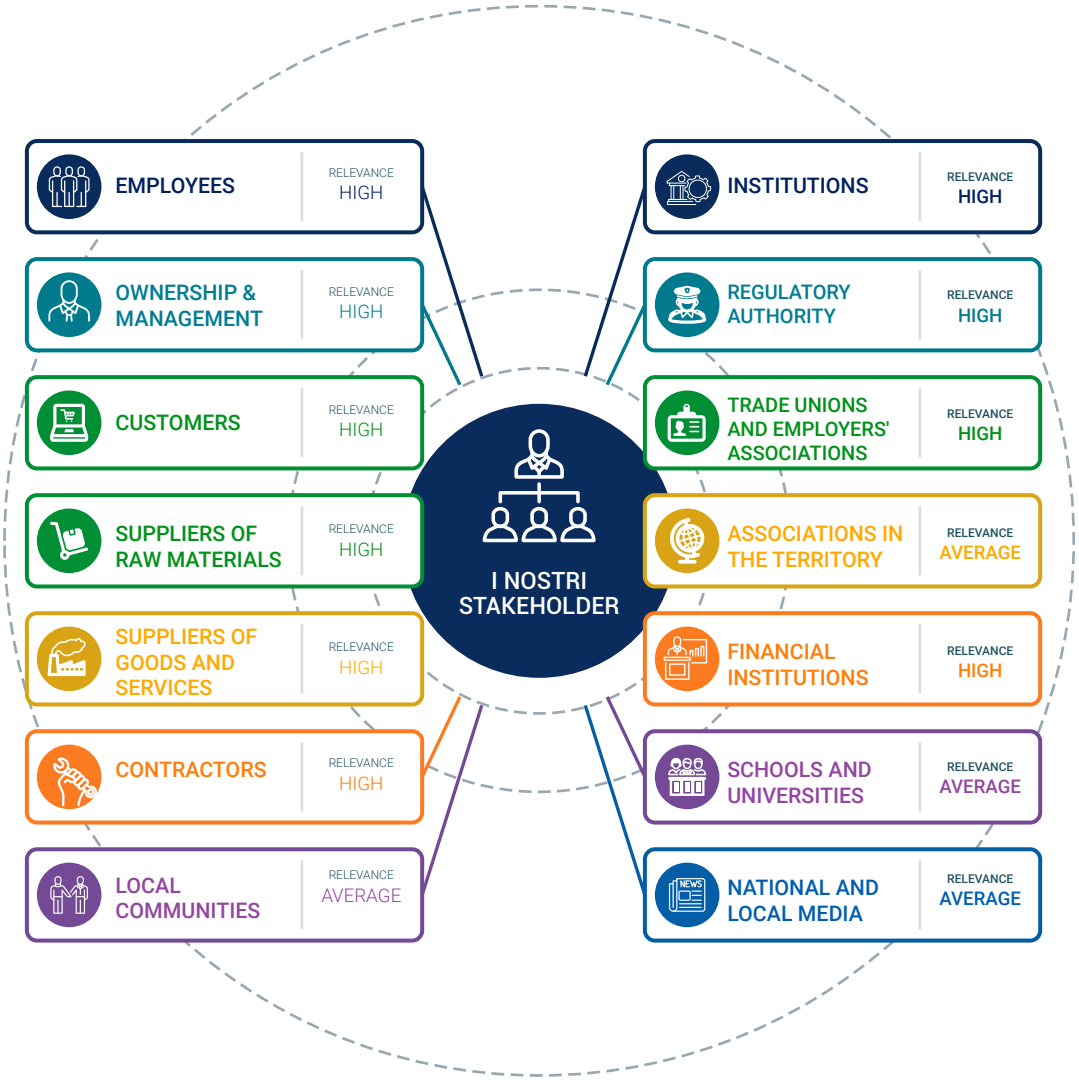
2.4 Relations with stakeholders

Arvedi AST recognizes the strategic importance of building and maintaining transparent and ongoing relationships with all its stakeholders, namely those who can influence or be influenced by the company's activities.

The identification and classification of stakeholders are an integral element of the certified management systems (ISO and ResponsibleSteel™) and constitute a key reference for guiding corporate decisions according to an integrated sustainability approach.

The mapping, conducted in line with the main international standards on social and environmental responsibility, made it possible to analyse the level of stakeholder relevance and understand their respective expectations, fostering the development of relationships based on trust, transparency and the creation of shared value.

The following table summarises the main stakeholder categories identified, describing their characteristics and the degree of strategic relevance assigned within the sustainable management model adopted by Arvedi AST.



During 2025, stakeholder engagement methods were further strengthened through:

- institutional and technical working groups with public bodies and competent authorities;
- periodic meetings with trade unions and workers' representatives;
- dialogue initiatives with the local area and local communities, also in relation to the main industrial and environmental projects;
- structured communication and relationship activities with local and national media.

Dialogue with stakeholders is confirmed as a central element for the sustainable management of business activities, contributing both to strengthening transparency and trust and to preventing and mitigating reputational and operational risks.

CATEGORIES	DESCRIPTION	RELEVANCE
Employees	People employed directly by Arvedi AST, including workers, office workers, technicians and managers. Expectations: fair working conditions, health and safety, training, well-being, professional growth.	High
Ownership & Management	Management team, shareholders, Board members. Expectations: economic performance, business ethics, risk management, long-term value.	High
Customers	Companies purchasing steel products. Expectations: quality, reliability, innovation, sustainability of production processes.	High
Suppliers of raw materials	Suppliers of coal, ferroalloys, scrap. Expectations: contractual clarity, continuity, respect for human rights and ESG criteria.	High
Suppliers of goods and services	Suppliers of plant, machinery, software, consultancy. Expectations: innovation, punctuality, sustainability.	High
Contractors	Third-party companies also operating within the factory. Expectations: safety, contractual clarity, compliance with regulations.	High
Local communities	Residents and local administrations close to the facilities. Expectations: environmental protection, economic benefits, transparency.	Medium
Institutions	Local and national public bodies. Expectations: regulatory compliance, taxation, land development.	High
Regulatory authority	Technical and supervisory bodies (e.g. INAIL, ARPA). Expectations: compliance, environmental and social risk management.	High
Trade Unions and Employers' Associations	Sector-specific trade unions and employers' organizations. Expectations: dialogue, representation, sustainable development.	Medium
Associations in the territory	Third sector, cultural and social organizations. Expectations: community projects, inclusion, volunteering support.	Medium
Financial institutions	Banks and investors. Expectations: transparency, economic soundness, adherence to ESG criteria.	High
Schools and Universities	Training and research organisations. Expectations: educational collaboration, innovation, skills development	Medium
National and local media	News outlets. Expectations: transparency, timeliness, responsible communication.	Medium

2.5 Sustainability policies

For Arvedi AST, ESG principles (environmental, social and governance) are a structural component of the business model and not merely a regulatory obligation.
The company integrates sustainability into decision-making and operational processes, considering it a strategic lever for long-term competitiveness.

Arvedi AST directs its commitment towards the following priority objectives:

- reduction of greenhouse gas emissions, in line with the Paris Agreement and European climate neutrality objectives;
- increased use of energy produced from renewable sources;
- improving energy efficiency through process optimisation and the adoption of advanced technologies;
- promoting the circular economy, with the aim of maximising value recovery and reducing environmental impacts;
- efficient use of natural resources, particularly water resources, through innovative technologies and recycling systems;
- strengthening the principles of ethics, transparency and integrity in corporate governance;
- protection of human rights and fundamental labour principles along the entire value chain, including through supplier engagement.

The full version of the ESG Sustainability Policy is published on the company's online website (https://www.acciaiterni.it/wp-content/uploads/2023/10/Politica-ESG_28_09_2023_IT.pdf).

SUSTAINABILITY OBJECTIVES

Arvedi AST directs its commitment towards the following priority objectives:

1

REDUCTION OF GREENHOUSE GAS EMISSIONS
in line with the Paris Agreement and European climate neutrality objectives.

2

INCREASED USE OF ENERGY PRODUCED FROM RENEWABLE SOURCES

3

IMPROVEMENT OF ENERGY EFFICIENCY
through process optimisation and the adoption of advanced technologies.

4

PROMOTION OF The CIRCULAR ECONOMY
with the aim of maximising value recovery and reducing environmental impacts.

5

EFFICIENT USE OF NATURAL RESOURCES
in particular water resources, through innovative technologies and recycling systems.

6

STRENGTHENING OF THE PRINCIPLES OF ETHICS, TRANSPARENCY AND INTEGRITY
Corporate governance

7

PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL PRINCIPLES AT WORK
along the entire value chain, including through supplier engagement.

These objectives guide our strategic and operational decisions to support the pursuit of corporate ESG objectives.



ESG policy system

In order to ensure consistency, transparency and continuity over time, Arvedi AST has structured an organic system of corporate policies that guide strategic choices, operating processes and relationships with stakeholders.
These policies are concrete management tools designed to monitor performance, prevent risks and identify opportunities for continuous improvement, ensuring the integration of sustainability principles throughout the entire value chain.
In particular, the company has adopted:

- ESG sustainability policy
- Environmental policy
- Energy policy
- Occupational health and safety policy
- Human rights policy
- Responsible purchasing policy
- Anti-corruption policy
- Quality policy

Details of the related policies, actions and targets are set out in the thematic chapters of this Report, while the full documents are available on the company website.
https://www.acciaiterni.it/services-solutions/sistema-qualita/#dichiarazioni-di-politica

ESG POLICY SYSTEM

AN INTEGRATED COMMITMENT TO SUSTAINABILITY

In order to ensure consistency, transparency and continuity over time, Arvedi AST has structured an organic system of corporate policies that guide strategic choices, operating processes and relationships with stakeholders.

ENVIRONMENTAL POLICY

It commits the company to preventing pollution, reducing environmental impacts and promoting responsible use of natural resources, with attention to biodiversity and climate change.

HUMAN RIGHTS POLICY

It recognises and protects fundamental human rights throughout the value chain, promoting dignity, equality, inclusion and respect for people.



ENERGY POLICY

It promotes energy efficiency, continuous performance improvement and responsible energy use, encouraging renewable sources and sustainable technologies.

RESPONSIBLE PURCHASING POLICY

It promotes a sustainable supply chain by selecting partners that comply with ethical, environmental and social criteria and by encouraging responsible and transparent practices.

OCCUPATIONAL HEALTH AND SAFETY POLICY

It places people's health and safety at the centre, committing to preventing accidents and occupational diseases and to ensuring safe and healthy working environments.

ANTI-CORRUPTION POLICY

It combats all forms of active and passive corruption, promoting legality, transparency and integrity in all corporate activities and in relationships with stakeholders.

QUALITY POLICY

It ensures continuous improvement of processes and products, orienting the company towards customer satisfaction and compliance with the highest quality standards.

Our policies are integrated with one another and form the basis of our commitment to creating long-term sustainable value for the company, people and the local area.

2.6 Management systems and certifications

Arvedi AST adopts a structured approach to quality, safety and sustainability management that goes beyond mere compliance with regulatory requirements. The company integrates international standards, certified processes and continuous improvement practices within its business model, with the aim of ensuring high levels of environmental, social and industrial performance.

Acciai Speciali Terni's tradition in systematic quality management dates back to the 1970s, with the achievement of the ASME Quality System Certificate (American Society of Mechanical Engineers).
Over time, this path has gradually consolidated and expanded, with significant strengthening from 2016 onwards, enabling the company to build up a broad portfolio of internationally recognised certifications.

Today, Arvedi AST has certified management systems according to the main ISO standards relating to quality, environment, occupational health and safety and energy, as well as IATF 16949:2016 certification for the automotive sector.

These certifications are complemented by technical approvals issued by independent bodies of international standing – including DNV, Lloyd's, TÜV SÜD, ASME and TÜV Rheinland – which attest to product compliance with the highest safety, reliability and performance requirements in various application areas (shipbuilding, structural applications, pressure equipment).

Certifications are not only a guarantee for customers, but also a qualifying element of the corporate governance system, contributing to risk oversight and continuous improvement of ESG performance.



INCREASE IN AST OF CERTIFIED SYSTEMS SINCE 2016





Management system certifications at Arvedi AST (as of 2024)

NORM / STANDARD	DESCRIPTION	CERTIFICATION BODY
ISO 9001:2015	Quality Management System	**DNV**
ISO 14001:2015	Environment Management System	**DNV**
ISO 45001:2018	Occupational Health and Safety Management System	**DNV**
ISO 50001:2018	Energy Management System	**DNV**
IATF 16949:2016	Quality System for the Automotive sector	**DNV**
ASME Material Organization	Boiler and Pressure Vessel Code	**American Society of Mechanical Engineers**
Regulation 333/2011/EU	STATEMENT	**DNV**
ResponsibleSteel™	Sustainable steel production	**DNV**

Product certifications at Arvedi AST (as of 2024)

NORM / STANDARD	DESCRIPTION	CERTIFICATION BODY
DNV Approval of manufacturer	Naval DNV certificate for the production of flat-rolled steel products of type AISI 304L, AISI 316L and AISI 321.	**DNV**
LLOYD'S Approval of manufacturer	LLOYD'S Naval Certificate for the production of flat-rolled steel products of type AISI 304L, AISI 316L, AISI 316Ti, AISI 309S and AISI 47OL.	**LLOYD'S**
PED 2014/68/EU PER 2016/1105 AD 2000-Merkblatt	PED certificate for pressure equipment in accordance with the Pressure Equipment Directive (PED) 2014/68/EU, the AD 2000-Merkblatt W0 standard and the Pressure Equipment (Safety) Regulation 2016/1105 for non-stainless steels (flat-rolled products) and stainless steels in functional condition.	**TUV SUD**
Statement of Conformity	Certificate of Conformity for 'Mandorlato' (Tread Plate) Stainless Steel (AISI 304) according to ASTM to 240 in functional conditions.	**TÜV Rheinland**
CE marking EN 10088-4:2009	Certificate of conformity for hot-rolled and cold-rolled coils according to UNI EN 10088-4:2009 for applications in the building industry. The impact test was conducted and conformity was ascertained according to EN 10088-4:2009.	**Q-CERT**

Arvedi AST

FIRST STEEL COMPANY IN THE WORLD TO RECEIVE ESG RECOGNITION

In February 2026 Arvedi AST obtained the "ESG Recognition" issued by DNV, an internationally recognised independent certification body, becoming the first steel company in the world to receive this recognition.

The attestation confirms the adoption of certified management systems compliant with the main international standards across the three ESG dimensions (Environmental, Social, Governance), providing structured and verifiable support for the company's sustainability commitments. In particular, Arvedi AST adopts systems certified according to ISO 14001 (environmental management), ISO 50001 (energy management), ISO 45001 (occupational health and safety) and ISO 9001 (quality). These systems represent a concrete organisational safeguard supporting ESG performance, verified by an independent third party.

The recognition demonstrates the integration of ESG principles into the industrial strategy, production processes and corporate governance, strengthening the credibility and traceability of the sustainability pathway undertaken by the Company.

ESG Recognition



ENVIRONMENTAL PRODUCT DECLARATIONS

As part of its transparency and environmental-impact measurement pathway, Arvedi AST has obtained Environmental Product Declarations (EPDs) for its main steel grades (304DL, 316L and 441AR), in hot-rolled and cold-rolled strip configurations (2B).

The EPDs, verified by independent third parties (DNV), provide objective and comparable information on the environmental performance of products throughout their life cycle, representing a key tool for communication with customers and stakeholders.

In line with this pathway, a project is being developed to make the ISO 14067-certified carbon footprint value available for each product, further strengthening transparency and traceability of climate impacts. The project involves the development of a digital platform dedicated to calculating the Carbon Footprint of company products (coils), directly connected to production systems, in order to ensure the quality and updating of calculation data.



ARVEDI AST'S CONTRIBUTION TO AGENDA 2030

Arvedi AST's commitment to sustainable development translates into a tangible contribution to five Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, underlying its industrial, environmental and social strategies.

In a context characterised by the ecological transition and technological transformation of the steel sector, Arvedi AST adopts a proactive approach based on investment, innovation and collaboration with the local area, customers and the value chain. The company interprets its role as that of an industrial player capable of combining competitiveness, environmental responsibility and technological progress, contributing to a sustainable and inclusive transition.

From this perspective, the SDGs are an integrated reference in decision-making processes and corporate policies, guiding a path of continuous improvement and long-term value creation.



SDG 8 - Decent work and economic growth
Arvedi AST places people at the centre of its development model.
The company promotes safe working conditions, continuous training programmes and organisational well-being initiatives. Particular attention is paid to developing strategic skills for the sustainable transition, fostering qualified and stable employment capable of generating value for the local area.



SDG 9 - Business, innovation and infrastructure
Innovation is a key driver of industrial competitiveness. Arvedi AST invests in advanced technologies, process digitalisation and energy efficiency, promoting research and development projects in collaboration with universities, research bodies and industrial partners, in order to make the production system increasingly resilient, efficient and sustainable.



SDG 11 - Sustainable cities and communities
Operating in an urban context, Arvedi AST promotes a balanced relationship between industrial activities, the environment and local communities.
The company supports stakeholder dialogue and engagement initiatives, as well as projects aimed at enhancing the local area, environmental education and improving quality of life.



SDG 12 - Responsible consumption and production
The production model is based on the principles of the circular economy, through optimisation of resource use, valorisation of secondary raw materials and responsible waste management.
The adoption of Environmental Product Declarations (EPDs) for certain types of steel ensures transparency and traceability of environmental performance.



SDG 13 - Acting for the climate
Decarbonisation is a strategic priority for Arvedi AST.
The company has strengthened emissions monitoring (Scope 1, Scope 2 and part of Scope 3) and implemented targeted measures for energy efficiency and increased use of energy from renewable sources. LCA analyses of processes and products support a structured approach to reducing climate impact.

ARVEDI AST CONTRIBUTES EVERY DAY TO BUILDING A SUSTAINABLE FUTURE, CREATING VALUE FOR THE ENVIRONMENT, PEOPLE AND THE LOCAL AREA.

ECOVADIS SUSTAINABILITY ASSESSMENT

In 2025 Arvedi AST also obtained its annual sustainability assessment from EcoVadis, one of the world's leading providers of ESG ratings for companies.
The EcoVadis assessment is based on the analysis of four fundamental thematic areas:

- Environment Environment: natural resource management, emission reduction and de-carbonisation strategies;
- Labour and human rights: working conditions, safety, training, diversity and inclusion;
- Ethics: transparency, prevention of corruption and responsible governance practices;
- Sustainable procurement: Sustainable procurement: supply chain management, supplier selection and promotion of ESG criteria along the value chain.

The score achieved confirms the positive trend recorded in recent years and places the company in the 92nd percentile among more than 150,000 companies assessed (i.e. with performance above 92% of the companies analysed).

This result enables Arvedi AST to confirm its Silver medal, demonstrating the robustness of its sustainability management system and its continuous commitment to improving its ESG performance.

In particular, the score reflects improved environmental and energy practices, robust health and safety policies and an increasing focus on responsible supply chain dynamics.

Beyond formal recognition, the EcoVadis evaluation represents an international benchmarking tool for Arvedi AST, useful not only to dialogue with global customers and stakeholders, but also to identify areas for further improvement.



2.7 Responsible Steel

Arvedi AST has long pursued a path oriented towards responsible production and attentive protection of the environment and people. In this direction, in 2022 the company chose to join ResponsibleSteel™, obtaining certification under the international standard in 2024.

This recognition represents a concrete commitment to transparent and responsible management, consistent with ESG criteria and with the objectives of the Paris Agreement on climate change. Sustainability topics are integrated into corporate processes and governance mechanisms, actively contributing to the ecological transition.

Values, policies and good practices

Arvedi AST's activities are based on a structured set of values, policies and good practices aimed at creating long-term value for all stakeholders.
In particular, adoption of the ResponsibleSteel™ standard helps strengthen:

- a **systemic approach to sustainability,** integrating environmental, social and governance dimensions along the entire value chain;
- **responsibility in the supply chain,** through due diligence processes aimed at identifying, preventing and mitigating ESG risks;
- the commitment to **decarbonisation,** with emissions reduction targets consistent with the international climate scenario.

This commitment is also translated into actions to:

- protection of **human and workers' rights** through dedicated policies and structured due diligence systems;
- the promotion of **dialogue with local communities,** fostering inclusion, well-being and local development;
- the sustainable management of **natural resources**, with targeted measures to reduce environmental impacts, use water efficiently and protect biodiversity.



Arvedi AST FIRST ITALIAN COMPANY TO OBTAIN THE **Responsible Steel™** CERTIFICATION

ResponsibleSteel™ is a global standard that defines certifiable requirements for responsible steel production. This is an independent multi-stakeholder initiative that brings together companies, industry associations and civil-society organisations with the aim of promoting sustainable practices throughout the steel value chain.

The standard addresses the sector's main environmental, social and economic issues in an integrated manner, helping to disseminate more responsible and transparent production models internationally.

Arvedi

3
Environmental information

Arvedi AST TERNI 2025

USE OF ELECTRICITY FROM RENEWABLE SOURCES	100 %
INTENSITY emissions CO_2 (Scope 1 and Scope 2)	-46 %
METAL CIRCULARITY RATE	84,6 %
RECYCLED METAL CONTENT IN SOLID STEEL PRODUCED	90 %
RECYCLED WATER	90,3 %
CO_2 EMISSIONS AVOIDED THANKS TO THE USE OF RECYCLED METALS	975.000 t
ENERGY SAVED THROUGH THE USE OF RECYCLED METALS	424.000 MWh

Arvedi

For a steel company such as Arvedi AST, sustainability is not so much a separate area from industrial quality as an essential component of it. It is part of the way we design processes, oversee impacts, manage resources, engage with customers and stakeholders and build the future of the plant.

During 2025 we continued our journey towards an increasingly efficient, responsible, measurable and transparent production model, consolidating the initiatives already launched and developing new monitoring and improvement tools. The challenge of industrial sustainability requires a concrete approach. Technologies, investments, skills, robust management systems and reliable data are needed. But a vision is also needed: to combine industrial excellence and sustainability, producing high-quality stainless steel and progressively reducing environmental impacts, while strengthening the value generated for customers, people, the local area and the value chain.

In this pathway, ResponsibleSteel™ certification represents a fundamental benchmark. We do not interpret it as a formal milestone, but rather as a continuous improvement tool that enables us, through international standards and independent audits, to verify the consistency of our industrial system with the main ESG themes: environment, safety, human rights, governance, supply chain, stakeholder relations and decarbonisation. ResponsibleSteel™ strengthens a systemic approach to sustainability, integrating environmental performance, social responsibility and responsible supply-chain management.

The value of this certification is particularly significant at a stage when the market requires transparency, traceability and verifiable data, as well as products with a lower environmental footprint. Customers are not only asking for quality steel. They request robust information on the carbon footprint, the origin of raw materials, production processes, certifications and the policies adopted along the supply chain. For this reason, we are strengthening environmental measurement and communication tools, from the EPDs already obtained for some of our main steel grades to the development and gradual extension of the product carbon footprint, according to ISO 14067, through a dedicated digital platform for calculating the carbon footprint of coils.

Decarbonisation continues to be one of the company's strategic priorities. Our pathway considers both the plant's direct emissions and the indirect emissions associated with purchased energy and the value chain. In line with the GHG Protocol, we monitor Scope 1, Scope 2 and Scope 3 emissions from a dual perspective: the organisational dimension, useful for overseeing the company's overall impact, and the product dimension, increasingly important for responding to customer and international market requirements.

Our transition pathway is based on three complementary and closely integrated levers: circularity, energy efficiency and the use of low-carbon sources. Circularity is part of our production identity: the use of the electric arc furnace and recycled metal scrap represents a solid industrial basis for reducing the use of virgin raw materials and limiting the environmental footprint of products. Energy efficiency guides interventions on plants and processes. The evolution of energy sources, together with the progressive use of renewable energy and the study of solutions such as biomethane and hydrogen, represents an essential perspective for the medium and long term.

Alongside climate objectives, sustainability requires constant attention to managing environmental impacts on the local area, from air quality to the protection of water resources, from the recovery of residues to the safeguarding of biodiversity, through to risk prevention and operational control. At a production site located in an urban context such as Terni, these aspects take on even greater importance.

Quality and sustainability are two inseparable dimensions of industrial competitiveness. A sustainable product is not only a product with lower emissions: it is a reliable, controlled and traceable product, manufactured in an industrial system capable of ensuring safety, compliance, technical performance and responsibility throughout the entire production cycle. Certified management systems, third-party audits, internal procedures and the strengthening of corporate documentation constitute the framework through which we transform commitments into concrete processes.

The work over the coming years will be demanding. The transition of the steel industry requires significant investments, competitive energy, supply chains with better environmental and social performance, technological innovation and collaboration among companies, institutions, customers and suppliers. Arvedi AST intends to address this challenge with a pragmatic, results-oriented approach:
measure rigorously, improve continuously, report transparently and make progress verifiable.

Our ambition is to contribute to the development of an increasingly responsible stainless steel production model: competitive for the market, reliable for customers, sustainable for the environment, safe for people and consistent with the expectations of the local area.

Gian Luca Gigli
CTO, Direttore Quality and Sustainability

3.1 Environmental management

Environmental protection is a strategic priority for Arvedi AST, also in view of the location of the production site in a densely populated urban context. This particular condition has historically oriented the company towards the adoption of rigorous environmental standards and self-regulation practices, often more stringent than regulatory requirements.

The full version of the **Environmental Policy Statement** is published on the company's website (https://www.acciaiterni.it/services-solutions/sistema-qualita/#dichiarazioni-di-politica).

Environmental management is accompanied by a constant commitment to transparency and dialogue with local stakeholders.
Data relating to continuous monitoring of atmospheric emissions are transmitted daily to the Regional Environmental Protection Agency (ARPA) and made accessible to the public through dedicated digital tools.
To support dialogue with the community, an environmental toll-free number is active, through which citizens and stakeholders can request information or report any critical issues.
Reports are managed within the Environmental Management System, according to structured procedures and defined timeframes.

Environmental management system and certification

Arvedi AST adopts an environmental management system certified according to the **ISO 14001:2015** standard, subject to periodic audits by accredited bodies. The system is aimed at the continuous improvement of environmental performance, with particular attention to reducing impacts, efficiency in the use of resources and the prevention of environmental risks.
The approach adopted is systemic and involves all corporate functions, each according to its responsibilities, with a central role assigned to the dedicated **Ecology, Environment and Safety (EAS) and Services Area (ASE) departments.**

A growing contribution is also provided by delegated managers, who, within their areas of responsibility and on the basis of specific delegated powers, ensure regulatory compliance and the implementation of environmental policies, having the necessary decision-making and operational levers.

Operational management and continuous improvement

During 2025, Arvedi AST developed a new context-analysis model aimed at strengthening the integration between corporate strategy and operational management. The model forms the basis for defining the scope of the Environmental Management System (EMS), for the analysis of risks and opportunities and for the planning of objectives.

The update considered the evolution of the internal context (organisation, resources, processes and skills) and the external context, characterised by geopolitical instability, market tensions and critical issues in supply chains. On this basis, priority factors linked to business processes and stakeholders were identified and translated into improvement objectives that can be monitored through specific indicators. The updated document guides activity planning for 2026.

In line with this analysis, the main areas of oversight have been identified:

- reducing emissions through process optimisation and the adoption of lower-impact technologies;
- waste and residue management, with increased recovery and improved traceability;
- efficiency in the use of water resources, through monitoring and reuse systems;
- prevention of leaks and spills through safety and control measures;
- protection of biodiversity through monitoring and environmental enhancement activities;
- strengthening communication and stakeholder engagement.

These areas are managed through specific environmental plans developed within the ResponsibleSteel™ certification framework and integrated into the ISO 14001 system. The strengthening of training and environmental awareness among personnel, the improvement of internal communication and the management of reports and non-conformities also remain central.

Overall, the approach adopted has made it possible to consolidate the integration between context analysis, risk management and objective-setting, fostering a systemic vision oriented towards continuous improvement.

Application of the REACH Regulation

Acciai Speciali Terni S.p.A. produces a wide range of stainless steels and, in this context, ensures compliance with European legislation on chemical substances. In addition to controlling the substances used in its production processes, the company requires suppliers to ensure compliance with Regulation (EU) No. 1907/2006 (REACH), through possession of the necessary registrations for the materials supplied. The stainless steel products of Acciai Speciali Terni S.p.A. do not contain substances of very high concern (SVHC), as defined and identified in Articles 57 and 59 of the REACH Regulation and included in the ECHA Candidate List.

Furthermore, these products comply with the restrictions set out in Annex XVII of the REACH Regulation, providing an additional guarantee of compliance with regulatory requirements for the protection of human health and the environment.

Integrated Environmental Authorisation

During 2025, the plant underwent updates to the Integrated Environmental Authorisation (AIA), aimed in particular at alignment with the BAT Conclusions, emissions management (including review of nickel emissions) and improvement of monitoring and control systems. Plant-engineering interventions have also been authorised, including the installation of new furnaces and changes to production departments, as well as solutions for the reuse of industrial wastewater.
Further updates concerned landfill management, with revamping of the leachate collection system and changes to discharge authorisations, with a view to overall improvement of environmental performance.

Prevention of risks from major accidents

The establishment is classified, pursuant to Legislative Decree 105/2015 (implementation of the Seveso Directive), as a pre-existing upper-tier establishment due to the presence of hazardous substances such as solutions containing hydrofluoric acid, dusts containing zinc oxide, sodium hypochlorite, petrol and naphtha.
In order to prevent and manage the risks associated with potential major accidents, the company adopts a structured system of organisational and technical measures, including:

- transmission of the notification and the related information sections through the ISPRA platform, ensuring full and correct information to the competent authorities;
- implementation of a safety management system, which provides for operational controls on critical equipment, as well as structured information, training and personnel instruction programmes. The effectiveness of the system is verified through periodic internal audits;
- preparation of the “Safety Report”, which analyses potential accident scenarios and defines the prevention and protection measures adopted;
- preparation of the Internal Emergency Plan, based on accident scenarios considered credible from a probabilistic perspective, and collaboration with the Prefecture of Terni for the definition of the External Emergency Plan, relating to events with possible impacts also outside the production site.

Supplementary information

- Arvedi AST's Environmental Management System includes a structured analysis of significant environmental aspects and impacts for each corporate area and 100% of operating sites, as well as the related management procedures applicable under normal, abnormal or emergency operating conditions. The system also provides specific procedures for environmental operational control and for managing incidents and emergencies. In this area, the various corporate functions, with the support of the Ecology, Environment and Safety (EAS) department, identified the equipment and activities that are critical from an environmental standpoint, defining for each:
  - control activities;
  - the frequency of inspections;
  - the responsibility operational;
  - the reference practices;
  - the methods for recording the activities carried out.
- In accordance with the requirements of the Integrated Environmental Authorisation (AIA), the company has also developed and implemented an Operating Manual governing the management methods for production departments, including a detailed maintenance, control and inspection programme for equipment that is critical, or potentially critical, from an environmental standpoint.
- Scenarios potentially capable of generating environmental emergencies are formalised in the internal emergency plan, which identifies, for each department, the possible risk situations and the related corrective actions, as well as the operating procedures to be activated. The Valle landfill is also equipped with specific technical and management safeguards aimed at preventing and containing any critical issues, supported by a dedicated Operational Management Plan.
- The Valle landfill monitoring and control plan also defines the operating methods for monitoring the main environmental and management parameters, in accordance with current regulatory provisions on landfill management.

3.2 Energy

Management System

With reference to energy management, the company is certified according to ISO 50001:2018 (DNV certificate No. 288012-2019-AE-ITA-ACCREDIA). In this context, the company has developed and implemented an energy management system aimed at continuously improving energy performance, progressively optimising consumption and reducing environmental impacts.

The adopted system also makes it possible to ensure the increasingly efficient use of energy resources, in line with the principles of environmental, economic and social sustainability.

Policies, actions, and objectives

The electric arc furnace technology, while ensuring significant environmental benefits thanks to the high use of recycled ferrous material, is characterised by significant energy intensity. In this context, improving energy efficiency and reducing consumption are priority objectives, both from an environmental perspective and in terms of economic competitiveness.

The full version of the Energy Policy is available on the company's institutional website: https://www.acciaiterni.it/wp-content/uploads/2023/10/Politica-per-l-Energia_28_09_2023_IT.pdf

AST's Energy Management System Policy defines the company's commitments to overseeing and continuously improving energy performance, structured around the following pillars:

- energy efficiency and consumption reduction;
- increased use of energy produced from renewable sources;
- adoption of a risk-based approach and continuous performance monitoring;
- full regulatory compliance and continuous improvement.

With regard to plant-related initiatives, the main projects include:

- **Replacement of the 'Walking Beam' slab heating furnace** Having entered into operation in March 2026, the new plant enables a significant reduction in natural gas consumption and CO_2 emissions, estimated at approximately 15% of the plant's direct emissions.
  As an indication, the annual methane saving is equivalent to the consumption of approximately 20,000 households. The furnace, equipped with latest-generation burners, also makes it possible to reduce nitrogen oxide (NOx) emissions.

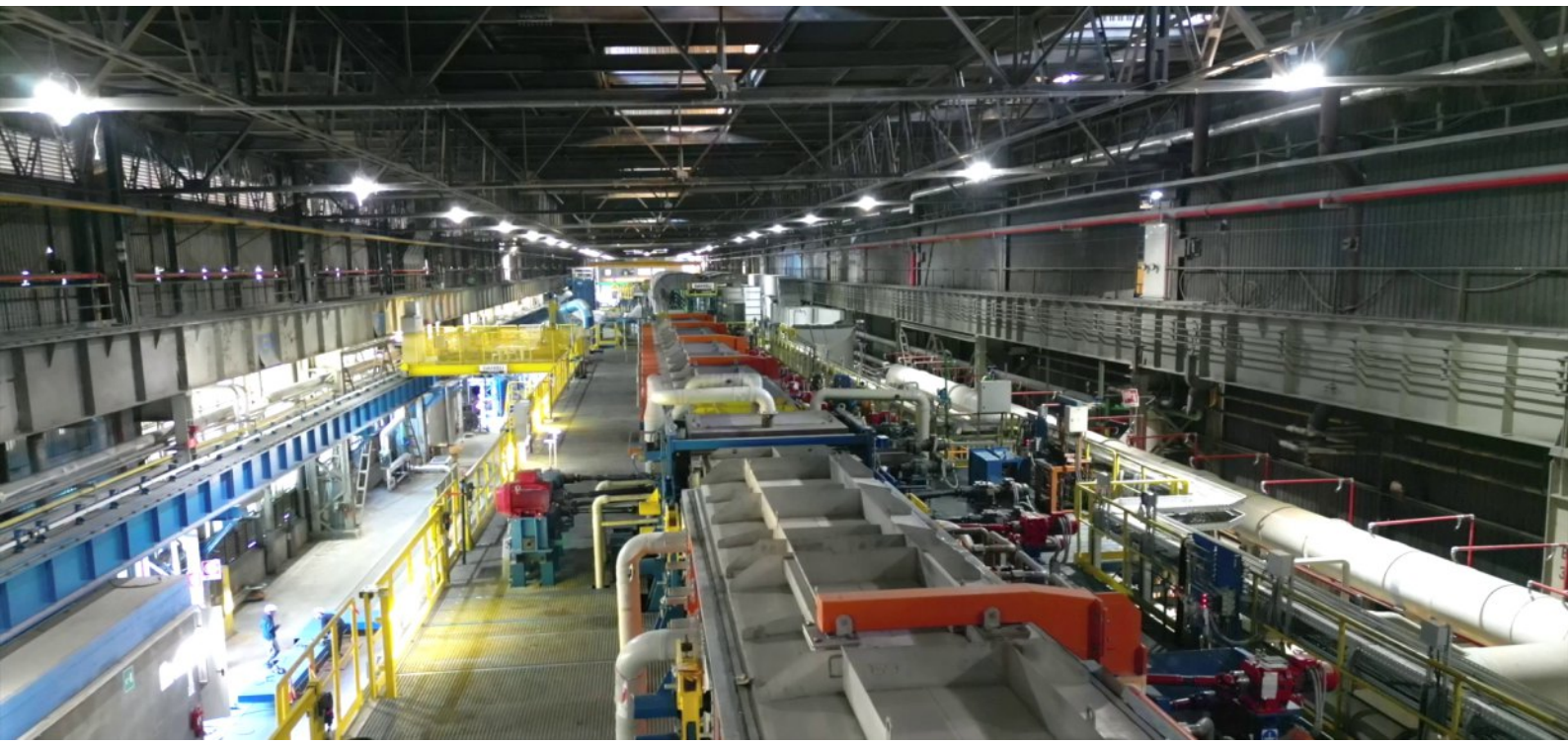
- **Annealing and pickling line LAF8.** The installation of the new line, equipped with an annealing furnace fitted with an induction heating section, will enable a reduction in specific methane consumption in the PIX area (rolling and treatments).
- **Optimisation of EAF4 and EAF5 electric furnaces.** The furnaces will be equipped with a new electrode regulation system designed to manage electricity more efficiently in the melting process.

For further details on the actions and targets, please also refer to section 2.3 (measures provided for under the Programme Agreement) and section 3.3 (Decarbonisation Plan).

Energy efficiency

Over the years, the company has implemented a structured set of measures aimed at improving energy efficiency and reducing the energy intensity of production processes, contributing to the containment of greenhouse gas emissions and to more efficient use of resources.

These initiatives form part of a structured path of continuous improvement in energy performance, in line with the company's decarbonisation objectives and the principles of environmental sustainability.



LAF8 annealing and pickling line



The new furnace Walking Beam

The installation of a new **Walking Beam** Furnace represents an important technological innovation at the Terni plant, combining advanced technology to improve product quality with significant reductions in CO_2 emissions.

The new furnace will **reduce CO_2 emissions** and operating costs (OPEX) of the reheating process at the hot rolling mill by **up to 40%**, thanks to:

- High-efficiency waste heat recovery systems and insulation solutions
- air enrichment and lancing with oxygen
- advanced automation and digital packages based on artificial intelligence.

TECHNICAL CHARACTERISTICS:

Production capacity:
240 t/h of stainless steel

Length:
48 metres

Thermal capacity:
170 MW

The entire furnace system is ready to operate with up to 100% hydrogen (zero emissions of $CO_{2)}$.

Renewable energy production systems

Within the steel complex, there are the following plants (owned by third parties) that produce approximately 8.18 GWh/year of energy from renewable sources:
In particular, these plants include:

- 3 photovoltaic plants for the production of electricity;
- 2 mini-hydroelectric plants that use the difference in level between the loading tank of the main steel mill and the waste water discharge (following purification) works on the river Nera.

Consumption

Arvedi AST's energy profile is characterised by a predominant use of electricity and natural gas, consistent with the specific features of its production processes: the steelshop melting furnaces are mainly powered by electricity, while the downstream reheating furnaces use natural gas. Liquid fuels (diesel and petrol), by contrast, are used residually for transport and internal handling activities.

In 2025, total energy consumption stood at 2,528,348 MWh, a slight increase (+0.8%) compared with the previous year, while energy intensity increased by 3.9%.

In its energy transition pathway, in 2025 Arvedi AST achieved significant progress, bringing the share of electricity from certified renewable sources to 100% of the electricity consumed at the production plant.

Energy consumption	2023	2024	2025
Natural gas	1,227,352	1,417,937	1,539,122
Diesel	2,474	2,823	2,445
Petrol	229	280	384
Electricity	973,321	1,088,117	986,397 *(1)*
TOTAL	**2,203,376**	**2,509,157**	**2,528,348**

(1) Electricity consumption refers exclusively to the production plant, excluding service centres

ELECTRICITY CONSUMED (MWh)	2024	2025
from certified renewable energy sources	350,000	986,397
with emissions data declared by the supplier	-	-
without emission data declared by the supplier	738,117	-
TOTAL	**1,088,117**	**986,397**

ENERGY INTENSITY in relation to production*(1)*	2023	2024	2025
MWh/t	**2.34**	**2.29**	**2.38**

(1) The production volume used to calculate intensity is the total solid steel in slab form, and includes both slabs cast directly by Arvedi AST and those purchased from external suppliers and introduced into the production cycle; the total value used as a reference in 2025 is therefore 1,061,470 tonnes

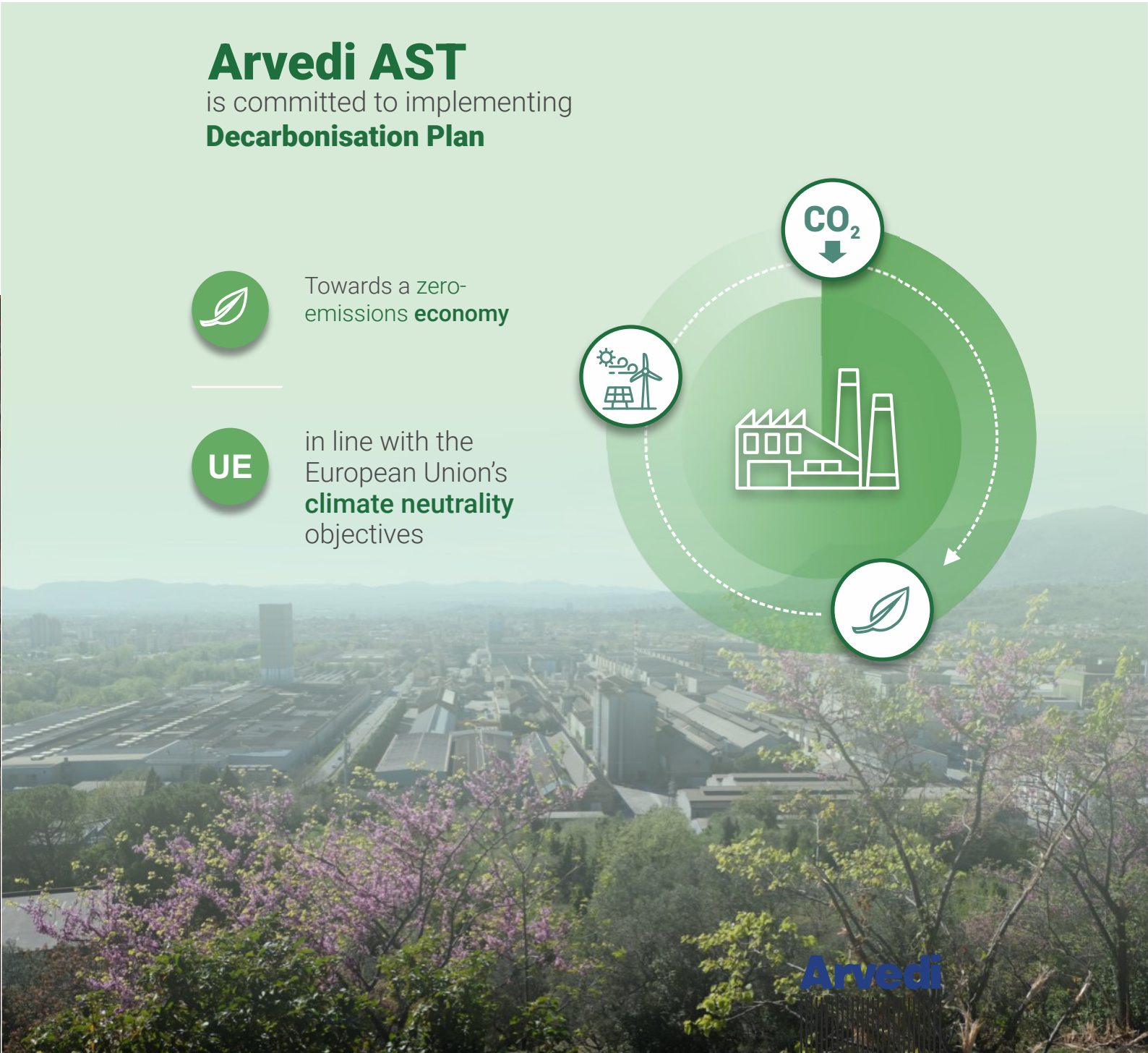
ENERGY INTENSITY in relation to revenues	2023	2024	2025
MWh/million euros	**969**	**1,052**	**1,189**



3.3 Greenhouse gas emissions

Policies, actions, and objectives

Arvedi AST has defined a climate transition pathway aimed at the progressive reduction of greenhouse gas emissions — through its own Decarbonisation Plan — taking into account both the targets defined by the European Union under the Green Deal and an assessment of the impacts, risks and opportunities of climate change (climate resilience analysis) relating to the company's strategy and business model. The climate resilience analysis is provided in the appendix to this report.



The EUROPEAN AND NATIONAL CONTEXT
The steel industry and climate policies

The strategic role of steel in ecological transition

Steel is a key resource not only for Europe's economic and industrial competitiveness, but also for the achievement of climate and environmental goals outlined in European policies. The steel sector is in fact recognised as strategic within the *Clean Industrial Deal,* as it enables numerous supply chains that are fundamental to the ecological transition.
Steel is essential in sectors of high industrial importance — such as mechanical engineering, construction, automotive, household appliances and shipbuilding — as well as in applications directly linked to the green transition, including renewable energy, sustainable construction, water infrastructure and rail mobility.
In this scenario, steelmaking plays a key role in reducing CO_2 emissions. However, decarbonisation of the sector requires a profound transformation of production processes, based on the adoption of low-emission technologies and supported by coherent industrial policies and significant investments.

Clean Industrial Deal and Steel Action Plan

The *Clean Industrial Deal*, presented by the European Commission in February 2025, is one of the pillars of the new European industrial strategy. The plan envisages a reduction in industrial emissions of up to 90% by 2040, promoting clean technologies and ensuring access to competitive and sustainable energy. Particular attention is paid to energy-intensive industrial sectors - steel, non-ferrous metals, chemicals - for which specific support instruments are planned, including tax incentives, financing mechanisms and regulatory simplifications.

As part of the Clean Industrial Deal, on 19 March 2025 the European Commission presented the Steel and Metals Action Plan, with the objective of strengthening the competitiveness and sustainability of the steel sector.

The Italian steel industry a European sustainability model

The Italian steel industry stands out at European level for its high level of environmental sustainability. Since the post-war period, the sector has oriented production towards the use of the electric arc furnace (EAF), enhancing ferrous scrap and reducing dependence on primary raw materials.

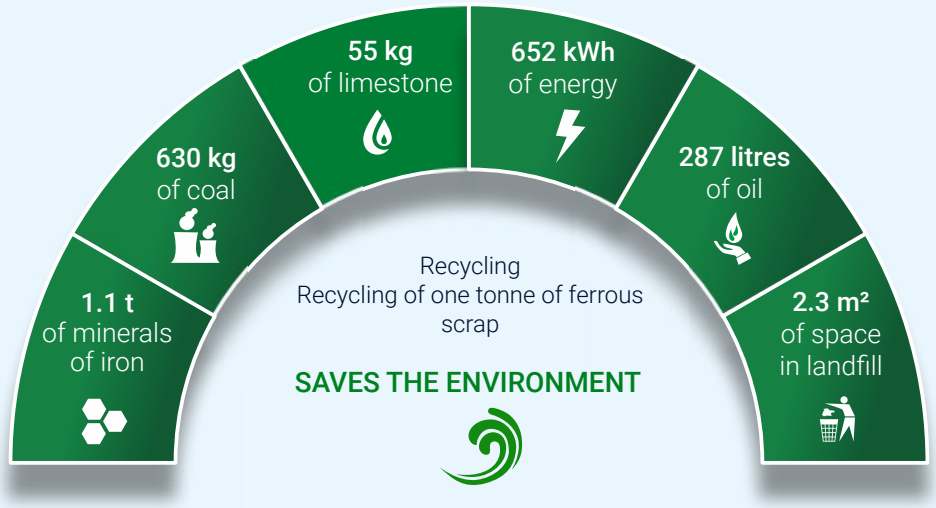
According to data provided by Federacciai, national steel production reached 20.7 million tonnes, of which more than 80% was obtained through electric arc furnaces (EAF), a share significantly above the European average. This production model makes it possible to use ferrous scrap as the main raw material, with a share of between 75% and 85% of the charge, contributing significantly to reducing the consumption of natural resources. The steel recycling rate is between 85% and 90%, confirming the sector's central role in the circular economy.

Thanks to the high use of the electric furnace and recycled materials, the average emissions intensity of Italian steelmaking is between 1.1 and 1.3 tonnes of CO_2 per tonne of steel produced, compared with a European average of approximately 1.7 tonnes. Energy consumption stands at between 3.5 and 4.5 MWh per tonne of steel, while the recovery and valorisation of process by-products is increasing.

Overall, the Italian steel industry confirms its position as European leader both in steel recycling and in decarbonisation pathways based on electric-furnace technology, making a decisive contribution to the achievement of European climate objectives and to the transition towards a low-carbon economy.

SCRAP = STRATEGIC RAW MATERIAL FOR DECARBONISATION

SCRAP RECYCLING: A VIRTUOUS CYCLE



One tonne of recycled scrap avoids the emission of 1.5 tonnes of CO_2.

Among the leading steel-producing countries worldwide, the Italian steel industry has the lowest carbon intensity per tonne of steel.

The Italian steel industry has reduced its specific CO_2 emissions by more than 60% since 1990

Ferrous scrap = strategic raw material
for circularity and de-carbonisation.

DECARBONISATION AND CLIMATE TRANSITION PLAN

Arvedi AST has adopted its own Decarbonisation Plan, integrated into its climate transition pathway and aimed at progressively reducing greenhouse gas emissions. The main strategic and operational elements of the Plan are summarised below.

In line with the GHG Protocol, Arvedi AST's greenhouse gas emissions are classified in the following categories:

- **Scope 1 (direct emissions)**: generated within the Terni production site;
- **Scope 2 (indirect emissions from purchased energy)**: associated with the consumption of purchased electricity;
- **Scope 3 (other indirect emissions)**: attributable to the value chain, in particular to production of purchased materials (category 3.1).

The company continuously monitors its emissions from two perspectives:

- **at organisational level**, through the monitoring of Scope 1, 2 and 3 emissions, in order to oversee the overall impact and assess progress along the decarbonisation pathway;
- **at product level,** through the quantification and certification of the carbon footprint according to international standards (e.g. ISO 14067), with independent third-party verification.

Sources of emissions

Direct emissions (Scope 1)

The main direct emissions derive from combustion of natural gas used in steelmaking processes, hot rolling (Walking Beam furnace), annealing lines for hot- and cold-rolled strip and steam generation. Additional CO_2 emissions are associated with metallurgical processes, in particular the use of materials containing carbon (anthracite, graphite electrodes and other charge components). More than 60% of direct emissions are concentrated in the steel production and hot rolling phases.

Indirect emissions from purchased energy (Scope 2)

Scope 2 emissions are entirely attributable to purchased electricity consumption. Energy demand is particularly high in the steelmaking area, where the melting process requires large quantities of energy.

Indirect value chain emissions (Scope 3)

Scope 3 emissions are the largest component of the carbon footprint of stainless steel produced in the EU using EAF technology.

Category 3.1 (purchased raw materials) has a significant impact, particularly due to the impact of nickel-, chromium- and silicon-based ferroalloys, owing to the high energy intensity of their production processes and the dependence, in many countries of origin, on fossil energy sources.

De-carbonisation strategy

Arvedi AST's decarbonisation strategy is based on three pillars, which guide industrial actions and investments in an integrated manner:

- Circularity;
- Low-carbon sources;
- Energy efficiency.

These guidelines steer the transition towards an increasingly sustainable production model, with the aim of progressively reducing the carbon intensity of processes and products.

Circularity. The role of recycled metal scrap

A central element of the strategy is the use of recycled metal scrap.
The technology based on electric arc furnaces (EAF), adopted by Arvedi AST since its foundation, is internationally recognised as the most efficient solution for the sustainable production of stainless steel. Over time, the company has progressively increased the share of recycled materials used as raw materials, reducing the use of virgin raw materials.

The increase in the use of scrap entails a reduction in the need for ferroalloys, with significant benefits in terms of emissions:

- Scope 1: ferroalloys have a significant carbon content and contribute to direct CO_2 emissions;
- Scope 3: the production of ferroalloys is characterised by high energy intensity and is often located in countries with energy mixes heavily dependent on fossil fuels.

Increasing the circularity of materials therefore represents a strategic lever for reducing emissions throughout the entire product life cycle.

Low-carbon energy sources, carriers, and materials

Arvedi AST's Decarbonisation Plan provides for a structured set of measures aimed at progressively reducing and, in the long term, eliminating CO_2 emissions associated with the use of fossil fuels and materials.

On the energy front, the main lines of action concern:

- increasing the use of electricity from renewable sources (wind, solar and hydroelectric power); the objective of 100% electricity from renewable sources had already been substantially achieved in 2025;
- the progressive replacement of natural gas with biomethane, starting as early as 2026.

Hydrogen can also represent a strategic solution in the medium to long term, whose development is subject to technological maturity and the economic sustainability of the relevant industrial applications.

At the same time, the company is focused on replacing materials containing fossil carbon with alternatives of biogenic origin. In particular, the most promising solutions concern the possible replacement of anthracite and graphite electrodes in melting processes. These are highly innovative initiatives that could make a significant contribution to reducing emissions over the medium to long term.

Energy efficiency

Reducing energy consumption is the first lever for reducing Scope 1 and Scope 2 emissions. The main project in this area is the replacement of the slab reheating furnace (Walking Beam). The new plant, already in according, enables of reduce up to the 40% the emissions of CO_2 associate to the process of reheating first of hot rolling, thanks to the integration of:

- high-efficiency heat recovery equipment and insulation solutions;
- advanced combustion technologies, such as air enrichment and oxygen lancing;
- advanced automation and digital packages based on artificial intelligence.

The entire furnace system is also already designed to operate, in future, with up to 100% hydrogen.

It is also planned to renew the combustion systems in all significant plants at the Terni site, maximising energy savings and reducing greenhouse gas emissions.

DECARBONISATION AND CLIMATE TRANSITION PLAN

Towards a more sustainable production model, to reduce the carbon intensity of processes and products.

THE 3 PILLARS OF OUR STRATEGY

CIRCULARITY

ENERGY EFFICIENCY

LOW-CARBON SOURCES

THE ROLE OF RECYCLED METAL SCRAP

EAF technology (electric arc furnaces), adopted by Arvedi AST, enables extensive use of scrap metal in stainless steel production. Over time, we have increased the share of scrap used as raw material, reducing the use of virgin raw materials.



RECYCLED METAL SCRAP → EAF FURNACE → STEEL STAINLESS STEEL

ENERGY SOURCES, CARRIERS AND MATERIALS

LOW-CARBON OUR ACTIONS

More renewable electricity
100% target achieved in 2025.

Biomethane instead of natural gas
Progressive replacement of natural gas with biomethane, starting as early as 2026.

Hydrogen: solution for the future



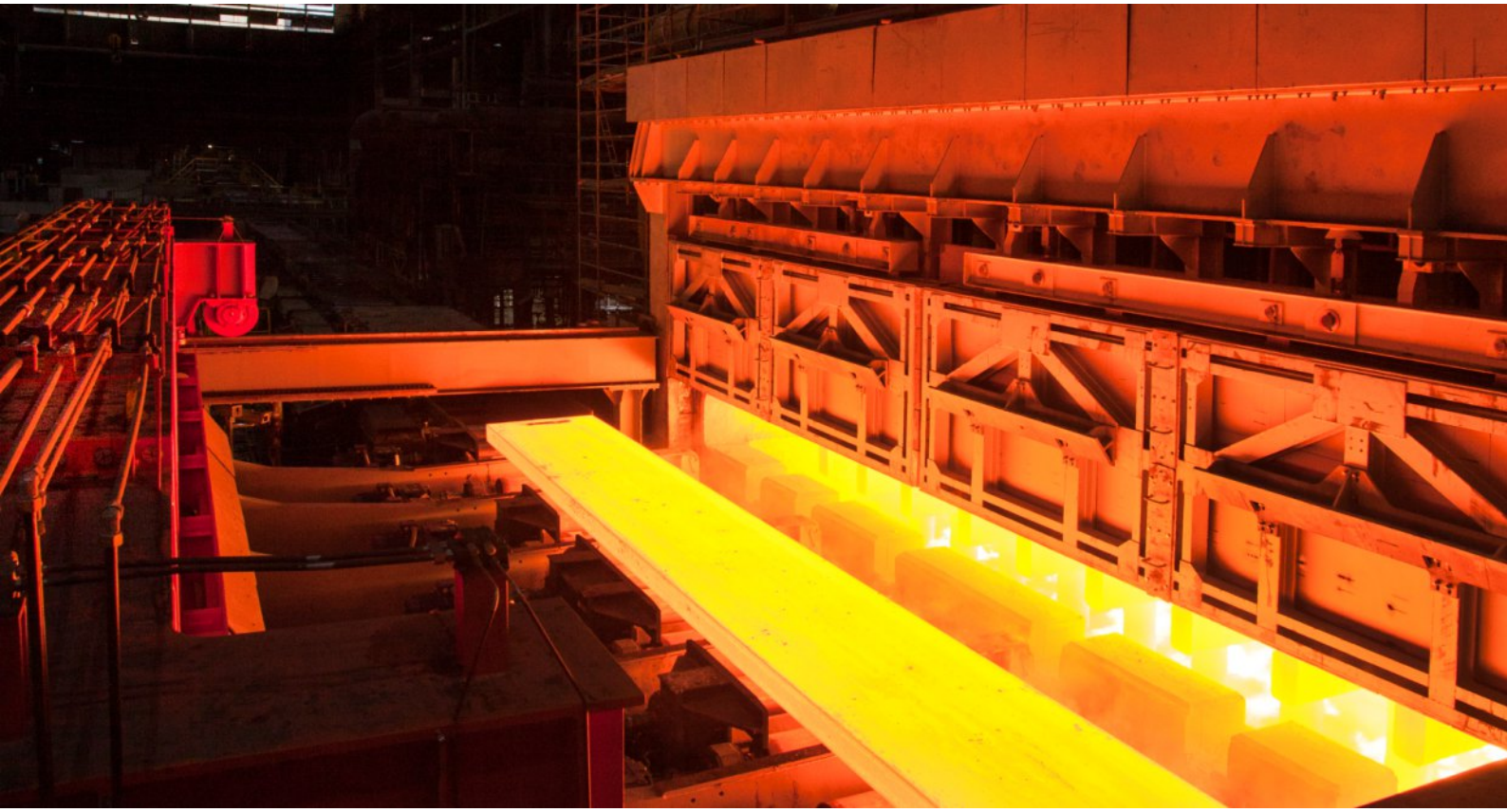
LOW-EMISSION MATERIALS

ENERGY EFFICIENCY

Reducing energy consumption is the first lever for reducing Scope 1 and Scope 2 emissions.

REPLACEMENT OF THE 'WALKING BEAM' SLAB HEATING FURNACE

The new plant, already in according, decreases up to the 40% the emissions of CO_2 of the process of reheating first of hot rolling, thanks to:



De-carbonisation targets

As part of the Decarbonisation Plan, quantitative short-, medium- and long-term decarbonisation targets have been defined, taking the emissions level recorded in 2022 as the reference point. These targets [(1)] provide for the achievement of “net zero” by 2050 for Scope 1 and Scope 2 emissions, which fall predominantly under the direct control of Arvedi AST.

With regard to Scope 3 emissions, the reduction pathway was initially defined in prudent terms, as it is conditioned by relevant exogenous factors, in particular ferroalloy production processes in the countries of origin and the energy mixes available locally. This pathway and the related targets are currently under review in order to harmonise them with the targets set at Group level.

Reduction of Scope 2 emissions

With annual consumption of about 1 TWh, electricity is one of Arvedi AST's main energy sources, covering about 40% of total requirements. The production of this energy entails indirect greenhouse gas emissions (Scope 2), the amount of which depends on the mix of energy sources used for generation.

In its Decarbonisation Plan, Arvedi AST had set the target of reducing Scope 2 emissions to zero by 2028 through the procurement of electricity entirely from renewable sources, mainly through the use of Guarantees of Origin (GOs) and contractual instruments such as Power Purchase Agreements (PPAs). This target was achieved ahead of schedule: already in 2025, the electricity requirement of the production plant was covered by certified renewable sources (GO).

Scope 3 emission reduction plan

Scope 3.1 emissions are the largest component of the carbon footprint of stainless steel produced using EAF technology. The reduction plan is based on two complementary directions, developed over a short-, medium- and long-term horizon:

- reduction of the ferroalloy content in the charge: this target is pursued through the increased use of metal scrap. Greater use of scrap makes it possible to reduce the need for ferroalloys, with benefits both for direct emissions (Scope 1) and for indirect value-chain emissions (Scope 3). In 2025, the use of scrap, already high, was further increased, in line with circularity strategies;
- actions across the raw materials supply chain: the company promotes the progressive decarbonisation of the supply chain through the selection of lower-carbon-intensity materials, the request for certified products and the active involvement of suppliers in emission-reduction pathways.

OBJECTIVES

Quantitative short-, medium- and long-term decarbonisation targets, taking the 2022 emissions level as the reference point.

The emission reduction targets are expressed in terms of emissions intensity, i.e. as the ratio between CO_{2e} emissions and production volumes.

SCOPE 1 AND 2 EMISSIONS

2028	2040	2050
-60% ↓	-76% ↓	-100% ↓

SCOPE 3 EMISSIONS

2028	2040	2050
-20% ↓	-30% ↓	-50% ↓

Our objectives guide investment, innovation and operational choices to build a low-carbon future today.

Arvedi

THE ARVEDI GROUP TARGETS

The Arvedi Group's decarbonisation targets have been validated by SBTi (Science Based Targets initiative), a joint initiative of organisations at international level that certifies companies' emissions-reduction targets.

Overall Net Zero target
Finarvedi is committed to achieving net-zero greenhouse gas emissions across the entire value chain by 2050.

Short-term targets
Finarvedi is committed to reducing absolute Scope 1 and 2 greenhouse gas emissions by 42.0% by 2030, compared with the 2023 base year.
Finarvedi also commits to reducing absolute Scope 3 greenhouse gas emissions from purchased goods and services and fuel- and energy-related activities by 25.0% over the same period.

Long-term targets
Finarvedi is committed to reducing absolute Scope 1 and 2 greenhouse gas emissions by 90.0% by 2050, compared with the 2023 base year.
Finarvedi is also committed to reducing absolute Scope 3 greenhouse gas emissions by 90.0% over the same period.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBTI TARGET VALIDATION

Direct emissions (scope 1)

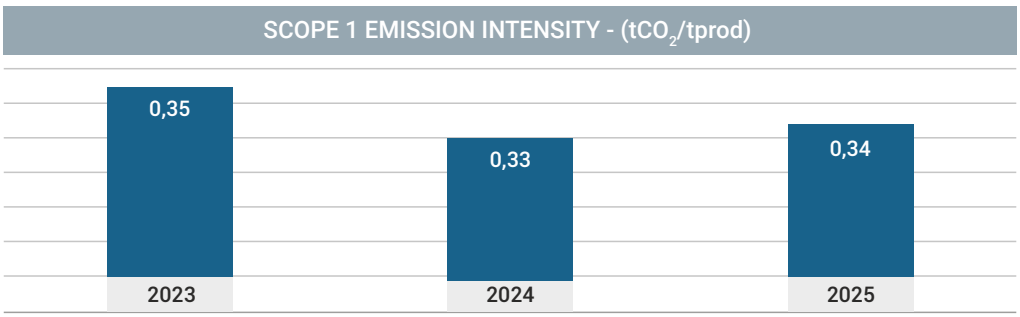
In 2025 Arvedi AST recorded direct emissions (Scope 1) of 365,001 tonnes of $CO_{2e.}$ Of these, 363,894 tonnes were calculated and reported under the EU ETS system, while the remaining share was calculated on the basis of the emission factors for fluorinated greenhouse gases (F-gases). Compared with 2024, there was a slight reduction in overall emissions (-0.5%). Emissions intensity, which measures emissions per unit of product, stood at 0.34 tCO_2/t.

SCOPE 1 EMISSIONS (t CO_{2e})	2023	2024	2025
	328,662	**366,908**	**365,001**

SCOPE 1 EMISSION INTENSITY			
in relation to production[1]	2023	2024	2025
(tCO_{2e} /tprod)	**0.35**	**0.33**	**0.34**

(1) The production volume used to calculate intensity is the total solid steel in slab form, and includes both slabs cast directly by Arvedi AST and those purchased from external suppliers and introduced into the production cycle; the total value used as a reference in 2025 is therefore 1,061,470 tonnes

SCOPE 1 EMISSION INTENSITY			
in relation to revenues	2023	2024	2025
(tCO_2 /mln euro)	**144.6**	**153.8**	**171.7**



Indirect emissions (scope 2)

Scope 2 emissions show a marked improvement over the period analysed, driven above all by the elimination of emissions calculated according to the market-based approach, thanks to the procurement of electricity from certified renewable sources.

Emissions calculated using the location-based approach also show a positive trend, decreasing from 229,314 t CO_2 in 2023 to 197,571 t CO_2 in 2025 (-14%).

SCOPE 2 EMISSIONS (t CO_{2e})	2023	2024	2025
Market based	n.a	325,657	0
Location based [1]	229,314	216,426	197,571

(1) Source of location-based emission factors: "CO_2 emissions in the national electricity sector - ISPRA"- preliminary data for electricity consumption 2024: 198.9 g CO_2/kWh

SCOPE 2 EMISSION INTENSITY			
in relation to production (tCO_{2e}/tprod)	2023	2024	2025
Market based	n.a	0,300	0
Location based	0,240	0,198	0,186

SCOPE 2 EMISSION INTENSITY			
in relation to revenue (tCO_{2e}/million euros)	2023	2024	2025
Market based	n.a	136.5	0
Location based	100.9	90.7	92.9

Total Scope 1 and Scope 2

Overall, Scope 1 and Scope 2 greenhouse gas emissions (market-based) fell significantly, from 692,565 tonnes of CO_{2e} in 2024 to 365,001 tonnes of CO_{2e} in 2025, with an overall decrease of 47.3% in absolute terms.

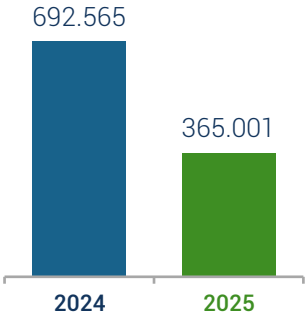
At the same time, emissions intensity – calculated as the ratio between emissions Scope 1 and Scope 2 (market-based) and production volume - recorded a marked improvement, decreasing by 46%, from 0.63 t CO_{2e} per tonne of product to 0.34 t CO_{2e} per tonne of product.

The reduction is attributable in particular to the marked improvement in the energy mix in 2025, the year in which 100% of the electricity consumed came from certified renewable sources, marking significant progress in the decarbonisation pathway and in reducing the carbon footprint of production processes.

ARVEDI AST 2025

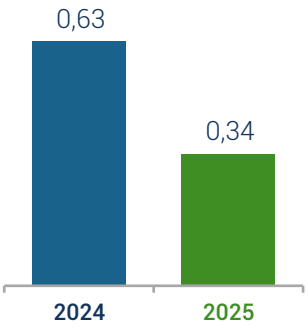
TOTAL SCOPE 1 AND SCOPE 2 (MARKET BASED)

SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS (MARKET-BASED)
tonnes of CO_{2e}



-47,3%
IN ABSOLUTE TERMS

EMISSIONS INTENSITY
ratio of Scope 1 and Scope 2 (market-based) emissions to production volume **t CO_{2e} per tonne of product**



-46%

Indirect emissions (scope 3)

Indirect CO_2 emissions generated along the value chain were estimated at 2,962,006 tonnes for 2025.

The increase in both emissions and emissions intensity compared with 2024 is attributable, on the one hand, to the greater use of semi-finished products purchased from external suppliers, a choice made to contain production costs and preserve the competitiveness of AST products; on the other hand, the expansion of the Scope 3 reporting boundary, which in 2024 referred only to category 1 (purchased goods and services), whereas in 2025 it includes additional emission categories that were not previously considered.

SCOPE 3 EMISSIONS	2023	2024	2025
t Co_{2e}	1,268,000	1,985,000	2,962,006

SCOPE 3 EMISSION INTENSITY			
in relation to production	2023	2024	2025
t CO_{2e}/tprod	1.35	1.81	2.79

SCOPE 3 EMISSION INTENSITY			
in relation to revenue (tCO_{2e}/million euros)	2023	2024	2025
	557.8	831.9	1,393.4

Replacement of fluorinated gases with a high climate impact

For the operation of refrigeration plants, heat pumps and fire-protection systems, Arvedi AST uses fluorinated gases (F-gases), which are subject to European greenhouse-gas legislation and monitored annually for transparency and reporting obligations.

The company has launched a pathway for the progressive replacement of these gases, both through the phase-out of residual HCFCs present in certain refrigeration plants and through the replacement of HFC-23 used mainly in fire-protection systems.

HFC-23 in particular is characterised by a high global warming potential (GWP of 14,800). To reduce the environmental impact associated with any leaks and contribute to reducing the use of this powerful greenhouse gas, AST has decided to proceed with gradual replacement with another gas, equivalent or superior in terms of performance efficiency: this is NOVEC 1230 gas, characterised by a GWP of less than 1 and no effects on ozone. Replacement activities are nearing completion.

3.4 Emissions to air and water

Emissions to the air policies, actions, and objectives

Atmospheric emissions are managed in compliance with the Consolidated Environmental Act, European sector legislation and the requirements of the competent authorities, within an articulated authorisation system that is continuously updated.

Three main types of atmospheric emissions are distinguished within the plant:
channelled, diffuse and fugitive emissions, each subject to specific control and mitigation measures.

Channelled emissions, coming from more than one hundred authorised points, are treated through adoption of the best available technologies. In particular, the main plants (melting furnaces and converters) are continuously monitored, with dust levels well below regulatory limits and BAT. Organic micropollutants, including dioxins, are also subject to automatic monitoring throughout the production cycle, while other emission points are subject to periodic checks. The company has also adopted environmental standards that are more stringent than those required, through dedicated investments in improving air quality.

Studies conducted by control bodies, primarily ARPA Umbria, show a limited contribution by the plant to fine urban particulate matter, with an incidence significantly lower than other sources such as domestic heating and vehicular traffic.
At the same time, specific analyses were launched on nickel and chromium emissions, aimed at identifying targeted reduction measures, including the installation of advanced dust-abatement systems.

Diffuse emissions are mainly associated with slag management and logistics activities. A significant infrastructure improvement project is under way in this area, involving construction of a new fully enclosed and aspirated slag ramp, with significant investment and completion expected in 2026. Pending its commissioning, numerous transitional and management measures have been implemented, including wetting of surfaces, optimisation of internal routes, installation of plant barriers and wheel-washing systems, as well as cleaning and dust-containment activities.

Fugitive emissions are mitigated through structured preventive maintenance programmes, operating procedures and emergency management systems, integrated into the Environmental Management System. Over time, technical and organisational measures have also been implemented to further reduce this type of emission.

Finally, the company is engaged in a broad programme to align with BAT for the ferrous metals processing sector, with measures focused on reducing NOx, hydrofluoric acid and dust emissions in the LAC and PIX departments.

These initiatives include the installation of low-emission burners, new treatment systems and the introduction of more efficient technologies, contributing both to improved environmental performance and to overall energy efficiency.

During 2025, the Umbria Region completed several partial review procedures for the Integrated Environmental Authorisation (AIA), introducing significant updates in line with the Best Available Techniques (BAT) and strengthening emissions oversight. In particular, the adjustments for the PIX1/PIX2 areas were incorporated, with the integration of the LAF8 line and the installation of new production systems, accompanied by the update of the plant layout and emissions framework.
A targeted review of atmospheric emissions was also carried out, focusing on nickel, which led to the identification of technological solutions for pollutant abatement and the strengthening of monitoring systems.

The inclusion of the new "Walking Beam" furnace and the adaptation of the LAC department to BAT were also approved. The new plant, which entered into operation in 2026, represents not only an important step in the decarbonisation pathway but also makes it possible to reduce CO_2 and NOx emissions.

During the year, technical round tables with the competent authorities also continued, aimed at identifying and managing fugitive nickel emissions. In this area, a preventive OTNOC (Other Than Normal Operating Conditions) approach was adopted and the environmental monitoring system was strengthened, including through deposition monitoring campaigns extended until 2028.

Finally, with a view to transparency and collaboration with the local area, a research project was launched with the Umbria Region, ARPA Umbria and La Sapienza University (Rome) to characterise atmospheric particulate matter and map emission sources. The expected results will help guide further actions to improve environmental performance and mitigate impacts.

Emissions monitoring

In accordance with the requirements of the Integrated Environmental Authorisation (AIA), Arvedi AST has progressively expanded and strengthened its atmospheric emissions monitoring system.

Starting from 2020, the monitoring scope was extended to a growing number of plants of the area ACC, including, in addition to furnaces and converters, additional production sections.

At the same time, systematic monitoring was extended to broad set of emission parameters, including metals, nitrogen oxides (NOx), not-methane volatile organic compounds (NMVOCs), carbon monoxide (CO), dioxins and furans (PCDD/F), polycyclic aromatic hydrocarbons (PAHs) and polychlorinated biphenyls (PCBs). During the same period, monitoring of fluorides on several plants in the ACC area and the extension of the CO parameter to certain installations in the SAU area were also launched.

In 2025 the system was further strengthened, with the inclusion of nickel and CO monitoring also on plants in the PIX1 and PIX2 areas, confirming an evolution towards increasingly comprehensive and uniform site-wide emissions coverage.

For the purposes of the annual PRTR declaration, emissions are quantified according to differentiated methodologies depending on the production areas: for the main stacks of the areas ACC and SAU data are determined through Continuous Emissions Monitoring Systems (SME), while for the remaining stacks of ACC and for those of areas LAC, PIX1 and PIX2 data from periodic measurement campaigns are used. Where concentrations are below analytical detection limits, a conventional value equal to half of the limit itself is adopted, in line with best methodological practice.
Also in the context of the PRTR declaration, in 2025 the reporting scope was expanded to include emissions from plants not formally included in the IPPC activity but functionally connected to the production processes.

The monitoring results show that most pollutants are below the relevance thresholds set by the PRTR Register or the applicable regulatory limits, confirming the effectiveness of the abatement systems adopted. In particular, several parameters (including SOx, heavy metals, PAHs, PCBs and PM10) are not relevant on an annual basis, while others (such as arsenic, cadmium and selenium) remain consistently below analytical detection limits.

In 2025 there was an increase in NOx emissions, which represent the main emissions contribution, against a significant reduction in other pollutants, particularly chromium and nickel. Overall, the data confirm a trend of progressive improvement in environmental performance and strengthening of emissions control safeguards.

EMISSIONS (1)	Unit of measure	2024	2025
Nitrogen oxides (NOx/NO2)	kg/y	512,227	664,500
Chromium and compounds (as Cr)	kg/y	392.1	273.7
Copper and compounds (as Cu)	kg/y	62.2	n.r.
Mercury and compounds (as Hg)	kg/y	53.5	62.9
Nickel and compounds (as Ni)	kg/y	181.4	69.2
PCDD + PCDF (dioxins + furans)	kg/y	0.0001986	n.r.
Chlorine and inorganic compounds (as HCl)	kg/y	10,770	10,550
Fluorine and inorganic compounds (as HF)	kg/y	5,533	n.r.
Sulphur oxides (SOx/SO2)	kg/y	n.r.	n.r.
Arsenic and compounds (as As)	kg/y	n.r.	n.r.
Cadmium and compounds (as Cd)	kg/y	n.r.	n.r.
Lead and compounds (as Pb)	kg/y	n.r.	n.r.
Polychlorinated biphenyls (PCB)	kg/y	n.r.	n.r.
Polycyclic aromatic hydrocarbons (PAH)	kg/y	n.r.	n.r.
Particulate matter (PM10)	kg/y	n.r.	n.r.
Non-methane volatile organic compounds (VOC)	kg/y	87.90	125,400

(1) Indicated as "n.r." (not relevant): i) values below the corresponding threshold value defined by the European Pollutant Release and Transfer Register (E-PRTR), i.e. the minimum quantity of a pollutant above which the industrial facility is required to declare emissions in the Register; ii) values referring to pollutants which, according to the monitoring carried out, have always remained below the analytical detection limit over the years.

Emissions to water

The water used by the company is treated through a centralised chemical-physical purification plant. Additional dedicated “at-plant” treatment plants are also present within the site and are intended to manage specific types of wastewater; for these flows, compliance with concentration limits similar to those established for discharges into surface water bodies is required before their discharge into the internal sewer network.

Overall, the AST site has four authorised discharge points: three discharge into surface water bodies (the Nera river, the Serra stream and the Tescino stream) and one into the public sewer network, relating to meteoric water.

A continuous monitoring system ensures compliance with the limits established by the regulations in force for all final discharges, both those intended for surface water bodies and those conveyed to the municipal sewer network. The discharge concentration values for the various parameters provided for by current legislation and the AIA are widely complied with, due to the adoption of the best available techniques (BAT).

Starting from March 2017, in accordance with the requirements of the Integrated Environmental Authorisation (AIA), Arvedi AST expanded its water emissions monitoring system by extending both the number of sampling points and the set of parameters analysed, also including new analytes such as mercury and arsenic.

With regard to the annual PRTR declaration, in 2025 the reporting scope was further extended to include process wastewater from plants not formally falling within IPPC activity 2.6 but nevertheless functionally connected to the production cycle (for example, cold rolling), thereby strengthening the completeness and representativeness of the environmental data.
For accounting purposes, where concentrations are below the analytical detection limit, a value equal to half of that limit is adopted, in line with the reference methodologies.

Pollutants that are below the thresholds set by the PRTR Register are classified as not relevant (“n.r.”).

Pollutants which, on the basis of monitoring, are consistently below analytical detection limits are also considered not relevant (“n.r.”). These include arsenic, cadmium, copper, mercury, lead and cyanides.

In 2025 the emissions profile shows a general reduction or non-relevance of numerous pollutants, including arsenic, cadmium, copper, mercury, lead and cyanides, confirming the effectiveness of the treatment systems adopted.

A decrease in total organic carbon (TOC) and chromium was recorded, while nickel and zinc increased, although their concentrations remained at levels broadly compliant with regulatory limits.

Emission of substances into water (1)	Unit of measure	2024	2025
Arsenic and compounds (as As)	kg/y	262.2	n.r.
Cadmium and compounds (as Cd)	kg/y	79.5	n.r.
Chromium and compounds (as Cr)	kg/y	853.9	747.2
Copper and compounds (as Cu)	kg/y	605.7	n.r.
Mercury and compounds (as Hg)	kg/y	36.7	n.r.
Nickel and compounds (as Ni)	kg/y	1,121.2	1,306
Lead and compounds (as Pb)	kg/y	163.9	n.r.
Zinc and compounds (as Zn)	kg/y	999.2	1,300.8
Total organic carbon (TOC) (as total C or COD/3)	kg/y	221.1	145.2
Cyanides (as total CN)	kg/y	892.5	n.r.
Fluorides (as total F)	kg/y	59,408	60,292
Total nitrogen	kg/y	n.r.	n.r.
Total phosphorus	kg/y	n.r.	n.r.
Chlorides (as total Cl)	kg/y	n.r.	n.r.

(1) Indicated as "n.r." (not relevant): i) values below the corresponding threshold value defined by the European Pollutant Release and Transfer Register (E-PRTR), i.e. the minimum quantity of a pollutant above which the industrial facility is required to declare emissions in the Register;
ii) values referring to pollutants which, according to the monitoring carried out, have always remained below the analytical detection limit over the years.

3.5 Water

Policies, actions, and objectives

Arvedi AST manages water resources through a structured planning, monitoring and control system, in compliance with the requirements of the Integrated Environmental Authorisation (AIA) and the regulations in force. The company holds a concession for water abstraction from the Velino river of up to 18,000 m3/h, compared with a maximum production requirement of approximately 16,000 m3/h.

The management model adopted is based on a balanced open-cycle system, in which the water withdrawn is mainly used for cooling plants and is subsequently returned, after treatment, to the Nera river. Thanks to this configuration, the water balance remains substantially in equilibrium: the water is returned almost entirely (net of evaporation losses), constituting a transfer between water bodies without significant qualitative or quantitative impacts.

All water flows — withdrawals, uses, treatments and discharges — are traced and monitored in accordance with the AIA and the Monitoring and Control Plan (PMC), with periodic updating of the data. Operational management is entrusted to a dedicated structure ("Fluid Distribution"), responsible for operating, maintaining and controlling the water and ecological plants, in compliance with strict operational and regulatory standards.

In parallel with compliance with authorisation obligations, the company has embarked on a continuous improvement path aimed at reducing water consumption, particularly for drinking-water and hygiene/sanitary uses. Through efficiency measures - including mapping and rationalisation of points of use, elimination of leaks, replacement of obsolete devices and optimisation of infrastructure - it was possible to achieve a significant reduction in consumption.

Water policies are integrated into corporate planning and supported by specific investments. The main initiatives include wastewater reuse and recirculation projects, which reduce primary water withdrawals and improve the overall efficiency of the system. In particular:

- recovery of water from the Dorr Oliver plant for replenishment of the cooling circuits (saving of approximately 50 m^3/h);
- reuse of indirect cooling water and treated wastewater between production areas (PIX2-LAC), with strengthening of recirculation systems;
- reuse of water from the IDAPIX purification plant in production processes, avoiding increases in water demand even in relation to new production lines.

Thanks to these measures, a significant share of the water is reused internally several times before final discharge, while the adoption of closed cooling circuits makes it possible to avoid substantially higher water consumption.

During the last year, the company also strengthened its commitment to transparency and stakeholder engagement on water-related issues, promoting dissemination initiatives and enhancement of the water-industrial system, including during public events and cultural activities in the local area. These initiatives helped to raise awareness of the strategic role of water and energy resources for the sustainability of the site and the surrounding area.

RECIRCULATION AND REUSE

AST is engaged in a number of internal recirculation and reuse activities and projects to reduce water use

Reduction of fresh water withdrawals

Process efficiency and sustainability

Protection of water resources and the local area

WATER
internal recirculation and reuse

AN INTEGRATED SYSTEM

A significant portion of the water used in production processes is recirculated and reused several times before final discharge.

FEWER WITHDRAWALS, GREATER VALUE FOR THE RESOURCE

CLOSED-CIRCUIT EVAPORATIVE TOWERS
for recirculation of cooling water in the ACC/LAC area



approx. 12,500 m3/h

REUSE OF WATER EXITING THE DORR-OLIVER PLANT
Reuse of water exiting the Dorr-Oliver plant to partially replace evaporation losses in the closed-loop cooling tower system.



approx. 50 m3/h

REUSE OF INDIRECT COOLING WATER
Reuse of indirect cooling water from some plants in the PIX2 area and the discharge of the IDA10 plant (relaunch from PIX2 to LAC)



up to 2,300 m3/h

REUSE OF WASTEWATER FROM THE IDAPIX PLANT
with relaunch at the inlet to the LAC department



up to 1,400 m3/h

RESULT
Thanks to recirculation and reuse projects, AST reduces fresh-water withdrawals, improves process efficiency and contributes to protecting water resources.

Water withdrawals

Water is used mainly for industrial purposes and, residually, for services such as watering yards and green areas and for hygiene-sanitary uses. Water supply for industrial use comes mainly from the Velino river, while resources from the aqueduct and groundwater are used for civil purposes.

The withdrawn water is entirely returned to the Nera river, net of evaporation. It follows that there is no net consumption of water resources, but rather a transfer between water bodies: after being used in production processes and undergoing purification treatment, the water is returned to the natural water system without significantly altering its qualitative and quantitative balance.

The data show a positive trend in water-resource management over the three-year period 2023–2025.

Total water withdrawal is steadily decreasing, from 146.0 million m³ in 2023 to **143.2 million m³** in 2025. This reduction is driven mainly by the decrease in the use of surface water, which is by far the predominant source. The other sources remain marginal and substantially stable, with a slight increase in the use of the public aqueduct.

DRAWN WATER (m³)	2023	2024	2025
Surface water	145,269,956	144,069,516	142,440,243
Groundwater	760,825	772,949	767,265
Rainwater collected at the production site	-	-	-
Public water supply	1,368	3,150	3,335
TOTAL	146,032,149	144,845,615	143,210,843

WATER INTENSITY water withdrawn in relation to production (1)	2023	2024	2025
m³/t	155	132	135

(1) The production volume used to calculate intensity is the total solid steel in slab form, and includes both slabs cast directly by Arvedi AST and those purchased from external suppliers and introduced into the production cycle; the total value used as a reference in 2025 is therefore 1,061,470 tonnes

WATER INTENSITY water withdrawn in relation to revenue	2023	2024	2025
m³/€ million	62,246	60,706	67,371

Recycled and reused water

In order to reduce the withdrawal of water resources, the company adopts two complementary water management methods:

- **closed-loop recirculation,** which enables water to be reused within the same production process;
- **cascade reuse,** in which water is used in successive stages of the production cycle with different quality requirements.

Thanks to these solutions, a very high share of the water used is recovered and reused, contributing significantly to the reduction of overall consumption.

In the three-year period 2023–2025, there was continuous improvement in performance: the volume of recycled and reused water increased from 125.4 to 129.3 million m³, while total water withdrawal progressively decreased. This trend translates into an increase in the incidence of reuse, rising from 85.9% in 2023 to 90.3% in 2025.

The figure highlights a concrete path towards an increasingly efficient and circular model of water-resource management: against a reduction in withdrawals, the company's ability to enhance the value of water already available in production processes increases.

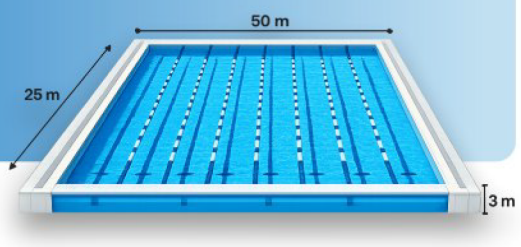
RECYCLED WATER (m³)	2023	2024	2025
Recycled and reused water (1)	125,449,718	127,378,870	129,267,068
Drawn water	146,032,148	144,845,615	143,210,843
Percentage of recycled water to drawn water	85.9%	87.9%	90.3%

(1) Re-use of PIX2 cooling water + Partial discharge IDA10 to LAC department + Re-use of Dorr Oliver wastewater for partial replacement of ACC evaporative towers + Evaporative towers for cooling water recirculation + Recirculation of furnace and hot rolling mill water + Piezometer F9

The AMOUNT OF RECYCLED WATER IS EQUAL TO THAT CONTAINED IN APPROXIMATELY

34.000
Olympic swimming pools

*assuming pools of 50 m length x 25 m width x 3 m depth as reference



Water stress

The area where the factory is located is classified as under "medium-to-high" water stress.

STEELWORKS AND WATER: AN ANCIENT HISTORY

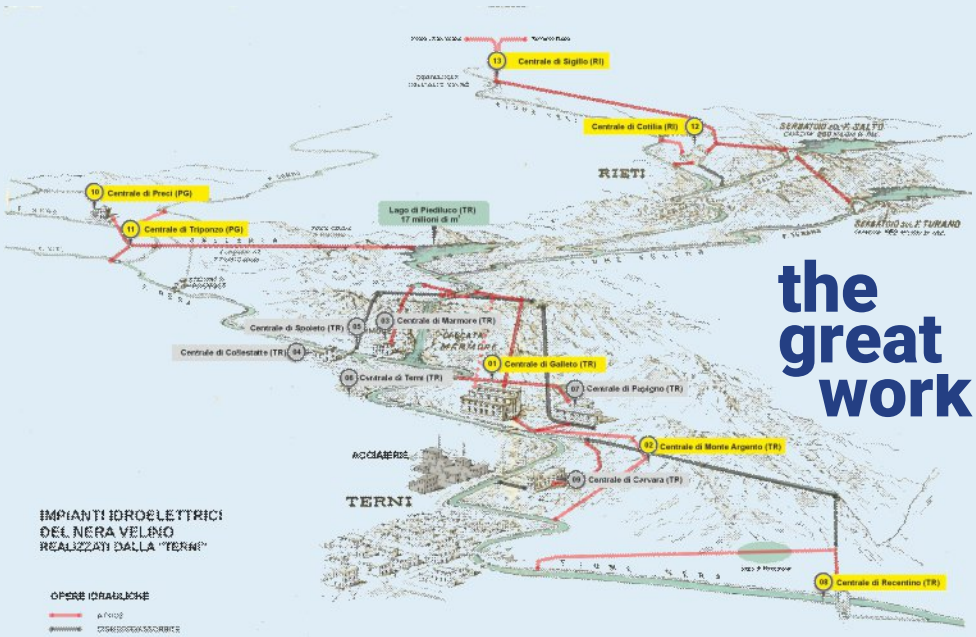
The topic of hydraulic infrastructure, both natural and the result of human ingenuity, was promoted and shared with stakeholders on the occasion of the 140th anniversary of the foundation of the steelworks, through the exhibition “La grande opera”.

The initiative developed into an exhibition path dedicated to the role of water resources in the Terni steelmaking hub, with information content on the evolution of the hydroelectric system built over the decades. The pathway also explored the history of the industrialisation of the local area, from its origins to the present day, including focuses on the sites in the Marmore Campacci area and an educational section aimed at schools, dedicated to the steel production cycle and the infrastructure required for its development.

Water resources in the Terni area have always played a decisive role in the birth of local industry and its subsequent development.

Over the centuries, local populations have benefited from the abundance of available water and the particular geomorphological context of the area, through canalisation works for irrigation purposes and to power the water wheels of mills and factories.

The industrial use of the Velino river waters was established in 1886, with the creation of a 5 m3/s diversion at the Marmore Falls. Using the Collestatte surge shaft as a settling basin, the water, through a route of approximately 6.5 km and an overall height difference of more than 200 metres inside tunnels and penstocks, reached the valley and provided the motive power needed to operate all the machinery of the Terni steelworks: turbines, water-column machines, compressed-air production, electricity generation and cooling. It was the first large-scale application of hydropower in Italy.







3.6 Biodiversity

The AST site does not fall within areas belonging to the Natura 2000 Network (SAC/SCI or SPA), nor within protected areas under international conventions (such as IUCN I-VI, Ramsar or Key Biodiversity Areas – KBA). The company therefore does not carry out activities or plan interventions in such areas or in immediately adjacent zones, nor does it cause the conversion or significant degradation of natural habitats.

When new plants are built or new activities are started, specific environmental assessments are conducted, in accordance with the regulations in force, to verify potential impacts on the environment and landscape. Recent interventions — including the introduction of the LAF8 treatment line, the Walking Beam slab reheating furnace and the authorisation for treatment and recovery of ferrous scrap — have been subject to these assessments.

The outcomes of the assessments excluded significant adverse impacts in terms of alteration or removal of natural resources and on the biodiversity component, confirming the compatibility of the interventions with the reference environmental context.

Urban reforestation initiatives

New trees were planted within the Municipality of Terni, in the Romita area (Prisciano), both on internal and external areas owned by the company.
The intervention, compensating for the felling of approximately 90 trees, involved planting about one hundred trees, mainly cypresses, maples and willows, and approximately 200 laurel plants.

Objectives

- Improve air quality and the local microclimate through carbon sequestration and the reduction of fine dust;
- Promote biodiversity by selecting tree species consistent with the relevant urban and environmental context.



3.7 Resource use and circular economy

Arvedi AST is committed to the transition towards an increasingly circular economy. Even today, as shown by the data presented in this chapter, the company's production is strongly oriented towards the principles of circularity, thanks to the predominant use of materials from recycling and recovery processes and the progressive improvement of performance in the efficient use of resources.

Steel production using an electric arc furnace represents, in this context, an intrinsically virtuous process, as it is based mainly on the use of scrap metal. Scrap classified as 'end-of-waste', 'by-product' or 'waste' may be delivered to AST's scrap yard. regardless of legal classification, all incoming materials are subject to strict quality controls, in accordance with authorisation requirements and internal procedures.

In addition to the use of externally recovered scrap, there is also a significant capacity to recover by-products and processing residues of internal origin (internal recycling), which are fed back and used in the plant's production cycle.

AST's strategic commitment to circularity is also reflected in dedicated projects, including the plant for the recovery of refractory materials, and in ongoing initiatives such as the slag recycling project, as well as further measures aimed at waste management according to circular-economy principles.

Strengthening the circularity of production also represents a fundamental lever for reducing greenhouse gas emissions. The use of recycled materials instead of virgin raw materials makes it possible to reduce the carbon footprint of products, contributing to decarbonisation and climate neutrality objectives.

TOWARDS AN EVEN MORE CIRCULAR EUROPEAN STEEL INDUSTRY

In 2025 the Joint Research Centre (JRC) of the European Commission published a study on the outlook for the European steel industry in the context of the transition to a circular economy. A brief summary is provided below.

JRC EUROPEAN COMMISSION

Towards an even more circular and sustainable European steel industry

The EU steel industry faces the challenge of improving its competitiveness while reducing CO emissions. JRC analyses show that a more circular approach is essential to containing environmental impact while also reducing dependence on imports.

The steel sector is vital to the European economy: in 2023 it generated total revenue of EUR 191 billion, employing more than 300,000 people. However, its production is among the most energy-intensive and depends heavily on the import of raw materials. A rapid transition to circular production could represent the solution. Improving the quality and use of steel scrap internally can significantly reduce transport-related emissions, decrease the use of virgin materials and reduce dependence on imported materials.

The scrap paradox

The EU steel sector has a trade deficit in finished products, particularly due to imports of high-value-added products such as hot-rolled products or stainless steel. At the same time, it is a net exporter of steel scrap, its main raw material. The EU is in fact the world's largest exporter of ferrous scrap, shipping abroad approximately 20% of what it collects. Despite these exports, research shows that there is currently no shortage of steel scrap in the EU. However, Europe could benefit greatly from better management of its own internal resources, thereby reducing external dependencies.

Quality is essential

Not all scrap is the same. Currently, a significant portion of exported scrap is of rather low quality and is mainly used in building and construction.

High-quality scrap can instead be used for high-demand applications, such as the automotive industry. Three key actions can drastically improve scrap quality:

- **better selection and treatment:** on the supply side, recyclers should invest in more modern processes to produce higher-quality secondary materials;
- **clearer classification systems:** EU classification is often not sufficiently accurate to clearly define a range of scrap quality levels;
- **better use of scrap:** for high-demand applications, such as flat steels for cars or wind turbines, higher-quality scrap should be prioritised.

In this way, the EU could make an additional 20–40 million tonnes of high-quality scrap available each year. Although this quantity is expected to grow, it corresponds to a substantial 52% of EU scrap consumption in 2024.

Greater use of scrap in the EU would also mark the transition from blast furnaces, which depend on coal and are highly intensive in terms of emissions and pollution, to electric arc furnaces (EAF), which generate approximately three times fewer emissions per tonne of steel than blast furnaces.

New global and internal pressures

US tariffs on steel and China's objective of increasing scrap-based steel production could reshape global scrap markets. JRC analyses show that, if China were to achieve its target, Chinese industry would need an additional 45 million tonnes of scrap — almost half of the scrap currently available in the EU after exports. Although the immediate risk of a scrap shortage in the EU is low, these external factors highlight the need for strategic action.

The main policy measures could include establishing early-warning systems for supply bottlenecks, creating a quality-based scrap classification to improve market transparency, and using green public procurement to stimulate demand for high-quality recycled steel.

3.7.1 Inbound resources

In 2025, total consumption of materials used for internal production amounted to 970,931 tonnes, down on the previous year. This figure, like the other figures reported in this paragraph, does not include semi-finished products (slabs) purchased from external suppliers and introduced into the production cycle from the reheating and hot-rolling processes.

The composition of incoming materials confirms the strong predominance of metals (83%), with scrap playing a central role as the main component of the procurement mix. Renewable materials, while remaining marginal in quantitative terms, show slight growth.

Overall, the procurement profile highlights a model strongly oriented towards material circularity, with significant use of secondary inputs contributing to the reduction of virgin resource consumption.

INBOUND MATERIALS (t)	2023[3]	2024	2025
Primary metals[1]	178,983	220,459	155,593
Scrap[2]	758,150	850,095	649,960
Other materials[3]	165,376	178,856	156,806
Total non-renewable materials	**1,102,510**	**1,249,410**	**962,359**
Wood	3,578	6,405	7,465
Paper and cardboard	855	1,237	1,107
Total renewable materials	**4,433**	**7,642**	**8,572**
TOTAL[4]	**1,106,943**	**1,257,052**	**970,931**

(1) Ferroalloys and grit
(2) EoW scrap + purchased by-products + scrap purchased as waste
(3) Excluding gas and other fuels
(4) excluding slabs purchased from external suppliers

Recycled materials

In 2025 recycled materials represented a structural component of the production model, with a share equal to **66.9% of total incoming materials.**

Restricting the analysis to **metals** only, the recycled-content share reached 80.7% (up from 79.4% in 2024), confirming the central role of secondary raw materials in the production process.

Internal recovery processes (internal recycling) also contribute significantly to this result, making it possible to reintroduce various types of residues and by-products into the production cycle. Taking these flows into account as well, the overall share of recycled metals out of total metals processed rises to **84.6%** (82.4% in 2024), highlighting a further improvement in circularity performance.

Overall, the data confirm a production model strongly oriented towards **the circular economy**, characterised by high use of recycled materials and progressive strengthening of internal recovery practices.

INBOUND MATERIALS (t)	2024	2025
Inbound materials	1,257,052	970,931
Recycling content in purchased materials	850,095	649,960
Share of recycled content in incoming materials	**67.6%**	**66.9%**

PROCESSED MATERIALS (t)	2023	2024	2025
Inbound materials	1,106,943	1,257,052	970,931
Metals from internal recovery (1)	179,149	179,679	208,048
Other materials from internal recovery (2)	19,034	20,663	19,053
TOTAL materials processed	**1,305,126**	**1,456,084**	**1,198,032**

(1) Scrap as by-product, scrap recovered from Tapojarvi, abatement dust, rolling mill scale, slab grinding, coil sandblasting abatement dust
(2) Deref refractory rubble

MATERIALS (t/t)	2024	2025
Purchased metals	1,070,554	805,553
Recycling content in purchased materials	850,095	649,960
Recycling content in purchased materials	**79.4%**	**80.7%**
Total metals processed	1,250,233	1,013,601
Recycling content in purchased materials (including internal recycling)	1,029,774	858,007
Proportion of Recycling Content in Processed Metals to Total Processed Metals	**82.4%**	**84.6%**



RECYCLED MATERIALS AND CIRCULARITY
Comparison 2025 vs 2024

The data show further strengthening of the production model based on recycled materials and internal recovery practices.

RECYCLED MATERIALS

compared to total materials purchased

2024		2025
67,6%	↔	66,9%

CHANGE 2025 vs 2024

-0,7%

The share of recycled materials remains substantially stable, confirming a high degree of circularity in procurement.

RECYCLED METALS

compared to total materials purchased

2024		2025
79,4%	↑	80,7%

CHANGE 2025 vs 2024

+1,3%

The share of recycled metals in procurement is improving, confirming the increasing use of secondary raw materials.

RECYCLED METALS

recycled metals (external recycling + internal recycling) compared to processed metals

2024		2025
82,4%	↑	84,6%

CHANGE 2025 vs 2024

+2,2%

The contribution of internal recycling enables a further increase in the share of recycled metals in the total processed.

TOWARDS AN INCREASINGLY CIRCULAR INDUSTRY

3.7.2 Outbound resources

The products made by Arvedi AST consist of stainless steel, a material characterised by high **durability**, corrosion resistance and a long useful life. These characteristics make it possible to reduce the frequency of component replacement and promote efficient use of resources over time.

Stainless steel is also **recyclable** at the end of its life cycle and can be recovered and reused in steelmaking processes while maintaining its metallurgical properties unchanged. This characteristic promotes material recovery and contributes to resource circularity, reducing the need for virgin raw materials.

The intrinsic properties of the material therefore make Arvedi AST's products compatible with the principles of the circular economy, promoting preservation of the value of resources and their reintegration into production cycles.

PRODUCTS SOLD	2024	2025
tonnes	**955,146**	**917,464**

Waste

In 2025 AST has generated approximately **119,116 tonnes of waste.**

There are also **297,889 tonnes** of non-hazardous slag from production processes, whose operational management is entrusted to Tapojärvi Italia S.r.l.

Waste is delivered to a significant extent to a controlled landfill owned by the company, located near the production plant. The plant, originally authorised in 1973 and subsequently subject to expansions and regulatory adjustments (most recently under the current AIA), has an overall authorised capacity of approximately 7 million m³ and a potential capacity of about 700,000 tonnes per year.

ACTIVITIES AND PROJECTS

Landfill mining

During 2025 AST continued the development of the “Landfill Mining” project, aimed at securing the municipal-waste landfill adjacent to the production site, reducing potential environmental impacts and recovering materials from a circular-economy perspective. The project provides for the removal of existing waste, the selection and valorisation of recoverable fractions (particularly metals) and subsequent waterproofing of the area, while enabling reuse of the available volumes without consuming new land. The LM project forms part of the broader project to expand the company landfill, which will take place without consuming new land.

The initiative also contributes to the environmental and landscape redevelopment of the area and to maintaining the site's operational continuity. Activities are expected to start in 2026, upon completion of the authorisation process.

Separate waste collection project

In December 2024, a new project was launched to increase the rate of separate waste collection within the offices and cafeterias in the wards, with the separation of paper and cardboard, plastic and metal, undifferentiated waste and organic residue.

Overall, during 2025 more than 30 tonnes of plastic, 16.5 tonnes of paper and approximately 90 tonnes of unsorted waste were collected.

Rigenera Project

A further initiative aimed at reducing waste sent for disposal consists of the progressive installation of regeneration units (“Rigenera”) for the recovery of pickling solutions used on the cold lines.

These plants enable the treatment and purification of spent solutions, making them usable again in the production process and enabling the recovery of acids (HF and H_2SO_4), with a reduction in the sludge produced.

The introduction of the “Rigenera” units also helps to reduce the consumption of raw materials and reagents, optimise plant operation and limit manual interventions in the management of chemical substances.

LANDFILL MINING PROJECT

Arvedi AST promoted an innovative project aimed at definitively resolving the issue represented by the presence, adjacent to its own industrial landfill, of an old municipal waste landfill developed and managed by the Municipality of Terni between the late 1970s and the late 1990s, and still managed today — as regards leachate collection and disposal — by the Municipality of Terni.

The 'Landfill Mining' project is based on the preventive removal of municipal solid waste landfilled by the Municipality of Terni to natural soils with simultaneous sorting and recovery of the metal fraction of the extracted waste. Once the design elevations are reached, bottom waterproofing will be carried out; subsequently, both the non-recoverable fractions of previously banked municipal solid waste and waste from production activities will be redeposited.

This operation will make it possible to:

definitively secure the MSW landfill managed by the Municipality of Terni through the removal of the pollutant source

partially recover waste with a view to the circular economy

ensure Arvedi AST's production continuity through the expansion of its landfill in an area already designated for waste reception, with minimal consumption of new land in other areas;

territorially redevelop the landfill area (at a landscape, functional, and architectural level).



PROJECT PHASES

1

REMOVAL OF MUNICIPAL SOLID WASTE



Removal of landfilled municipal solid waste until natural ground is reached.

2

SORTING AND RECOVERY OF MATERIALS (METALS)



Selection and recovery of the metal fraction and other recoverable fractions.

3

WATERPROOFING OF THE AREA



Once the design levels have been reached, bottom waterproofing is carried out.

4

REUSE OF AVAILABLE VOLUMES



The volumes are remodelled and reused for the controlled disposal of waste.

PROJECT BENEFITS

ENVIRONMENTAL SECURING
Definitive elimination of the polluting source of the MSW landfill.

CIRCULAR ECONOMY
Recovery of materials and enhancement of resources.

OPERATIONAL CONTINUITY
Expansion of the landfill over an area already suitable for waste reception, with minimal consumption of new soil.

LOCAL AREA REDEVELOPMENT
Landscape, functional and architectural improvement of the landfill area.

An innovative project combining environmental safety, the circular economy and local sustainability.

Arvedi

Reuse of heat-resisting materials

A special plant reuses the refractory materials by feeding them back into the production cycle, partially replacing the lime. This avoids sending about 15-20 thousand tonnes of waste to landfill per year while also helping reduce lime consumption.

Briquetting machine

A briquetting machine scheduled for installation will make it possible to recover and valorise fine materials whose reuse in the furnace, because of their particle size, would otherwise have very low yields.



Waste management

In 2025 waste generated by the company, net of production slag managed by third-party companies, amounted to 119,116 tonnes, down 6% compared with 2024.

Almost all hazardous waste was sent for disposal (95.6%), while only 4.4% was sent for recovery. For non-hazardous waste, however, the share sent for recovery reached 35.6%, while the remaining 64.4% was sent for disposal.

Overall, the percentage of waste sent for recycling or other forms of recovery stood at 13.5%, an improvement compared with 12.6% recorded in 2024.

WASTE GENERATED 2025	Unit of measure	Hazardous	Non-hazardous	TOTAL
01 -WASTE FROM EXPLORATION, EXTRACTION AND PHYSICAL AND CHEMICAL PROCESSING OF MINERALS	t	0	0	0
02- WASTE FROM AGRICULTURE, HORTICULTURE, AQUACULTURE, FORESTRY, HUNTING AND FISHING, FOOD PREPARATION AND PROCESSING	t	0	0	0
03 -WASTE FROM WOOD PROCESSING AND The PRODUCTION OF PANELS AND FURNITURE, PULP, PAPER AND CARDBOARD	t	0	0	0
04 - WASTE FROM The LEATHER, FUR AND TEXTILE INDUSTRIES	t	0	0	0
05 - WASTE FROM PETROLEUM REFINING, NATURAL GAS PURIFICATION AND PYROLYTIC TREATMENT OF COAL	t	0	0	0
06 - WASTE FROM INORGANIC CHEMICAL PROCESSES	t	0	0	0
07 -WASTE FROM ORGANIC CHEMICAL PROCESSES	t	0	0	0
08 - WASTE FROM MANUFACTURE, FORMULATION, SUPPLY AND USE (MFSU) OF COATINGS (PAINTS, VARNISHES AND VITREOUS ENAMELS), ADHESIVES, SEALANTS AND PRINTING INKS	t	3.8	0.1	3.9
09 - WASTE FROM The PHOTOGRAPHIC INDUSTRY	t	0	0	0
10 - WASTE FROM THERMAL PROCESSES	t	8,198	3,924.8	12,122.8
11 - WASTE FROM CHEMICAL SURFACE TREATMENT AND COATING OF METALS AND OTHER MATERIALS NON-FERROUS HYDROMETALLURGY	t	7.5	0	7.5
12 - WASTE FROM DEMOULDING AND PHYSICAL AND MECHANICAL SURFACE TREATMENT OF METALS AND PLASTICS	t	1,114.5	44.9	1,159.4
13 - OIL AND LIQUID FUELS WASTE (excluding edible oils)	t	461.6	0	461.6
14 - WASTE ORGANIC SOLVENTS, COOLANTS AND PROPELLANTS	t	0.2	0	0.2
15 - PACKAGING WASTE; ABSORBENTS, WIPING CLOTHS, FILTER MATERIALS AND PROTECTIVE CLOTHING NOT OTHERWISE SPECIFIED	t	1,059.7	3,470.3	4,530
16 - WASTE NOT OTHERWISE SPECIFIED	t	3,243.6	11,998.7	15,242.2
17 - CONSTRUCTION AND DEMOLITION WASTE (INCLUDING EXCAVATED SOIL FROM CONTAMINATED SITES)	t	37.7	15,066.8	15,104.5
18 - WASTE FROM HUMAN OR ANIMAL HEALTH CARE AND/OR RELATED RESEARCH	t	0.2	0.1	0.3
19 - WASTE FROM WASTE TREATMENT FACILITIES, OFF-SITE WASTE WATER TREATMENT PLANTS AND PREPARATION OF WATER INTENDED FOR HUMAN CONSUMPTION AND WATER FOR INDUSTRIAL USE	t	70,166	308.6	70,475.6
20 - MUNICIPAL WASTE (HOUSEHOLD AND SIMILAR WASTE, COMMERCIAL, INDUSTRIAL AND INSTITUTIONAL WASTE) INCLUDING SEPARATELY COLLECTED FRACTIONS	t	0.5	7.5	8
TOTAL	t	84,294.41	34,821.761	119,116.171

WASTE (t)	2023	2024	2025
HAZARDOUS WASTE	**72,011**	**83,209**	**84,294**
of which for disposal	67,853	77,882	80,633
of which for recovery	4,158	5,327	3,661
NON-HAZARDOUS WASTE	**19,469**	**43,445**	**34,822**
of which for disposal	12,729	32,800	22,413
of which for recovery	6,740	10,645	12,409
TOTAL	**91,480**	**126,654**	**119,116**

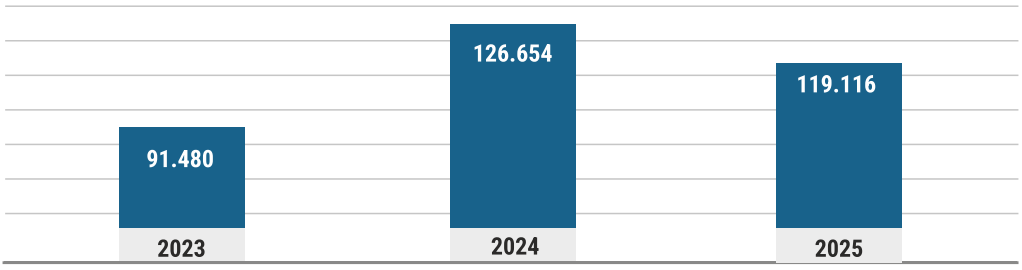
WASTE MANAGEMENT	2023		2024		2025	
	t	**%**	**t**	**%**	**t**	**%**
Sent for recovery	10,897	11.9%	15,972	12.6%	16,070	13.5%
Disposal	80,583	88.1%	110,682	87.4%	103,046	86.5%
TOTAL	**91,480**	**100%**	**126,654**	**100%**	**119,116**	**100%**

WASTE SENT FOR RECOVERY (t)	2025
RECOVERY OPERATIONS	
Hazardous waste	**3,661**
Preparation for reuse	-
Recycling	-
Other recovery operations	3,661
Non-hazardous waste	**12,409**
Preparation for reuse	-
Recycling	-
Other recovery operations	12,409
Total	**16,070**

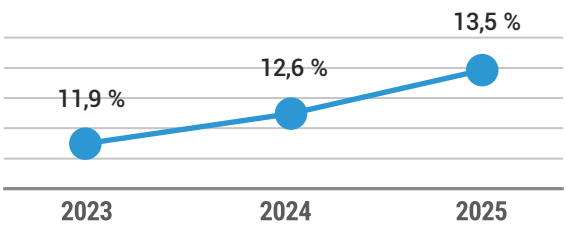
WASTE FOR DISPOSAL (t)	2025
DISPOSAL OPERATIONS	
Hazardous waste	**80,633**
Incineration (with energy recovery)	565
Incineration (without energy recovery)	-
Landfill	76,458
Other disposal operations	3,610
Non-hazardous waste	**22,413**
Incineration (with energy recovery)	107
Incineration (without energy recovery)	-
Landfill	15,286
Other disposal operations	7,020
Total	**103,046**

WASTE PER UNIT OF PRODUCT	2023	2024	2025
t waste / t production	**0,097**	**0,115**	**0,112**

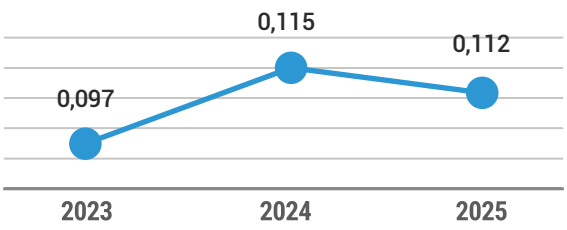
WASTE (t)



WASTE SENT FOR RECOVERY (%)



WASTE PER UNIT OF PRODUCT (twaste/tprod)



Liquid waste treatment

The site has a plant (Dorr Oliver) for the treatment of landfill leachates, aqueous waste solutions, and aqueous liquid waste produced by groundwater remediation operations.

A system for reusing treated wastewater is also in operation, used as a partial replacement for make-up water in the cooling circuit of the ACC area plants, with an estimated saving of approximately 50 m³/h of water.

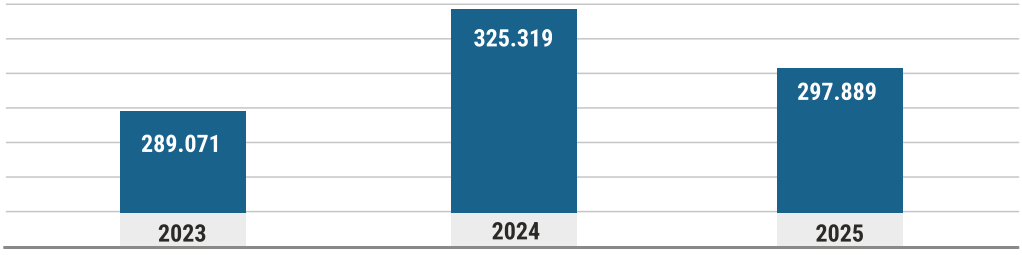
LIQUID WASTE	2023	2024	2025
LEACHATE	63,793	51,840	52,717
AQUEOUS SOLUTIONS	10,414	9,922	10,752
TOTAL	**74,207**	**61,762**	**63,469**

During 2025, AST completed construction of a new leachate collection and relaunch system for the Valle landfill, based on above-ground pipes and tanks, with the aim of reducing the risk of leaks and accidental spills and improving the effectiveness of controls. The system, which entered into operation in October 2025, enables more efficient management of flows to the treatment plant, while ensuring operational continuity through the use of the existing lines as support.

Slag

In addition to data relating to waste formally attributable to Arvedi AST, the quantities of slag must also be considered from a substantive perspective. Although the slag originates from the plant's production processes, it is in fact managed by third parties, as already noted above. In 2025 they amounted to 297,889 tonnes.

SLAG (t)



3.7.3 Circularity performance

In view of the strategic role played by Arvedi AST's activities in the transition towards a circular-economy model, this Report integrates the information reported in accordance with the ESRS standards with additional indicators dedicated to measuring circularity performance.

The additional information was prepared with reference to the circular-economy monitoring framework published by the European Commission in 2023, as well as to the principles and methodologies defined by ISO 59020 and ISO 14021. The objective is to provide a more complete and transparent representation of the company's ability to optimise resource use, enhance recycled materials and reduce environmental impacts throughout the production cycle.

Recycled metal content

Arvedi AST's stainless steel products are manufactured using a high percentage of recycled material, consisting of scrap metal from end-of-life collection (post-consumer scrap) or from AST's or other processors' processing/manufacturing operations (pre-consumer scrap).
The table below shows the percentage of recycled scrap used by AST in 2025 in relation to solid steel production (slabs). In accordance with the ISO 14021 standard, for calculation purposes, scrap generated by the steel production and casting processes—such as metals recovered from slag, ladle and tundish skulls, dust recovered from suction systems, and any other internal steelworks scrap—was not considered as recycled content.

RECYCLED CONTENT IN THE PRODUCTION OF SOLID STEEL		
Recycled scrap used as a percentage of solid steel produced	**2024**	**2025**
Austenitic	91.2%	92.9%
Ferritic	82.2%	83.3%
Total	**88.8%**	**90.0%**

Circularity rate

The material circularity rate, which measures the share of recycled materials in total materials used, stood at 66.9% in 2025, confirming a high level of efficiency in the use of resources.

With reference to metals, the share deriving from *external scrap recycling* reached **80.7%** of total metals purchased. Taking internal recovery flows (internal recycling) *into account* as well, the overall share of recycled metals out of total metals processed rises to **84.6%.**

These results show the strong integration of circular economy principles into AST's production model, supported by the use of EAF technology and the high use of recycled materials.

KPI	Description	2025
Recycled materials	Share of recycled materials compared with total purchased materials	**66.9%**
Recycled metals	Share of recycled materials compared with total metals purchased	**80.7%**
Recycled metals (external recycling + internal recycling)	Share of recycled metals compared with total metals processed	**84.6%**

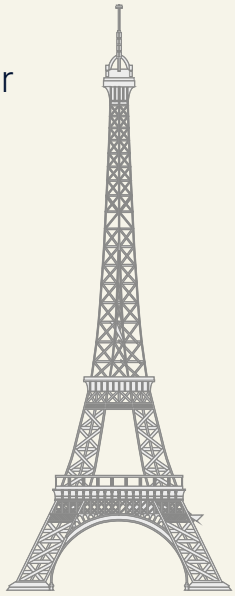
The quantity of recycled metals used in 2025 for AST production is equivalent to approximately

89

EIFFEL TOWERS*

***considering the amount of metals from external and internal recycling processed by AST in relation to the weight of the metal structure of the Eiffel Tower (7,300 t)**

649,960 t



Resource-use efficiency rate

In 2025, an improvement was recorded in the efficiency of resource use. In particular, material consumption per tonne of product decreased from 1.21 t/t to 1.15 t/t.

The trend shows a progressive improvement in operational efficiency and the ability to optimise the use of resources in production processes, consistently with the objectives of circularity, reduction of environmental impacts and decarbonisation.

EFFICIENCY IN THE USE OF RESOURCES	2023	2024	2025
MATERIALS (t/t)	1.34	1.21	1.15

RESOURCE-USE EFFICIENCY RATE

In 2025 there was an improvement in resource-use efficiency, with a reduction in material consumption per unit of product.



GREATER EFFICIENCY
Fewer resources to produce value

LOWER IMPACTS
Reduction of consumption and emissions

IMPROVEMENT
continuous of the performance and of processes

INTENSITY MATERIAL (t/t of product)

2023	2024	2025
1,34 t/t	1,21 t/t	1,15 t/t

-13.4% compared with 2023

-5.0% compared with 2024

The trend shows a progressive improvement in operational efficiency and the ability to optimise the use of resources in production processes, consistently with the objectives of circularity, reduction of environmental impacts and decarbonisation.

Resource productivity

The resource productivity indicator measures the added value generated by the company in relation to the tonnes of materials purchased and used in production processes, thereby representing a synthetic parameter of efficiency in the use of raw materials.

In 2025, the indicator stood **at EUR 145 per tonne,** compared with EUR 158 per tonne in 2024. The figure reflects a context characterised by changes in raw-material prices, production mix and market dynamics, which affected the added value generated per unit of material used.

In 2025, **value added** was approximately **EUR 140.9 million,** confirming the company's contribution to the creation of economic value along the production chain.

The indicator continues to be a useful tool for monitoring the level of efficiency in resource use over time and supporting strategies oriented towards greater sustainability and circularity of production processes.

RESOURCE PRODUCTIVITY	2024	2025
euro/t	**158**	**145**

Climate benefits

The use of 649,960 tonnes of recycled metals (scrap) made it possible to avoid approximately **975 thousand tonnes of CO_2 emissions** and save more than **424 thousand MWh** of energy, according to methodologies developed by World Steel and the Bureau of International Recycling.

THE USE OF RECYCLED METALS ENABLES TO REDUCE ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Thanks to the use of recycled metals, AST avoided the emission of approximately in 2025

975,000
tonnes of CO_2



Thanks to the use of recycled metals, AST avoided energy consumption of approximately in 2025

424,000
MWh



ENVIRONMENTAL BENEFITS OF CIRCULARITY

For every tonne of recycled steel scrap:

emissions of approximately the following are avoided
1.5
tonnes of CO_2 *

the following are saved
652
kWh of energy**

** World Steel LCA methodology*

***Bureau of International Recycling methodology*

Waste recovery a virtuous example of the circular economy

Arvedi AST is developing a project to recover slag from the steelmaking process, with the objective of strengthening its circular economy model and valorising by-products generated by the production cycle.

Each year the plant produces over 300,000 tonnes of slag, of which approximately 40% comes from melting in the furnaces ("black slag") and 60% from the refining process in converters ("white slag"), equivalent overall to approximately one third of the steel produced.

The project, developed in collaboration with the Finnish group Tapojärvi, represents one of the first industrially sustainable solutions in Italy for recycling stainless steel slag. The objective is to transform these materials into reusable and marketable products, in line with the most advanced environmental standards and market requirements. Following treatment, the slag acquires characteristics similar to gravel and sand, obtains CE marking and can be used as a substitute for natural materials in road sub-bases or in bituminous and cementitious mixes.

The project path, launched in previous years, saw a key step in 2023 with the authorisation for the recovery of de-ironised slag for the purposes of "end-of-waste" status. This enabled the start of production of materials such as "filler" and "aggregates", intended for various applications in the construction sector, both certified.

At the same time, environmental authorisations were obtained for management of the different stages of the process, including the new configuration of the "slag ramp" and the areas dedicated to aggregate maturation. The aggregates area was also completed, supporting the reuse of materials as construction products.

At operational level, the first results are already visible: Tapojärvi Italia has started marketing the end-of-waste filler, with more than 1,000 tonnes recovered and used in the concrete and mortar sectors. As regards aggregates, after CE marking was obtained in 2025, the first supplies were made for industrial tests for applications in cementitious and bituminous mixes.

Research and development activities continue in order to expand the areas of use. Among the main trials: the use of filler in waterproofing membranes and in various concrete formulations (including structural concrete), the production of prefabricated elements (e.g. "lego"-type blocks) and the development of innovative mixtures with partial or total replacement of natural aggregates. Studies are under way on aggregates with universities and research centres to optimise curing conditions and technical-

mechanical performance, while further tests concern the valorisation of hydrocyclone sand. The main application areas under development or validation include road infrastructure (base and wearing courses), bituminous membranes, concrete and prefabricated solutions. The main certifications (REACH and CE marking) have already been obtained for the most advanced applications.

The project generates significant environmental benefits: reduces waste generation, limits the use of natural raw materials and helps reduce the impact of extractive activities. In addition, optimisation of treatment processes enables an improvement in environmental quality in the areas surrounding the site, also through the reduction of diffuse emissions. Overall, the initiative represents a concrete example of industrial innovation geared towards sustainability and efficient resource enhancement.



SLAG
RE-USE PROJECTS

The slag is managed by **Tapojärvi.**
Once processed, slag products can be used to r**eplace natural materials** such as gravel or sand in road subgrades or incorporated into a bituminous or cement matrix to produce **asphalt or concrete.**
Several projects are underway in cooperation with industrial partners to demonstrate the **technical feasibility** and initiate **the industrial application** of reuse.



ASPHALT/ROAD FOUNDATIONS

Asphalt/road foundations: use as a filler in the surface (wear layer) or in the base/intermediate layers in asphalt road construction.



BITUMINOUS MEMBRANES

Bituminous membranes: use as filler in bitumen-based layers to ensure waterproofing of buildings and constructions.



CONCRETE

Concrete: the use as a backfill material to replace sand and fly ash is being technically tested with industrial partners.



LEGO BLOCKS

Lego blocks: Interlocking pre-cast concrete blocks, designed as fast-assembly and reusable construction elements for walls, buildings, and temporary structures.

REACH registration and CE marking have already been obtained for the main applications.

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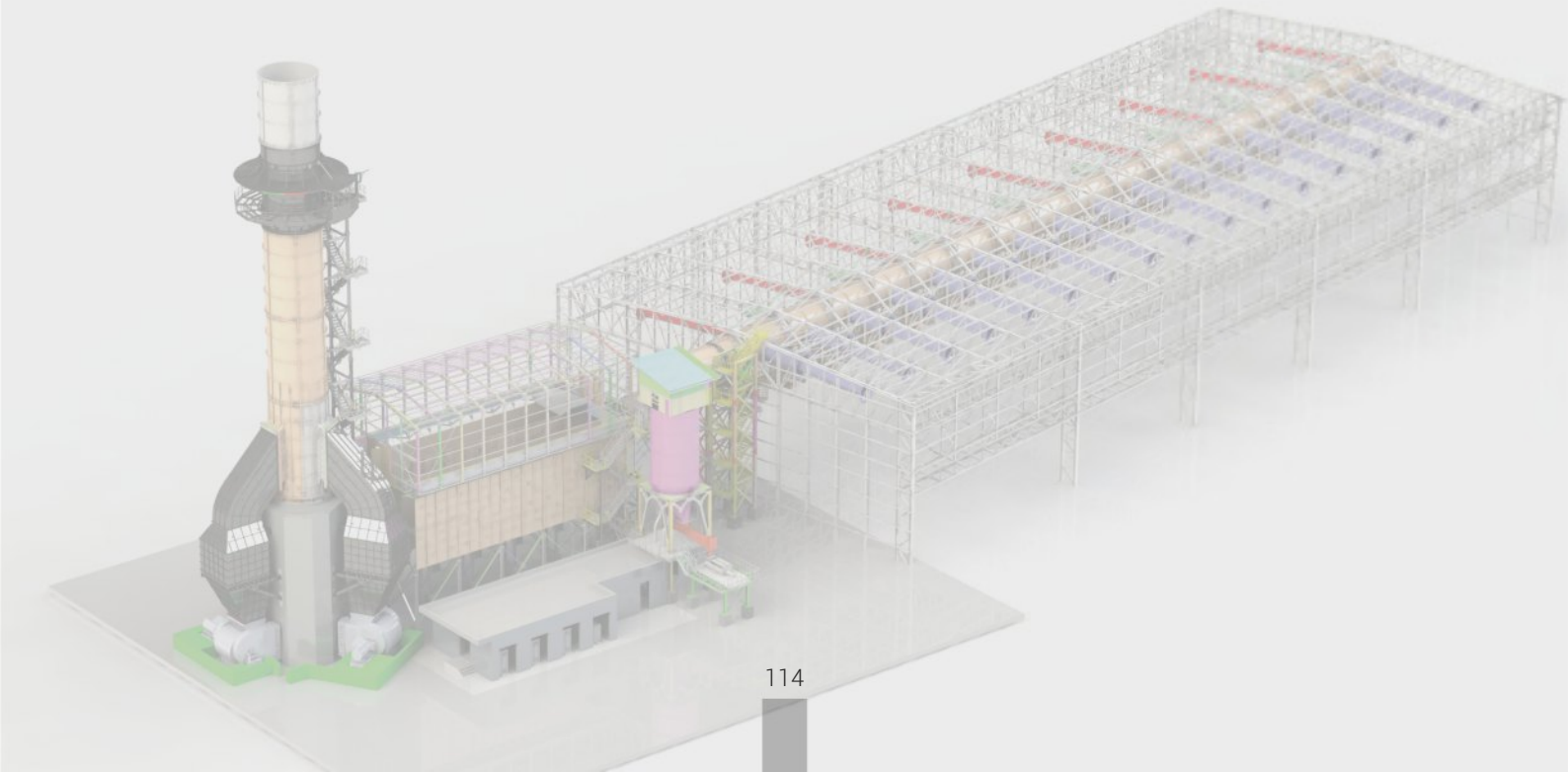
ENVIRONMENTAL BENEFITS OF THE NEW SLAG YARD

The current configuration of the slag ramp is “semi-open”, a solution adopted only in some European stainless steel production sites, whereas in other similar contexts activities are carried out completely outdoors. As part of the broader “slag project”, Arvedi AST has voluntarily chosen to intervene on this asset as well, with the objective of significantly reducing diffuse emissions and potential impacts on the nearby Prisciano district.

Following technical and management studies, a project was developed to build a new fully enclosed slag ramp equipped with extraction systems. The project obtained environmental authorisation at the end of 2024 and subsequently the necessary building permits, enabling work to start in July 2025. The plant is expected to enter operation in 2026, with a total investment of around EUR 40 million.

Pending completion of the work, the company has implemented a structured package of transitional measures aimed at containing diffuse emissions. These include: the reorganisation of internal vehicle routes, moved away from the most sensitive areas; systematic wetting of the surfaces affected by processing and of internal roads; the creation of vegetative barriers in boundary areas; installation of a wheel-washing system for outgoing vehicles. All planned measures have been completed.

These actions are complemented by a structured set of management measures adopted on an ongoing basis, including periodic cleaning of roads, yards and roofs, wetting of the most exposed surfaces, use of dry-fog systems for dust suppression, use of covers for transported materials and compliance with internal speed limits.
Overall, the intervention on the slag ramp represents a key element in the plant’s environmental improvement pathway, aimed at reducing diffuse emissions and strengthening protection of the surrounding area.



THE SLAG YARD

A STRATEGIC INITIATIVE TO REDUCE EMISSIONS AND PROTECT THE LOCAL AREA

Arvedi AST is intervening on the slag ramp as part of the broader "slag project", with the aim of significantly reducing diffuse emissions and potential impacts on the nearby Prisciano district.

CURRENT SITUATION

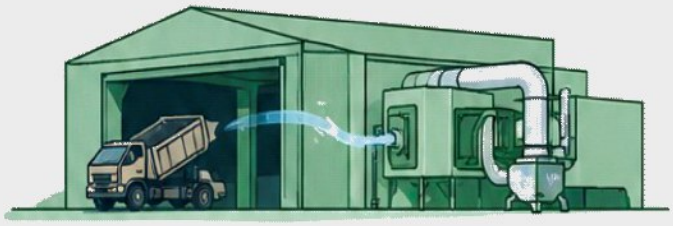
The slag ramp is currently "semi-open", a solution adopted only at some European stainless-steel production sites, while in other similar contexts activities are carried out entirely outdoors.



OBJECTIVES: reduce fugitive emissions and the impact on the Prisciano district.

THE NEW PROJECT

After technical and management studies, a project was developed to build a new fully enclosed slag ramp equipped with extraction systems.



ENVIRONMENTAL AUTHORISATION
December 2024

BUILDING PERMITS
2025

WORKS START
July 2025

EXPECTED COMMISSIONING
2026

TOTAL INVESTMENT: approximately EUR 40 million

Arvedi

TRANSITIONAL MEASURES ALREADY IMPLEMENTED

Pending completion of the new ramp, concrete measures have been implemented to contain fugitive emissions.

REORGANISATION OF VEHICLE ROUTES

Internal routes reorganised and moved away from the most sensitive areas.

SYSTEMATIC WETTING

Wetting of slag processing areas and internal roads.

VEGETATIVE BARRIERS

Creation of vegetative barriers in the most exposed boundary areas.

WHEEL-WASH SYSTEM

Installation of a new wheel-washing system for outgoing vehicles.

ALL MEASURES HAVE BEEN COMPLETED

ONGOING MANAGEMENT MEASURES

Actions adopted in a structured and continuous manner to limit production and dispersion of dust.

PERIODIC CLEANING

Periodic cleaning of roads, yards and roofs.

WETTING

Wetting of the surfaces most exposed to dustiness.

SYSTEMS DRY-FOG

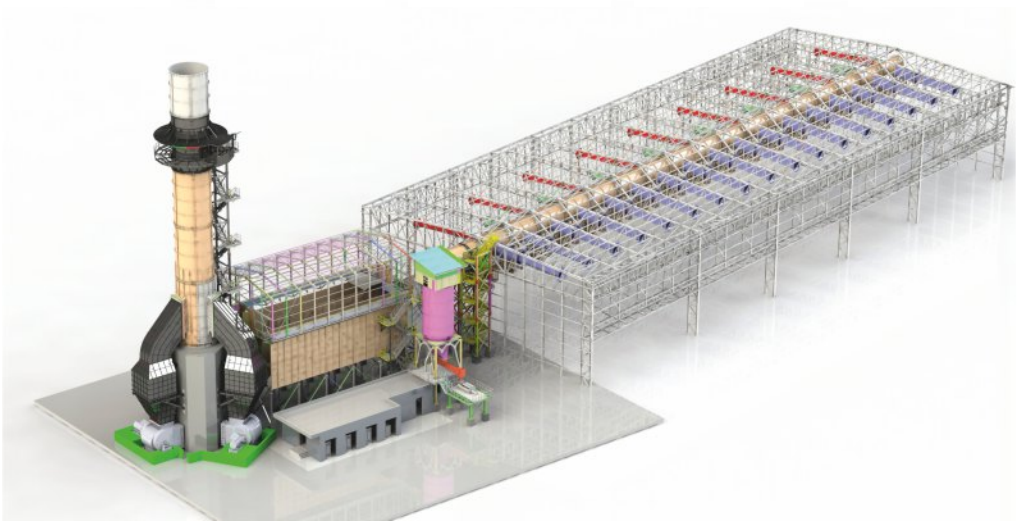
Use of dry-fog systems for dust abatement.

TARPAULIN COVERS

Use of covers for transported materials.

SPEED LIMITS

Compliance with speed limits inside the plant.





EXPECTED BENEFITS

- Significant reduction of fugitive emissions
- Greater protection of the Prisciano district
- Significant reduction of fugitive emissions
- A concrete contribution to a sustainability and circular economy pathway

The intervention on the slag ramp represents a key element in Arvedi AST's environmental improvement pathway, aimed at reducing diffuse emissions and strengthening protection of the surrounding area.



Arvedi

3.8 Other environmental information

Noise and vibration

Arvedi AST has adopted a structured Plan for the prevention and reduction of noise and vibration, given the presence of residential areas near the plant and the continuity of production activities, operating 24 hours a day, seven days a week.

The company has developed an acoustic mapping of the main noise sources, aimed at verifying compliance with the limits set by the acoustic zoning of the Municipality of Terni. On the basis of this analysis, an initial acoustic remediation plan was defined, subsequently updated and integrated into a new programme approved within the Integrated Environmental Authorisation (AIA), with a time horizon up to 2031.

Compliance with regulatory limits is verified through periodic monitoring campaigns carried out on nine receptors located around the production site. Soundproofing and noise mitigation measures are implemented according to a timetable agreed with the competent authorities. In 2025 mitigation measures for noise pollution were launched on certain specific plant sources.

As regards vibrations, no significant critical issues were found, except for certain localised situations connected with the Metal Recovery plant managed by Tapojärvi Italia Srl. In such cases, specific studies and measures have been launched aimed at reducing and containing the phenomenon.

Sustainable mobility

Within the framework of decarbonisation and logistics optimisation strategies, Arvedi AST has progressively strengthened the use of rail transport, favouring it over road transport.

The adoption of intermodal solutions makes it possible to combine rail transport with use of the road network limited to the final sections (first/last mile), significantly reducing greenhouse gas emissions, road traffic and energy consumption per tonne transported.

Thanks to this strategy, the company exceeded 60% of goods moved by rail, both inbound (raw materials) and outbound (finished products), with a trend of further growth over the medium term.

Arvedi AST constantly monitors logistics and environmental performance in order to identify further margins for improvement. Assessments are also under way to extend intermodality to new routes and optimise loads, in line with the principles of the circular economy and sustainable logistics.

In this context, rail transport represents a strategic lever not only for reducing environmental impacts, but also for improving operational efficiency and strengthening the company's role in the transition towards low-emission industrial models.

SUSTAINABLE TRANSPORT AND INTERMODALITY:

a concrete commitment to reducing environmental impact

OVER 60% OF GOODS ARE TRANSPORTED BY RAIL



LESS CO_2 | ENERGY CONSUMPTION | BETTER AIR QUALITY | MORE VALUE FOR THE FUTURE

4

Social information

Arvedi AST TERNI

PEOPLE, VALUE, SUSTAINABLE FUTURE

Our commitment to people is the foundation of responsible and shared growth.

2.279
EMPLOYEES

99,9%
PERMANENT EMPLOYEES

3.309
MEMBERS OF THE COMPANY MUTUAL FUND

11.382
MEMBERS OF CIRCOLO LAVORATORI TERNI

Together, we build a healthy, inclusive work environment focused on people's well-being and the sustainability of our local area.

ENVIRONMENT | PEOPLE | COMMUNITY | RESPONSIBLE GROWTH

Arvedi

4.1 Employees and other workers

People are a primary and strategic value for Arvedi AST. In a complex industry such as steelmaking, social sustainability is not an abstract concept, but is measured every day in our ability to ensure safety, health, skills, employment continuity and strong industrial-relations quality.

During financial year 2025, the company confirmed the stability of its workforce with 2,279 employees (99.9% of whom had permanent contracts), a diverse professional community in which the experience of senior profiles coexists with the energy of new professionals called upon to support the technological and environmental transition.

In this context, the **HR function** helps enhance human capital through policies geared towards transparency, participation and professional development, promoting working conditions that respect people's dignity.

Our corporate culture took a decisive step forward in 2025 with the adoption and implementation of the new **"Human Rights Policy".** This document is not merely a statement of intent, but a concrete commitment that integrates ESG principles into our management processes, ensuring equality, non-discrimination and protection of dignity for all those operating within the company's perimeter, including suppliers and partners.

Arvedi AST also recognises the value of diversity and equal opportunities: From this perspective, the presence of female professionals in technical, industrial and STEM career paths is significant as an element of cultural and organisational renewal for the entire sector.

Health and safety in the workplace remain at the centre of our values. In 2025 we recorded a further improvement in accident indicators (with a frequency rate falling to 4.5 compared with 5.4 in the previous year), the result of shared responsibility involving behaviours, leadership, constant prevention and dialogue with workers' safety representatives (RLS).

A central pillar of this path is continuous **training**. Through AST Academy, in 2025 we delivered over 16,000 hours of training, focusing not only on technical skills and safety, but also on cybersecurity, Model 231 and sustainability. We firmly believe that industrial transition requires investment in technologies, but above all people who are aware, prepared and protagonists of the change under way. Training is also an essential tool for supporting the industrial transition, strengthening awareness of ESG issues, supporting skills updating and making people active players in change.

The dialogue with **trade union representatives** and workers remains a fundamental safeguard for responsibly managing ongoing transformations. In a phase characterised by investment, technological innovation, environmental transition and new organisational needs, the quality of industrial relations is an essential condition for combining competitiveness, production continuity, protection of employment and skills development.
Arvedi AST's social responsibility does not end within the company's boundaries. The Human Rights Policy recalls the need to promote consistent conduct also along the value chain, through the involvement of suppliers, partners and third-party companies.

Our objective for 2026 is to consolidate an increasingly inclusive and responsible working environment, where respect for fundamental rights and talent development are the drivers for building a sustainable future for Arvedi AST and the entire local area.

For this reason, social sustainability is a strategic lever: means protecting rights, developing skills, promoting inclusion, strengthening welfare, consolidating dialogue and creating the conditions for each person to contribute responsibly to the future of Arvedi AST.

Dott. Cosimo Liurgo
Human Resources Director Arvedi AST

Policy management

Labour management at Arvedi AST is carried out in compliance with current regulations and the National Collective Labour Agreement (CCNL for the metalworking and plant installation industry) applied to all employees. The centrality of workers is reflected in the adoption of structured procedures governing every stage of the employment relationship: from recruitment to continuous training, through to termination of the employment relationship. These processes are based on principles of transparency, impartiality and consistency with corporate values, as defined in the Organisational Model pursuant to Legislative Decree 231/01 and in the Group Code of Conduct.

During 2025, Arvedi AST further strengthened its personnel management policies, consolidating targeted recruitment and onboarding processes, particularly for young people and technical profiles, as well as onboarding and training paths. At the same time, monitoring of skills and professional requirements in the various production departments and offices continued, in order to ensure constant alignment between organisational needs and resource development.

Industrial relations

In 2025, relations between AST and the trade-union organisations strengthened, developing in a spirit of constructive, continuous dialogue based on mutual fairness. The discussions covered various topics of interest both to workers and to the company.

On 19 February 2025 and subsequently on 6 May 2025, following discussions with the trade unions, extension of the performance bonus (PDR) was arranged, initially until 31 March 2025 and subsequently until 30 June 2025. As part of the strengthening of the incentive system, based on defined corporate objectives, the parties also agreed to introduce an additional tool for enhancing performance.

On 5 August 2025, the new plant efficiency bonus (PEI) was signed; its recognition is linked to achievement of specific technical operational efficiency indicators, measured quarterly. On the same date, the new performance bonus was also signed, effective from 1 July 2025 to 31 December 2026.
The holdover of the Draft Agreement – Company Supplementary Agreement, signed on 3 December 2014 at the Ministry of Economic Development, was also confirmed until 31 December 2026.

In 2025, Terninox industrial relations were also characterised by constant dialogue with trade-union organisations, with particular attention to safety, the company climate and business performance, also in relation to the merger by incorporation procedure completed on 20 November 2024. Periodic monitoring of the Performance Bonus with the RSUs also continued.
On 5 May 2025, the trade unions were informed of the extension, until 30 June 2025

under an ultra-active regime, of the company supplementary agreement of 17 September 2020 (which expired on 17 September 2023 and had already been extended until 30 May 2025). This agreement was subsequently extended further, by agreement of 11 July 2025, until 31 December 2025.

On 16 June 2025, the company and the trade-union organisations also signed an agreement to extend the performance bonus, originally signed on 20 March 2023, already extended on 12 February 2024 and expired on 31 December 2024. The performance bonus was then further extended until 31 December 2025 by the trade union agreement of 14 July 2025.

Remuneration policies

The ratio between the total annual remuneration of the highest-paid individual and the median total annual remuneration of all employees is **7.87** (1).

The ratio between the percentage increase in the annual total remuneration of the highest-paid individual and the median percentage increase in the annual total remuneration of all employees, compared with the previous year, is **9.39(1).**

Gender pay gap: women's gross annual remuneration (GAR) is **1.70%** higher than men's(2).

(1) In 2025 managers received both the variable components relating to financial year 2024 and those relating to financial year 2025.

(2) The assessment was carried out with reference to the categories of middle managers and white-collar employees, as there are currently no female employees among blue-collar workers.

Employees

At 31 December 2025 AST's workforce stood at **2,279 employees,** showing a slight decrease compared with **2,302 in 2024 (-23 people, -1.0%),** but confirming an overall level above **2023 (2.212, +3.0% over the two-year period)**. The figure shows substantial stability in the workforce, consistent with the characteristics of a mature industrial context.

The contractual structure is highly consolidated: **99.9% of employees are on permanent contracts (2,277),** while fixed-term contracts are residual (2 employees). Similarly, **full-time work** clearly prevails **(2,264 employees, 99.3%)**, with very limited use of part-time work (15 employees), mainly concentrated among women.

The employment structure is strongly characterised by **permanent contracts (2,277 out of 2,279)** and a predominance of full-time work (2,264 employees), elements consistent with the industrial context and the specialisation required. There is also full adherence to the industrial relations system, with **100% of employees covered by collective labour agreements.**

There remains a marked male prevalence, with men accounting for approximately **94.6% of the workforce (2,156)** and women for **5.4% (123)**. The distribution by professional category shows a strong male concentration among blue-collar workers (**1.638**, entirely men), while the presence of women is more significant among white-collar employees (**101 out of 508, equal to 19.9%**) and middle managers **(21 out of 113, equal to 18.6%)**, although it remains limited in executive roles (1 woman out of 20).

Turnover remains limited: in 2025 there were **53 terminations (2.3% of the workforce)** and **30 hires (1.3%),** with a negative balance of 23 people, in line with the slight overall reduction.

From a demographic perspective, **1,054 employees (46.2%) are over 50 years old**, while only **33 (1.4%) are under 30.**The central age group (30–50 years) represents 52.3% (1,192 employees).

In terms of inclusion, **employees with disabilities numbered 130 (5.7%)**, with a slightly higher distribution among women (6.5%) than men (5.6%).

Lastly, there are **81 non-employee workers** (71 men and 10 women).

EMPLOYEES	2023	2024	2025
Men	2,099	2,180	2,156
Women	113	122	123
TOTAL	**2,212**	**2,302**	**2,279**

COLLECTIVE LABOUR AGREEMENT	2025
Employees covered by collective labour agreement	**2,279**
% employees covered by collective labour agreement	**100%**

EMPLOYEES BY CONTRACT TYPE	2024			2025		
	MEN	**WOMEN**	**TOTAL**	**MEN**	**WOMEN**	**TOTAL**
On a permanent basis	2,179	122	**2,301**	2,154	123	**2,277**
On a fixed-term contract	1	0	**1**	2	0	**2**
TOTAL	2,180	122	**2,302**	2,156	123	**2,279**

EMPLOYEESBY WORKING TIME	2024			2025		
	MEN	**WOMEN**	**TOTAL**	**MEN**	**WOMEN**	**TOTAL**
Full-time	2,179	109	**2,288**	2,154	110	**2,264**
Part-time	1	13	**14**	2	13	**15**
TOTAL	2,180	122	**2,302**	2,156	123	**2,279**

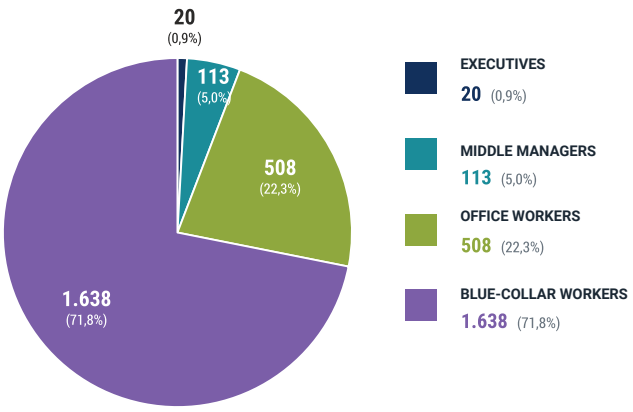
TURNOVER	2024			2025		
	MEN	**WOMEN**	**TOTAL**	**MEN**	**WOMEN**	**TOTAL**
Terminations of employment	**34**	**4**	**38**	**48**	**5**	**53**
New hires	**106**	**13**	**119**	**24**	**6**	**30**

PROFESSIONAL CATEGORIES	2024			2025		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Executives	20	1	**21**	19	1	**20**
Middle Managers	96	22	**118**	92	21	**113**
Office workers	393	99	**492**	407	101	**508**
Production workers	1,671	0	**1,671**	1,638	0	**1,638**
Total	**2,180**	**122**	**2,302**	**2,156**	**123**	**2,279**

PROFESSIONAL CATEGORIES BY AGE GROUP	2024				2025			
	<30	30-50	>50	TOTAL	<30	30-50	>50	TOTAL
Executives	0	4	17	21	0	3	17	20
Middle Managers	0	23	95	118	0	24	89	113
Office workers	7	184	301	492	13	181	314	508
Production workers	27	1,033	611	1,671	20	984	634	1,638
Total	**34**	**1,244**	**1,024**	2,302	**33**	**1,192**	**1,054**	2,279

PROFESSIONAL CATEGORIES

AS AT 31 DECEMBER 2025

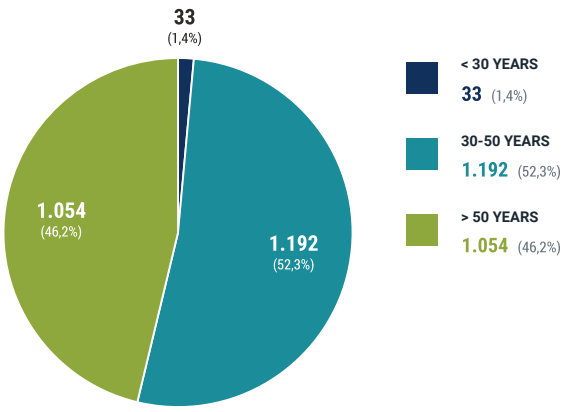


TOTAL EMPLOYEES

2,279

EMPLOYEES BY GENDER AND AGE GROUP

AS AT 31 DECEMBER 2025



TOTAL EMPLOYEES

2,279

VULNERABLE GROUPS	2024			2025		
	MEN	WOMEN	**TOTAL**	MEN	WOMEN	**TOTAL**
Employees with disabilities	113	9	**122**	122	8	**130**
Total employees	2,180	122	**2,302**	2,156	123	**2,279**
Percentage	**5.2%**	**7.4%**	**5.3%**	**5.6%**	**6.5%**	**5.7%**

NON-EMPLOYEES	2024			2025		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Number	**73**	**5**	**78**	**71**	**10**	**81**

Arvedi AST TERNI

AST – PERSONNEL AS AT 31 DECEMBER 2025
Key figures for our team

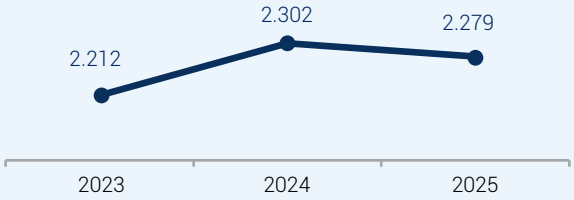
TOTAL WORKFORCE

2,279
TOTAL EMPLOYEES

2,156
MEN 94.6%

123
WOMEN 5.4%

WORKFORCE TREND
(number of employees)



Change 2025 vs 2024
-23 employees
(-1.0%)

Change 2025 vs 2023
+67 employees
(+3.0%)

TYPE OF CONTRACT

2,277
ON A PERMANENT BASIS
99.9%

2
ON A FIXED-TERM CONTRACT
0.1%

WORKING TIME

2,264
FULL-TIME
99.3%

15
PART-TIME
0.7%, of whom 13 women and 2 men

PROFESSIONAL CATEGORIES AND GENDER

CATEGORY	MEN	WOMEN	TOTAL
EXECUTIVES	19	1	20
MIDDLE MANAGERS	92	21	113
OFFICE WORKERS	407	101	508
BLUE-COLLAR WORKERS	1,638	0	1,638
TOTAL	**2,156**	**123**	**2,279**

Share of women by category
EXECUTIVES: 5.0% Middle managers:18.6%
White-collar employees:19.9%

100% of blue-collar workers are male

PROFESSIONAL CATEGORIES AND AGE GROUPS

CATEGORY	<30	30-50	>50	TOTAL
EXECUTIVES	0	3	17	20
MIDDLE MANAGERS	0	24	89	113
OFFICE WORKERS	13	181	314	508
BLUE-COLLAR WORKERS	20	984	634	1,638
TOTAL	**33**	**1,192**	**1,054**	**2,279**

WORKFORCE BY AGE GROUP

< 30 years	30-50 years	> 50 years
33	**1,192**	**1,054**
1.4%	**52.3%**	**46.2%**

TURNOVER 2025

TERMINATIONS OF EMPLOYMENT **48 men | 5 women** — 53

NEW HIRES **24 men | 6 women** — 30

TURNOVER RATE (terminations / headcount) 2.3%

EMPLOYEES WITH DISABILITIES

130 / 5.7% of the total workforce

MEN 122

WOMEN 8

Constant commitment to inclusion and valuing people

SOCIAL DIALOGUE AND INDUSTRIAL RELATIONS

2,279 EMPLOYEES COVERED BY COLLECTIVE LABOUR AGREEMENT

100% coverage

NON-EMPLOYEE WORKERS AS AT 31 DECEMBER 2025

External workers limited to support for specific and specialist activities

MEN	WOMEN	TOTAL
71	**10**	81

During 2025 the overall workforce remained stable, with a prevalence of permanent contracts and a limited incidence of turnover, consistent with the industrial nature and specialisation of the professional profiles present in the company.

4.2 Occupational health and safety

AST considers the health and safety of its employees - as well as employees, suppliers and external contractors - to be of paramount importance. The company works to ensure high safety standards, including through an Occupational Health and Safety Management System compliant with ISO 45001:2018, which covers 100% of operating sites and 100% of the employees working there.

This commitment - enshrined in **the Workers' Health and Safety Policy** https://www.acciaiterni.it/wp-content/uploads/2026/02/Politica-SSL_AST_ITA_signed.pdf
- translates into a structured approach based on systematic risk assessment extended to 100% of operating sites and on continuous performance improvement, monitored through periodic management reviews and system updates in the event of relevant changes.

Workforce covered by health and safety management systems	2025		
	EMPLOYEES	NON-EMPLOYEES(1)	TOTAL
Number	2,460	928	3,388
Percentage of people covered by health and safety management systems	100%	n.a.	n.a.

(1) Including agency workers (181 people)

Major accident hazards

Arvedi AST falls within the scope of the regulations on major accident risks (Seveso Directive), mainly due to the use of hazardous substances and mixtures employed in production processes.

To this end, the company has adopted a specific management system, defined by the Policy for the prevention of major-accident risks, which governs the organisation, resources and procedures aimed at preventing and controlling such events.

Safety risk management

The main safety risks at the plant are related to:
- use of hazardous substances and mixtures;
- handling of suspended loads;
- fire/explosion risk;
- contact with moving parts;
- work at height

Prevention and protection measures include:

- use of personal protective equipment (PPE);
- adoption of operating and management procedures;
- information, training and instruction activities;
- inspection and maintenance programmes for plants and equipment;
- periodic internal audits and checks.

Health risk management

All specific health risks are periodically assessed according to the applicable technical standards. The main risk factors concern:

- manual handling of loads;
- exposure to noise and vibration;
- exposure to chemical and carcinogenic agents.

Specific improvement plans are implemented on the basis of the assessments, including:

- installation of noise barriers;
- strengthening of extraction and pollutant abatement systems;
- introduction of handling aids;
- ergonomic optimisation of workstations;
- continuous health surveillance.

Training and safety culture

Training is a fundamental pillar of the prevention system. All workers receive specific training upon hiring and when tasks change or new technologies or risks are introduced. Periodic updates are also planned, aimed at consolidating safety awareness and culture at all organisational levels.

Operating procedures and contractor management

Work activities are governed by **Safety Management Procedures, Standard Operating Procedures and Safety Activity Sheets (PRGS, POS and SAS respectively).**

Particular attention is paid to contractors, who are provided with detailed information on the risks present at the plant through DUVRI and PSC. External companies are actively involved in initiatives promoting a safety culture.

Organisation and company safeguards

Health and safety management is entrusted to a dedicated organisational structure, which includes:

- the **Prevention and Protection Service (SPP),** coordinated by the **RSPP;**
- the **Coordinating Occupational Physician;**
- the corporate functions involved in operational processes;
- the company fire service (ATS/ANT);
- an internal health unit active 24 hours a day, with specialised medical staff.

This integrated system ensures effective prevention management and a prompt emergency response.

Activities during 2025

During 2025, the most significant safety-related activities developed in continuity with previous years, combining the actions necessary to maintain regulatory compliance with a series of plant/structural initiatives and initiatives aimed at strengthening and disseminating the safety culture at all levels of the organisation, including contractors.

In this context, various initiatives aimed at promoting the safety culture continued and were further consolidated, including "Safety Pills", "Leadership Safety Tours" (LST), "Gemba Walks", "Safety Breaks" and the "S.T.A.R." (Safety Training And Review) programme. At the same time, activities dedicated to the community of supervisors were maintained, with particular reference to weekly meetings with the Employer ("Safety Café"). These moments represent a structured opportunity for discussion, during which, in addition to sharing the main events of the week, cross-cutting topics such as leadership, feedback and conflict management are explored.

In 2025, particular attention was also devoted to safety in contracted activities, through the active involvement of the main contractors in initiatives to improve the safety culture. This commitment took concrete form both in the strengthening of processes for reporting significant events and in the development of proactive actions, such as meetings, inspections and Gemba Walks. Internal audit activities and Leadership Safety Tours for contractors were also strengthened, adopting planning criteria based on the risk level of the activities and analysis of historical event data.

With reference to the "Seveso" legislation on the prevention of major accident hazards, during the period under review an extraordinary inspection ordered by the Regional Technical Committee (CTR) took place following the fatal accident of 10 March 2025 at the slag ramp, involving the company Tapojarvi Italia. The inspection had an overall positive outcome, with no prescriptions and two recommendations, both acknowledged and completed in the first months of 2026 through specific improvement actions.

On 19 November 2025, an External Emergency Plan drill organised by the Prefecture of

Terni was also held. In subsequent meetings with the authorities and local bodies, the overall success of the exercise was highlighted.

For the second consecutive year, AST obtained recognition under the Umbria Region programme "Workplaces that promote health - WHP Umbria network". The pathway was launched with a prevention plan for chronic cardiovascular diseases, involving approximately 120 employees in a programme consisting of preventive visits (nutritional and cardiological) and subsequent personalised support, initially lasting three months, for physical activity. In 2025 the programme continued with the launch of the "Smoking Project", aimed at promoting a smoke-free working environment and supporting employees on cessation pathways. On 30 October 2025, company representatives received the official certificate during a ceremony organised by the Presidency of the Region.

Investments

The project for upgrading machinery and plants, launched in previous years and aimed at meeting the requirements of the Machinery Directive and Annex V of Legislative Decree 81/08, continued during 2025 according to a schedule subject to periodic reviews and checks, both internal and by the ISO 45001 certification body. To this end, weekly meetings coordinated by the Employer were maintained, with the aim of monitoring the progress of the planned measures. A similar approach was also adopted for the electrical system upgrade project, ensuring continuous and structured monitoring of activities.

SAFETY ACTIONS 2025

Consolidated and widespread safety culture
Greater integration and control of contracts
Positive outcome of Seveso inspection (0 prescriptions)
Emergency system successfully tested
Renewed WHP Umbria recognition

KPI	Value	Comment
Employees involved in health programmes	120	WHP Umbria programme
Seveso inspection prescriptions	0	Fully positive outcome
Seveso recommendations	2	All implemented
Share of recommendations implemented	100%	Completed in 2026
Emergency drills	1	Positive outcome?

ISO 45001
OCCUPATIONAL HEALTH AND SAFETY

The adoption of the ISO 45001 standard enables Arvedi AST to ensure a structured system oriented towards the continuous improvement of health and safety performance.



Safety is not only an obligation, but a value that protects people, improves performance and creates value for the entire organisation.

Accidents

In 2025, Arvedi AST confirms its commitment to occupational health and safety, recording an overall improvement in injury frequency indicators among employees. Accidents involving absence of more than one day stood at **18 cases**, down from **20 in both 2024 and 2023,** while **the frequency rate** fell to **4.5**, compared with **5.4 in 2024** and **5.9 in 2023,** showing a positive trend and greater effectiveness of the prevention measures adopted. No fatal accidents occurred among employees.

At the same time, there was also an improvement in occupational diseases, which decreased from **45 cases in 2023 to 35 in 2025,** with the **ODR falling from 13.3 to 8.8**, demonstrating a progressive strengthening of health-protection actions over the medium term.

However, despite the reduction in the frequency of events, an increase in severity indicators can be observed: **days of absence due to injury** increased from **774 to 975**, with the consequent **severity rate** rising from **210 to 244.** This dynamic suggests the presence of events that are on average more severe, requiring further strengthening of preventive actions and risk management.

Overall, the data show an improving picture with regard to the frequency of accidents and occupational diseases, while at the same time underlining the need to keep attention high on the prevention of more serious events, further strengthening the safety culture.

EMPLOYEE ACCIDENTS	2023	2024	2025
Accidents (absence > 1 day)	20	20	18
Frequency rate	5.9	5.4	4.5

EMPLOYEE OCCUPATIONAL DISEASES	2023	2024	2025
Occupational disease cases	45	37	35
Occupational disease rate (ODR)	13.3	10.0	8.8

EMPLOYEE OCCUPATIONAL HEALTH AND SAFETY	2024	2025
Deaths due to occupational accidents	0	0
Deaths due to occupational diseases	n.a.	n.a.
Number of injuries (resulting in >1 day of absence)	20	18
Number of hours worked	3,693,649	3,992,172
Accident frequency rate *(frequency rate)*[1]	5.4	4.5
Days of absence for accidents at work	774	975
Accident gravity *index 2*	210	244
Occupational disease cases	37	35
Days of absence due to occupational diseases	0	n.a.
Occupational disease rate (ODR)[3]	10	8.8

1- Frequency Rate: Frequency Rate: number of accidents with an absence of more than 1 day/number of hours worked x 1,000,000
2- Gravity Index: Severity Index: days of absence due to accidents/ number of hours worked x 1,000,000
3- ODR: ODR: cases of occupational disease/number of hours worked x 1,000,000

Non-employees

As regards non-employee workers, the number of accidents remained stable (**24 cases** in 2025), while the **frequency rate** continued to decrease, from 14.5 in 2023 to **10.6 in 2025,** indicating an improvement in this area as well. However, 2025 was marked by a **fatal accident,** which had a significant impact on severity indicators: days of absence rose to **6,982** (including the 6,000 conventional days provided for by the INAIL method), resulting in a sharp increase in **the severity rate** (3,095).

NON-EMPLOYEE ACCIDENTS	2023	2024	2025
Accidents (absence > 1 day)	**26**	**24**	**24**
Frequency rate	**14.5**	**12.2**	**10.6**

EMPLOYEE OCCUPATIONAL HEALTH AND SAFETY	2024	2025
Deaths due to occupational accidents	**0**	**1**
Deaths due to occupational diseases	**n.a.**	**n.a.**
Number of injuries (resulting in >1 day of absence)	**24**	**24**
Number of hours worked	**1,960,954**	**2,255,860**
Injury frequency rate *(frequency rate)*	**12.2**	**10.6**
Days of absence for accidents at work	**1,379**	**6,982**
Gravity index	**703**	**3,095**
Occupational disease cases	**n.a.**	**n.a.**
Days of absence due to occupational diseases	**n.a.**	**n.a.**
ODR *(occupational disease rate)*	**n.a.**	**n.a.**

4.3 Equal opportunities

Arvedi AST undertakes to promote equal opportunities and to prevent any form of discrimination against its employees, in line with the principles expressed in the Code of Conduct and in the organisational models adopted. The company protects the dignity of people and guarantees fair working conditions, without discrimination based on gender, ethnicity, nationality, sexual orientation, religious beliefs, political opinions or trade union membership.

In this context, Arvedi AST promotes an inclusive work environment that respects diversity, also through selection, development and enhancement policies focused on skills, with the aim of fostering equal opportunities for professional growth.

The company pays particular attention to women's empowerment and welcomes the progressive increase in the presence of women in STEM (Science, Technology, Engineering and Mathematics) study pathways, contributing to overcoming gender stereotypes and renewing the industrial sector. Arvedi AST already has a significant female presence in technical areas such as rolling, steelmaking, quality, process engineering, raw materials and energy, as well as forging, where some female professionals hold positions of responsibility. Promoting the inclusion of women across all levels of the organization is an integral part of our diversity strategy, as a plurality of perspectives is a value that enriches our teams and strengthens corporate competitiveness.

Return to work and retention of employment after parental leave are guaranteed in compliance with national legislation and the provisions of the sector-specific national collective labour agreement. The company ensures full job retention and encourages, where possible, gradual reintegration paths and work-life balance measures.

As at 31 December 2025, women employed at Arvedi AST numbered 123, equal to 5.4% of the total. Women accounted for 19.9% of white-collar employees, 18.6% of middle managers and 5% of executives.

During the reporting period, no episodes of discrimination in the workplace relating to gender, ethnicity, nationality, sexual orientation, religious beliefs, political opinions or trade union membership were reported or ascertained.



4.4 Training

During 2025, Arvedi Acciai Speciali Terni continued its commitment to developing people's skills through a broad and structured training offer aimed at consolidating and continuously improving corporate professionalism.

The activities concerned both technical-operational areas and managerial and cross-functional skills, including relevant initiatives relating to safety, sustainability, compliance and innovation. In particular, training played a central role in strengthening the corporate culture, increasing workers' awareness of safety, environmental sustainability, rights and business ethics.

In 2025 a total of **16,011 hours of training** were provided, with an average of approximately **7 hours per capita.**

EMPLOYEE TRAINING (TOTAL HOURS)	2024	2025
Training hours	**26,418**	**16,011**
Training hours per capita	**11.5**	**7**

PER CAPITA HOURS OF TRAINING BY PROFESSIONAL CATEGORIES AND GENDER (2025)	MEN	WOMEN	TOTAL
Executives	**7**	**3**	**7**
Managers	**12**	**15**	**13**
Office workers	**13**	**11**	**12**
Production workers	**5**	**0**	**5**
TOTAL	**7**	**11**	**7**

Safety training

Mandatory health and safety training represented a priority component of the training plan, with a broad range of courses intended for different company roles and levels of responsibility.

The main activities carried out in 2025 are listed below:

- High/medium risk fire prevention and updates: 29 courses delivered
- Bridge cranes and update: 32 courses delivered
- Confined spaces operators and updating: 15 courses delivered
- Confined spaces for supervisors and update: 9 courses
- First aid and updates: 20 courses delivered
- Forklift refresher training: 32 courses delivered
- Work at height and update: 24 courses delivered
- CEI 11-27 standard and update: 11 courses delivered
- Supervisors and refresher training: 16 courses delivered
- RLS update: 1 course delivered
- Aerial platforms and refresher training: 6 courses delivered
- Zephir tractor and updates: 4 courses delivered
- Advanced chemical risk: 2 courses delivered

During the year, specific special training projects on Safety were also developed:

COURSE	DESCRIPTION	AS AT 31.12.2025
SAFE DRIVING OF COMPANY AMBULANCE	Theoretical/practical activity (20 hours) as part of the accreditation of the company ambulance, aimed at VIG personnel	22 operators trained 452 hours delivered
LAF 8 OPERATIONAL TRAINING	Training on safety systems for the new LAF 8 line	14 operators trained 14 hours delivered
LD 16 AUTHORISATION	Training for MOV personnel on rail transport	11 workers trained 128 hours delivered
ANNUAL FIRST AID REFRESHER	Additional pathway (3 hours), on the recommendation of the Coordinating Occupational Physician, to strengthen first aid skills	11 supervisors trained 33 hours delivered

Environmental training

In 2025 the creation of environmental **video posts** for e-learning training on corporate environmental procedures was completed, with an initial pilot delivery involving approximately 20 participants (ASPP and workers), which ended successfully.

In December, the next step was launched, with approximately **240 participants** (department heads, shift supervisors, managers, CFP, TEL) and additional staff from the SMA area being added to the platform, with activation scheduled to start from 2026.

The following specialist courses were held:

ADR training (dangerous goods transport regulations)
Electronic waste register (Coswin system)
Excavated earth and rocks
HSE Manager
ESG & Sustainability Manager
Sustainability and ESG course

These initiatives helped strengthen technical and regulatory skills, as well as disseminate a culture of sustainability within the organisation.

Technical/professional training

In 2025, **7,737 hours of technical and professional training** were provided, aimed at the specific needs of the various company areas.

COURSE	TRAINED PEOPLE	HOURS DELIVERED
TRAINING system IBA analyzer	**4**	**67**
TRAINING systems PSS4000 and PNOZ multi	**5**	**72**
Hydraulics TRAINING	**36**	**394**
Basic stainless steel TRAINING	**50**	**680**
TRAINING Systems of Centraggio FIFE	**15**	**140**
ISO 19443 TRAINING	**36**	**384**
NEW LAF8 PLANT	**78**	**1,277**
NEW LAC FURNACE	**50**	**615**
LEADERSHIP	**252**	**1,516**
IT EVOLUTION	**98**	**1,101**

Ethics and compliance training

Training programmes are developed according to a risk-based approach and the level of exposure to potential areas of non-compliance. In this context, white-collar personnel constitute a priority target, as they are more involved in decision-making processes, management activities, relations with customers, suppliers and business partners and, more generally, in areas where ethical and compliance risks may arise.

Specifically, starting in 2024, a Group-level training pathway was launched, delivered in e-learning mode and structured into modules focused on various specific aspects of Legislative Decree 231/01 and cybersecurity.

COURSE	RECIPIENTS	COMPLETED	%
Legislative Decree 231/01 (module I) - Regulations	**741**	**587**	**79%**
Legislative Decree 231/01 (module II) - Organisational model	**741**	**544**	**73%**
Cybersecurity	**741**	**586**	**79%**

The information in the table relates to all Arvedi AST sites, covering 100% of its plants and more than 25% of its total employees.

In 2026, the delivery of these courses continues, with the addition of new modules, as well as the launch of courses on the compliance programme (physical and virtual classes), which have so far involved approximately 65% of the target audience, and the delivery of specific sessions (physical and virtual classes) on anti-corruption for a group of employees belonging to selected corporate functions.

4.5 Corporate welfare

The relationship between Arvedi AST and Terni is not only an economic fact, but an essential component of the city's identity. For more than 140 years, the plant has represented a stronghold of work, skills and participation. During financial year 2025, we wanted to transform this historic bond into a modern model of social responsibility, capable of generating concrete value for the entire local community.

In a year marked by the signing of the new Programme Agreement, Arvedi AST confirmed its position as a solid and proactive institutional interlocutor, committed to combining industrial relaunch with decarbonisation and environmental protection of the local area.

Our welfare system has further consolidated its role as a pillar of social cohesion. The Company Mutual Fund, active since 1968, provided a record 28,482 healthcare services in 2025 to a membership base of 3.309, offering an effective response to the critical issues of the National Health Service. Alongside it, the Circolo Lavoratori Terni (CLT) has established itself as one of the most significant social and sports platforms in Central Italy, reaching 11,382 beneficiaries among members and family members. Thanks to the Company's support, the CLT is not only a company club, but a community hub that promotes 13 sports disciplines and environmental-education pathways, such as the "Seeds of Steel" project, which involves more than 3,000 students each year in the park within the CLT.

We have placed prevention at the centre of our strategy, stabilising the "SALUTE Arvedi AST" project, which involves more than 100 employees in personalised physical-activity programmes at CLT facilities. At the same time, we continued to support the future of new generations by awarding 124 scholarships and 327 book vouchers for employees' children.

Enhancing our corporate heritage is another key axis: the company's Historical Library has been declared an asset of exceptional cultural interest by the Ministry of Culture, and the success of the exhibition "La Grande Opera" made it possible to share the value of Terni's hydroelectric and industrial ingenuity with the local community.

Looking ahead to 2026, our commitment will extend to new high-impact social projects. We will fully implement the Hub4Young initiative, dedicated to young people in vulnerable situations, and support cultural events of national importance, such as the "Giotto e Francesco" exhibition and the "Lavoro" exhibition project. Sicuro!", aimed at promoting a culture of safety beyond the factory perimeter.

Being a company rooted in the local area means knowing how to listen and give value back. It is in this spirit that we intend to accompany the transformation of Arvedi AST, building growth that is responsible, inclusive and deeply integrated with its local area.

Dott. Giovanni Scordo
Head of External and Institutional Relations, Corporate Welfare and Social Responsibility Activities

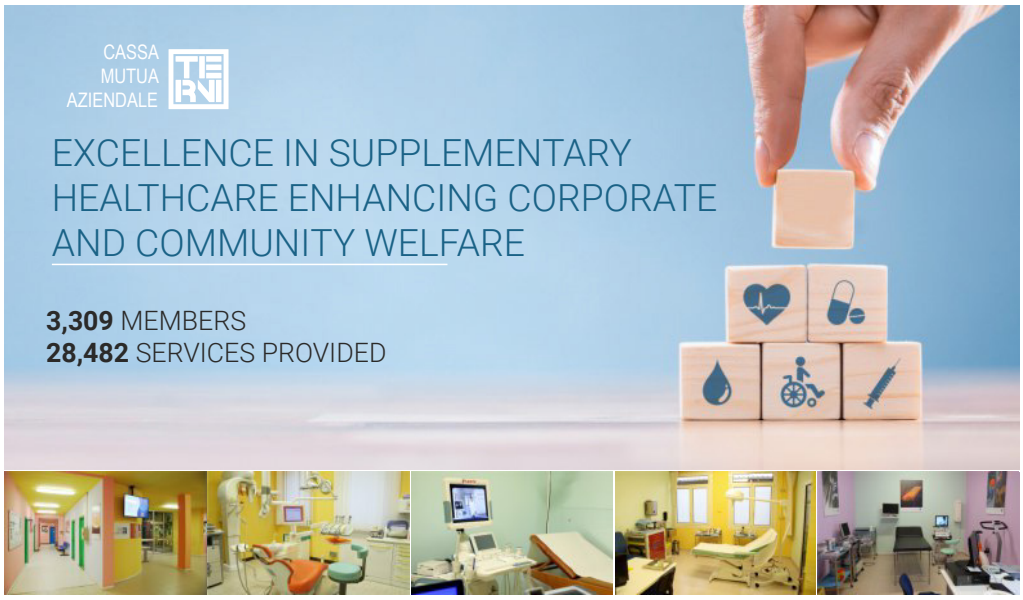
Arvedi AST's corporate welfare system, which has a long and well-established tradition, is built primarily around the company mutual healthcare fund Cassa Mutua Aziendale (CMA) and the Circolo Lavoratori Terni (CLT). Overall, it represents a strategic lever for promoting people's well-being, strengthening internal cohesion and developing a strong, lasting bond between the enterprise, the corporate community and the local area. This approach also translates into the creation of cultural initiatives and the enhancement of the company's historical heritage.

Corporate Health Insurance Fund

The Company Mutual Fund (CMA), established in 1968, offers Arvedi AST employees and their family members supplementary healthcare services in addition to the National Health Service, provided directly at company clinics or through reimbursement of external expenses. As at 31 December 2025, the Company Mutual Fund had **3,309 members** overall, including employees, retirees and dependent family members. During the year, 28,482 healthcare services were provided, including more than 15,500 specialist visits, more than 12,000 dental treatments and approximately 800 physiotherapy treatments, with a prevalence of direct assistance (approximately 88%) compared with reimbursement of external services, demonstrating the high level of use and effectiveness of the model.

The Fund is financed through members' contributions, while Arvedi AST provides the premises and administrative services. Management is entrusted to a Board of Directors composed equally of company and trade union representatives.

The Company Mutual Fund is confirmed as a strategic healthcare welfare safeguard, helping to reduce access times to services and to contain the costs borne by workers and their families.



TERNI WORKERS' CIRCLE

The Circolo Lavoratori Terni (CLT), founded in 1927, is the Arvedi Group's main sports and social welfare hub in the Terni area, open not only to Arvedi AST employees but to the entire city community. As at 31 December 2025, the CLT membership base reached **11,382 members** (Arvedi AST employees, retirees, external members and their family members), who can access the Circle's services on favourable terms. Through Polisportiva CLT, it promotes sports activities in **13 disciplines** with over **1,060 competitive athletes.**

During 2025, the Circolo strengthened its role as an essential part of the corporate and local welfare system, promoting competitive and amateur sports activities, cultural and science-outreach activities, recreational activities and educational projects. The **"SALUTE Arvedi AST" programme** also involved more than 100 employees in structured physical activity programmes, while the **Summer Sport Campus** welcomed more than 400 children and young people during the summer months.













CIRCOLO WORKERS TERNI CLT

Welfare plan

Through a special digital platform, Arvedi AST allows employees to independently manage a wide range of flexible benefits, using welfare credits deriving from the CCNL for the metalworking industry, company agreements and the conversion of the Results Bonus.

The Welfare Plan, activated since 2017 jointly with the RSU, includes services for the family, education, health, leisure and supplementary pensions.

In 2025, all employees were granted EUR 200 in company-paid welfare services, in addition to the EUR 200 provided for by the CCNL. Initiatives to support families included the award of 124 scholarships and 327 book vouchers to deserving children of employees.

Corporate heritage and cultural enhancement

Arvedi AST's welfare system integrates the enhancement of historical and cultural heritage as a strategic lever for strengthening corporate identity and people's sense of belonging.

For more than twenty years, the Company has promoted the protection of its industrial memory through a structured Corporate Heritage project, whose identity pillars are the Archive and the Historical Library. These institutions, recognised by the Ministry of Culture for their exceptional value, are not only a resource for research, but also an ideal bridge between the generations of workers who built the history of steel in Terni.

For a detailed discussion of the historical heritage and the list of enhancement projects aimed at the community, please refer to the following chapter, “Relations with the local community”.

4.6 Relations with the local community

Since its inception, the history of the steelworks has been intertwined with that of the city of Terni, generating not only economic and employment impacts, but also social and cultural ones. Arvedi AST operates in a local context with which it has a consolidated and structured relationship that over time has translated not only into economic and employment impacts, but also into a significant contribution to the social and cultural development of the local community. Arvedi AST's active citizenship strategy is expressed through support for long-standing social institutions, the promotion of cultural initiatives and support for solidarity and public health projects.

One of the most important initiatives is the TURN Urban Regeneration project, which represents a model of collaboration between companies oriented towards local sustainability (for more information, see the following paragraph 4.7).

Arvedi AST's approach to relations with the community is based on principles of social and environmental responsibility, in line with the international ResponsibleSteel™ standard. This translates into a continuous commitment to monitoring impacts, engaging with stakeholders and adopting tools for listening and responding to reports.

Within this framework, the company confirms its role as a responsible actor rooted in the local area, contributing to the creation of shared and sustainable value over the long term. In 2025 this role was further strengthened, also in relation to implementation of the Programme Agreement and the growing involvement of institutions and local stakeholders, towards whom the company confirmed itself as an active and proactive interlocutor.

This commitment is expressed through a range of initiatives and tools. Among these, the corporate welfare system is particularly important; through the Company Mutual Fund (CMA) and the Terni Workers' Club (CLT), it represents a stable resource for social, health and community support, with positive effects also on the local area.

During 2025, Arvedi AST also developed a structured programme of initiatives in favour of the local community, operating in the cultural, social, educational and institutional spheres, with the aim of making a concrete contribution to local development.

In the cultural sphere, the company supported and promoted events of local and national importance, contributing to the enhancement of local cultural identity and the dissemination of culture. The main initiatives included participation in the exhibition "Lancia di luce. Birth of a Masterpiece" and support for musical events of international scope, such as the "Alessandro Casagrande" Piano Competition.

On the social and healthcare front, Arvedi AST supported associations engaged in assisting vulnerable people, through contributions to organisations such as the "I Pagliacci" Association of Terni, active in so-called "smile therapy" in hospitals, and the "Daniele Chianelli" Committee for Life, engaged in supporting cancer patients and their families, as well as support for further initiatives promoted by the local community.

In the educational sphere, the company promoted support for young people through the provision of scholarships, in collaboration with the "G. Briccialdi" Conservatory, and support for related cultural and training initiatives, helping to enhance local talent.

At the same time, Arvedi AST took part in and supported opportunities for discussion on strategic issues for industrial and energy development, contributing to public debate on sustainability, innovation and the competitiveness of the production system.

In continuity with the activities developed in 2025, in 2026 the company further strengthened its commitment to the community by supporting initiatives of particular importance, including the "Giotto e Francesco" exhibition. A Revolution in Fourteenth-century Umbria", a project of national and international importance accompanied by activities throughout the Terni area; the educational and social project "Hub4Young", aimed at creating an inclusive space for young people and families in fragile conditions; and the exhibition "Labour. Sicuro!", dedicated to occupational safety topics and the enhancement of industrial culture.

An industrial history that becomes collective heritage

From the late nineteenth century to today, the Terni steelworks has represented one of the most significant symbols of Italy's industrial transformation. Built as the first large production complex in a country that was still predominantly agricultural, it made a decisive contribution to the economic, social and cultural development of the local area, earning the city the nickname "Italian Manchester".

Today, Arvedi AST preserves and enhances this heritage through its historical archive and company library, recognised as assets of national cultural significance. Documents, images and testimonials recount not only the technological evolution of the steel industry, but also the history of the people, communities and work that accompanied more than a century of development.

Through digitalisation projects, research activities, exhibitions and cultural events, the company makes this heritage accessible to the community, helping to preserve industrial memory and strengthen the link between business, the local area and culture. A commitment that looks to the future, in the awareness that innovation and sustainability are also based on the enhancement of one's own history.

Historical archive

The company's historical archive is among the most important at national level, due to the central role of the steelworks in Italian industrial history.

It includes paper, photographic and audiovisual documents covering a time span from 1873 to the 1990s. It is recognised as a protected cultural asset and has been declared by the Ministry of Culture to be "of particularly important historical interest", due to its value in reconstructing the economic and social history of Umbria and Italy.

Historical library

The company library, also recognised as an asset of "exceptional cultural interest", holds approximately 5,000 volumes including monographs and periodicals of a technical, economic and legal nature.

Established to train workers, it has progressively expanded to include the main areas of corporate activity. It is still preserved at its original site, in a late nineteenth-century building, maintained with historic furnishings.

The library has also hosted major film productions, including scenes from Luchino Visconti's The Damned (La caduta degli dei) and the television film In arte Nino.

Enhancement projects

Arvedi AST has carried out numerous initiatives to protect and enhance its historical heritage, including:

- digitisation and cataloguing of over 7,000 historical photographs;
- creation of a dedicated site with archival storage and a study room;
- reorganisation and digitisation of the document collection, in collaboration with the Archival Superintendency;
- recovery of 470 archival units previously deposited at the State Archives of Terni;
- digitisation of the audiovisual heritage;
- creation of the dedicated website: www.archiviostoricoast.it;
- recovery and cataloguing of historical and artistic assets (machinery, equipment, works of art);
- implementation of the "In the footsteps of history" project, with information routes at the industrial sites;
- organisation of exhibitions and cultural events, including "La Terni in posa" and "La Grande Opera".

Art and cinema

Over time, the Terni steelworks have also represented an important cultural and artistic reference point.

They have been the set for numerous film productions, including Acciaio (1933), based on a story by Luigi Pirandello, I sequestrati di Altona (1962), La caduta degli dei (1969) and La Califfa (1970).

The link with art is also evidenced by major works, such as Renato Guttuso's pictorial cycle dedicated to the steelworks, the sculptures of Arnaldo Pomodoro and the installations by artist Beverly Pepper.

GIOTTO E FRANCESCO
A REVOLUTION IN FOURTEENTH-CENTURY UMBRIA

Arvedi AST supports the "Giotto and Francesco" exhibition. A Revolution in Fourteenth-century Umbria", scheduled at the National Gallery of Umbria in Perugia from March to June 2026, as part of the celebrations for the eighth centenary of the death of Saint Francis of Assisi. The initiative, of national and international significance, involves more than 60 masterpieces from the world's leading public and private collections.

The contribution forms part of a vision of social responsibility that considers the protection of cultural heritage an integral part of the Company's role in the area in which it operates. The programme of activities throughout the Terni area (walks, conferences and workshops for families) was expressly requested by Arvedi AST to strengthen the link between the exhibition and the local community.



4.7 Sustainability district

TURN Umbria Re-Generation is a strategic project promoted by Confindustria Umbria, with the support of the Cassa di Risparmio Foundations of Terni and Perugia, aimed at supporting the regional production system in its transition towards sustainable, integrated and resilient development models.

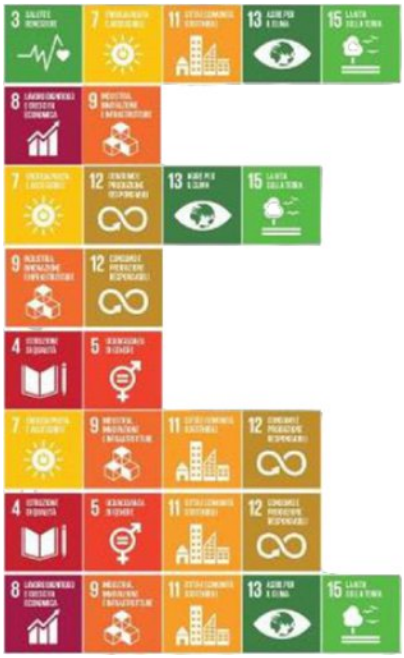
Launched in 2019 as a project in **the Terni-Narni industrial district**, TURN has gradually created a dynamic business community based on the sharing and enhancement of good environmental, social and governance (ESG) practices, involving 33 companies in the Terni-Narni district and a total of 46 companies at regional level. In the most recent phase, the project recorded significant territorial expansion, with the inclusion of two new industrial districts: Perugia and Eugubino-Gualdese. The model developed in the Terni-Narni area was successfully extended both to the new districts and to the additional participating companies.

Arvedi AST is one of the eight founding companies of the project – together with other leading industrial operators – and contributed significantly both to the definition of the district's first sustainability standards and to the dissemination of the model on a regional scale.

GUIDING PRINCIPLES:

Agenda 2030 as the starting point.

1. **Green regeneration of companies and recovery of abandoned areas to create culture and business.**
2. **Sharing decisions in order to create co-operative networks.**
3. **Transformation of waste and scrap into raw material to be reintroduced into production cycles**
4. **Diffusione of the innovation industrial for contagio: green companies become driving forces**
5. **Support for culture and creativity as a driver of social innovation.**
6. **Total openness to all innovations, with a pragmatic approach and a long-term vision.**
7. **Investments in secondary and tertiary education**
8. **Sharing all regeneration processes with the community**
9. **Construction of city networks and integrated territorial policies**
10. **Creation of a new innovative governance framework**



The main stages of the TURN pathway

1. Mapping of good practices

The founding companies undertook a structured analysis of the initiatives already implemented in the environmental and social spheres, based on 10 Pillars of Evaluation, consistent with the 17 Sustainable Development Goals (SDGs) of the UN 2030 Agenda.

2. Network development and continuous assessment

The project has expanded to gradually involve a growing number of companies. The assessment system enables periodic evaluation of both individual companies and the district as a whole, monitoring progress in terms of sustainability.

3. District governance and certification

In 2023 the Terni-Narni district obtained UNI ISO 37101 certification, becoming the first certified Industrial District for Sustainable Development in Italy. The TURN model promotes participatory governance, based on voluntary commitments, measurable indicators and a continuous exchange between companies.

4. Evolution and digitalisation

Today TURN comprises 33 companies in the Terni-Narni industrial district, joined in 2024 by the Perugia and Gubbio industrial districts with 13 new member companies, for a total of 46 Umbrian companies. In 2025, a digital portal was also developed to facilitate the exchange of best practices, promote shared projects and enhance the role of external stakeholders.

The first community of sustainable enterprises certified ISO 37101 in Italy

ISO 37101
SUSTAINABLE DEVELOPMENT MANAGEMENT

Arvedi

Arvedi AST's contribution

AST was one of the **founding partners** of the project and has therefore been a **key player** from its initial stages, actively contributing to its structuring at all stages. Since 2024, by virtue of its leading role, AST has become a member of **TURN's technical and scientific Committee**, a body established as an advisory body to the project, with the aim of sharing the community's medium- and long-term strategies and objectives.

In **operational terms**, since 2019 AST has annually monitored its best practices, in line with the TURN good-practice assessment. According to the latest catalogue, AST has implemented **28 good practices** currently in progress, adding 2 compared with the previous year, while others are planned for future implementation.

Between 2024 and 2026, AST strengthened its role within the TURN Community by participating in initiatives aimed at promoting sustainability, collaboration among companies and local development. In 2024 the company contributed to the **"Change Makers School – Sustainability in Action"** project, promoted by leading Italian universities and funded by MASE, hosting a visit involving lecturers and researchers interested in exploring the sustainability experiences of the Terni and Narni industrial district.

In 2025, AST also took part in a subsequent academic research activity as one of the partner companies interviewed as part of a study on territorial governance models and the spread of sustainability practices. In 2026, the company also supported a project by the Italian Red Cross for the redevelopment of its future operating office in Terni and took part in a skills exchange initiative with another company in the TURN network, sharing experiences and solutions in the areas of energy efficiency and industrial consumption management.



turn
urban re-generation terni/narni

TURN in figures

2024-2025

46

Partner companies

including small, medium-sized and large companies

TOTAL NEW MEMBERS +15

TOTAL NEW PRACTICES ADOPTED +103

33 District of **Terni-Narni**

NEW MEMBERS +2

NEW PRACTICES ADOPTED +83

10 District of **Perugia**

NEW

NEW PRACTICES ADOPTED +16

3 District of **Eugubino Gualdese**

NEW

NEW PRACTICES ADOPTED +4

11,812

Employees

€5.8 billion

Total turnover

46

Product categories

n.10 Energy and environment industry

No. 13 Mechanical industry and plant installation

No. 8 Chemical and plastics industry

No. 5 Agri-food industry

No. 5 Construction and brick industry

No. 2 Transport industry

No. 2 Clothing industry

No. 1 Miscellaneous industry and trade

*For economic data, the latest available financial statement data were considered in order to provide an up-to-date representation of the district.

Arvedi

5

Business conduct information

Arvedi AST TERNI

5.1 Code of Conduct



In line with ESG principles, the Arvedi Group has undertaken a process of reviewing and updating the Code of Conduct, integrating and harmonising the contents of previous versions and the codes of ethics of the individual Group companies.
The new Code represents a shared reference for Arvedi AST and all its stakeholders, strengthening the values that guide the company's day-to-day operations: people-centredness, fairness, inclusion, mutual respect, integrity, legality, transparency and responsibility towards the environment and the community.

The Code is a fundamental governance tool, supported by a whistleblowing system accessible to all stakeholders, which makes it possible to collect and manage any critical issues, contributing to continuous improvement of the compliance system.

The full text of the Code of Conduct is available on the company website.
https://www.acciaiterni.it/wp-content/uploads/2025/04/Arvedi-Codice-Condotta-2025_ita.pdf

Principles and scope of application

The Code of Conduct offers a clear image of the objectives which the Arvedi Group wants to achieve in order to sustainably guarantee the success of the company, based on common values such as responsibility, transparency, reliability, honesty, credibility, integrity in conducting business and respect for the law.
The Arvedi Group is actively committed to sustainable development, adhering to the ten principles of the United Nations Global Compact and recognising the United Nations Universal Declaration of Human Rights and the fundamental labour standards of the International Labour Organization (ILO).
The Code of Conduct defines the rules and principles to be observed by employees, collaborators, business partners and stakeholders, and is structured around the following main areas:

Relations with workers

- Equal treatment and non-discrimination
- Protection of rights
- Occupational health and safety

Business conduct

- Compliance with current regulations
- Compliance with anti-corruption regulations
- Fair competition and compliance with antitrust regulations
- Prevention of money laundering
- Foreign Trade
- Conflict Minerals and High-Risk Raw Materials

Relations with civil society

- Environmental and climate protection
- Quality standards and product risk management
- Donations and sponsorships
- Political representation
- Public presence and communication

Confidentiality and data protection

- Personal data protection
- Confidentiality of company information
- Responsible use of social media

Implementation of the Code of conduct and reporting

- dissemination and application of the Code
- management of reporting channels

Document management system

Arvedi AST has adopted a structured document management system aimed at ensuring consistency and alignment between the Code of Conduct, corporate policies, guidelines and operating procedures. The system provides for:

- a clear document hierarchy, aligned with the corporate mission;
- continuous updating and harmonisation of documents;
- a multi-year review programme aimed at improving effectiveness and efficiency.

Anti-corruption policy

Preventing corruption is a priority for Arvedi AST, which adopts behaviours and tools aimed at ensuring transparency and integrity in corporate operations.
This commitment is also extended to external stakeholders and formalised in the Corruption Prevention Policy, available on the company website (www.acciaiterni.it).

Prevention of conflicts of interest

Conflicts of interest are prevented with the use of various tools:

- the obligation for board members and top management to report any situation that may lead to a conflict of interest (this obligation is extended to middle managers, personnel belonging to departments or roles most exposed to risk and to all suppliers);
- dedicated training and information activities;
- supplier checks and analysis of potentially relevant relationships.

Personal data protection

Within Arvedi AST's governance system, particular importance is attributed to compliance with Regulation (EU) 2016/679 (GDPR). In this area, the Company, in collaboration with the Group Legal Counsel, oversees the constant adjustment of corporate tools and processes to regulatory requirements, ensuring the assessment and mitigation of risks connected with the protection of personal data.
In the first months of 2026, to complete the Group-level privacy governance arrangements, a Data Protection Coordinator was appointed for the Parent Company; this process will be progressively extended to all companies, including Acciai Speciali Terni.

5.2 Business ethics report

Through dedicated policies, procedures and control systems, the Company oversees the main ethical and compliance risks, encouraging conduct consistent with its values and with the applicable regulatory standards. The information below provides a report on the activities and results achieved during 2025 in relation to the main corporate ethics safeguards.

The data are to be understood with reference to all Arvedi AST sites:

- AST – Viale Brin
- AST – Strada dei confini (CST)
- AST – Ceriano Laghetto (TIX)

achieving 100% coverage of the sites.

Information activities

The Company promotes a widespread culture of ethics and integrity through a model that proportionately distinguishes information activities from training activities. Communications relating to ethical principles, company policies and compliance topics are addressed to the entire corporate population, considering that respect for values and rules of conduct represents a responsibility shared by all employees.

In 2025, particular mention should be made of communications sent in relation to the revision of the Arvedi Group Code of Conduct, the periodic campaign on the company whistleblowing system, the rules and conduct regarding Christmas gifts (to and/or from suppliers and/or customers), as well as timely communications in connection with the publication of new or revised Group Policies and Group Guidelines.

Training activities

AST personnel benefit from training activities on ethical compliance issues promoted by the Group Compliance and Governance function, which are described in detail in section 4.4.

Monitoring activities

The company continued to strengthen its governance and internal control system, in line with the principles of responsible business conduct (ESRS G1 – Business Conduct), through a structured compliance programme aimed at preventing corruption and managing ethical risks along the value chain.
In this area, anti-corruption safeguards are implemented through due-diligence processes on business partners and the application of Group policies and guidelines, guaranteeing integrity in commercial relations.

In particular:

Internal audits

Internal audits conducted within the framework of the 231 Model represent one of the main tools for verifying and monitoring the ethics and compliance controls adopted by the Company.

These audits are planned and carried out in such a way as to monitor all company processes over a period of at least 3 financial years:

SCOPE	2024	2025	2026	2027	2028
Procurement		X		X	X
Production			X	X	X
Sales	X	X	X		X
Quality	X		X		
Supply chain		X	X		X
Administration, Finance, Control and Tax	X	X	X	X	
Legal and corporate affairs	X			X	
IT Systems		X	X	X	
Human Resources	X			X	
Research and development				X	X
Quality Assurance	X			X	
External relations			X		

Due diligence on at-risk business partners

Consistent with a risk-based approach, due-diligence activities on business partners focused primarily on commercial intermediaries (sales agents), considered among the categories most exposed to potential compliance and anti-corruption risks. This has made it possible, at present, to monitor more than 90% of these counterparties, strengthening upstream controls in the commercial relationship.

During 2025, particular attention was also paid to trade compliance, with the strengthening of reputational analysis tools, monitoring of the main contracts and the continuous updating of internal procedures in line with regulatory developments. The consolidation process continued in 2026 with the launch of the definition of a dedicated Group guideline.

Prevention of corruption

During the reporting period, no corruption incidents were detected, taking into account the findings of the main monitoring and control tools adopted by the Company, which include: (i) verification of any anomalies emerging in the context of internal controls and application of anti-corruption protocols, including due diligence activities on business partners; (ii) analysis of reports received through the whistleblowing system; (iii) reports of anomalous conduct from the Corporate Security functions; and (iv) notification of any investigations or proceedings concerning anti-corruption matters at Arvedi AST.

To strengthen the prevention and control system, the Company also maintains a constantly updated register of donations and gifts, subject to periodic monitoring, in order to ensure transparency and traceability in the giving and receiving of gifts, entertainment expenses and other forms of business courtesy.
No compliance issues emerged from this report during the last financial year.

Whistleblowing

The whistleblowing system was subject to continuous monitoring and enabled timely and effective management of reports, as well as the progressive strengthening of control safeguards. Consistent with the initiatives promoted by ResponsibleSteel, this system has been integrated into a broader 2026 sustainability-report-management framework for ESG alerts, expanding the scope of stakeholder listening and engagement. The whistleblowing system is part of the above-mentioned training programme and has also been included among the topics covered by the ResponsibleSteel information campaign delivered in 2026 to all Arvedi AST personnel.

Throughout 2025, the whistleblowing system received 8 reports, all of which were processed and closed.

5.3 Human Rights Policy

In January 2025, Arvedi AST approved the Human Rights Policy. The full text of the document is available on the company's website.
https://www.acciaiterni.it/wp-content/uploads/2026/04/POLITICA-DIRITTI-UMANI_Peril-web_short_ITA.pdf

Arvedi AST's Human Rights Policy is based on a structured due diligence approach and reflects a broad and integrated commitment that goes beyond mere regulatory compliance. It is based on respect for people, protection of workers' well-being, environmental protection and governance marked by transparency and responsibility.

In line with the international ResponsibleSteel™ standard and the Arvedi Group Code of Conduct, the Policy integrates ESG principles into business processes and throughout the entire value chain, including suppliers and partners. The approach adopted involves identifying, preventing, mitigating and monitoring potential impacts on human and workers' rights.

Policy objectives

The Policy defines principles and operational guidelines aimed at promoting safe, inclusive working environments based on mutual respect, with the following objectives:
prevent all forms of direct or indirect human rights violations;
ensure fair and transparent working conditions;
empower people, fostering their development and active participation;
responsibly manage environmental and social impacts along the value chain.

Areas of commitment

Arvedi AST's commitment to protecting and promoting human rights is structured around the following areas:

- **Workers' rights:** workers' rights, to guarantee safe, fair working conditions that respect the dignity of every person, through the rejection of child and forced labour, health and safety protection, respect for working time and conditions, trade union freedom, and the enhancement of training.
- **Human rights and inclusion:** promotion of equal opportunities, combating discrimination, harassment and violence, protection of privacy and personal data, with particular attention to vulnerable situations.
- **Environment and community:** protection of natural resources and promotion of responsible and transparent relations with local communities.
- **Ethics and governance:** prevention of corruption and promotion of integrity, transparency and legality in all business activities and relationships.

Principles priority

Consistent with these areas, Arvedi AST has identified nine fundamental principles:
1. Freedom from child, forced or compulsory labour;
2. Protection of occupational health and safety;
3. Working conditions, working hours, pay and welfare;
4. Freedom of association and collective bargaining;
5. Combating discrimination, harassment, acts of violence;
6. Training and development of human capital;
7. Protecting the environment and local communities;
8. protection of privacy and personal data;
9. Ethics, transparency and anti-corruption.

Implementation tools

The commitment to human rights is supported by an integrated system of corporate tools and policies, including:
Arvedi Group Code of Conduct;
- Organisation, Management and Control Models pursuant to Legislative Decree 231/2001;
- Group trade union agreements;
- Whistleblowing platform
- ESG sustainability policy
- Sustainable procurement policy
- Company policies on health and safety, environment, quality and energy;
- Anti-corruption guidelines

The values underlying the commitment

Arvedi AST's approach is based on a set of values that concretely guide corporate choices:
- **Zero tolerance of child and forced labour** throughout the supply chain;
- **Centrality of safety,** with the objective of protecting workers' well-being;
- **Fairness and transparency in working** conditions, also promoting work-life balance;
- **Dialogue and participation,** in respect of freedom of association;
- **Inclusion and respect,** to ensure safe and non-discriminatory working environments;
- **Investment in people,** through training and skills development;
- **Responsibility towards the environment and communities**, with attention to the impacts generated;
- **Privacy protection** as a key element of trust;
- **Integrity and transparency,** as the foundation of corporate governance.

Conflict Minerals Statement and Policy

Arvedi AST supports and respects human rights in accordance with the UN Universal

Declaration of Human Rights. In this area, through its Conflict Minerals Statement and Policy, the company promotes action against human-rights violations and environmental degradation connected with the extraction and marketing of specific minerals from geographical areas identified as “conflict regions”, including the Democratic Republic of the Congo (DRC) and neighbouring countries.

The Securities and Exchange Commission (SEC) has issued provisions requiring producers to declare whether their products contain metals extracted in the eastern provinces of the DRC and neighbouring countries, contexts in which mining activities may directly or indirectly finance human rights violations or support armed groups. Arvedi AST ensures full compliance with these provisions, undertaking to avoid the use of minerals not certified as “conflict free”.

In addition, the company adopts the Extended Mineral Reporting Template (EMRT), developed by the Responsible Minerals Initiative (RMI), in order to ensure transparency along the supply chain. This tool makes it possible to report information in line with the OECD Guidelines on the responsible sourcing of minerals from conflict-affected and high-risk areas.

HUMAN RIGHTS - ARVEDI AST

APPROACH
Due diligence identification, prevention, mitigation, monitoring
Alignment: ResponsibleSteel™, Code of Conduct, ESG

OBJECTIVES
Prevention of violations • Fair conditions • Inclusion • Impact management

AMBITI
Workers • Human rights • Environment and community • Governance

PRINCIPLES
No child labour • Safety • Fairness • Freedom of association • No discrimination Training • Environment • Privacy • Ethics

Instruments:
Code of Conduct • Model 231 • Whistleblowing • ESG Sustainable Procurement Policy • HSE Policies • Anti-corruption Guidelines

HOW TO MAKE A REPORT

The Arvedi AST listening and feedback system

Active listening to stakeholders represents a central element of Arvedi AST's approach to sustainability. To this end, the company has adopted a structured system for managing reports and complaints, aimed at collecting, assessing and promptly managing requests from all interested parties.

The system fosters transparent and constructive dialogue and ensures that every report – relating, for example, to environmental, health and safety or worker well-being issues – is handled according to defined procedures and accountability criteria.

Reporting channels

Arvedi AST makes several communication channels available, ensuring the confidentiality of whistleblowers in all cases:

AST switchboard
0744 4901

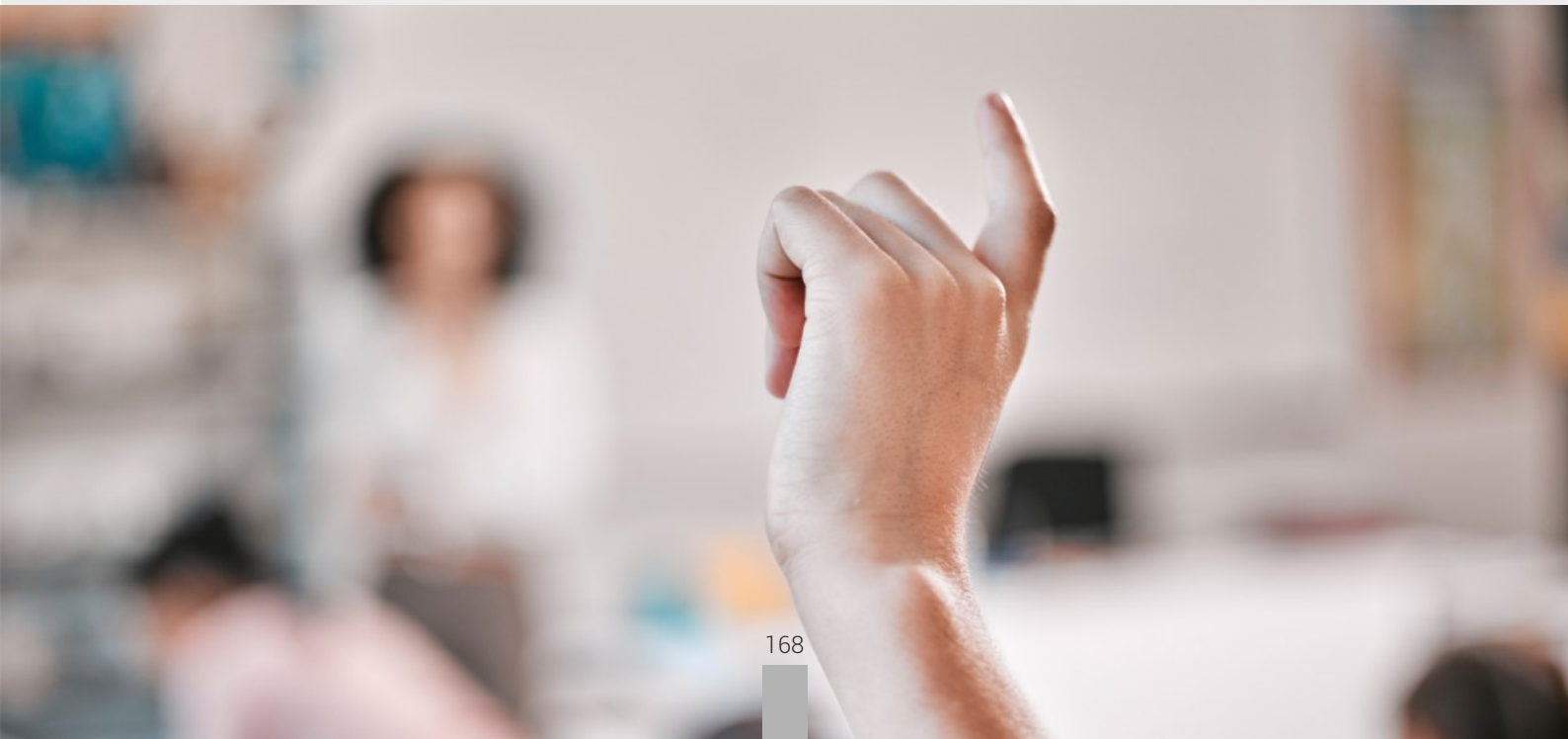
Free-phone number
800 063 966

External relations
relazioni.esterne@acciaiterni.it

Whistleblowing (also anonymously)
https://www.acciaiterni.it/segnalazioni/

Value of the system

Each report represents a contribution to continuous improvement of corporate performance in the environmental, social and governance areas, strengthening the culture of responsibility and transparency.



5.4 Relations with suppliers

Arvedi AST promotes a responsible and sustainable approach throughout the entire supply chain, requiring its suppliers to comply with high environmental, social and governance (ESG) standards.

This commitment takes concrete form through a structured qualification process, managed through the IUNGO platform, which provides for formal adherence to ESG principles, including through specific clauses included in the general terms and conditions for the purchase of goods and services.

Suppliers are required to sign a commitment statement attesting to the adoption of sustainable and responsible practices. The Purchasing Department verifies consistency between the commitments declared and the actions actually undertaken, reserving the right to suspend or terminate contractual relationships in the event of serious or repeated violations.

Protection of the environment

Arvedi AST requires suppliers to adopt production practices aimed at reducing environmental impacts, with particular attention to:

- limiting greenhouse gas emissions;
- improvement of energy efficiency;
- prevention of air, water and soil pollution;
- sustainable management of natural resources.

Full compliance with the environmental regulations in force is also required, while encouraging, where possible, the adoption of additional voluntary initiatives.

Social responsibility

Suppliers are required to guarantee respect for human rights and fundamental labour principles, including:
protection of workers' rights;

- freedom of association;
- equal treatment and non-discrimination;
- prohibition of child labour;
- compliance with health and safety regulations.

A commitment is also required to promote safe, inclusive workplaces geared towards valuing diversity.

Governance and integrity

Arvedi AST expects its suppliers to act with integrity, transparency and responsibility. In particular, it requires:
adoption of appropriate governance systems;
implementation of measures to prevent corruption and money laundering;

- compliance with current regulations;
- the traceability and accuracy of information along the supply chain.

Alignment to the standards ResponsibleSteel™

Within the framework of the ResponsibleSteel™ certification, Arvedi AST has further strengthened
The integration of the principles ESG in the management of supply chain.

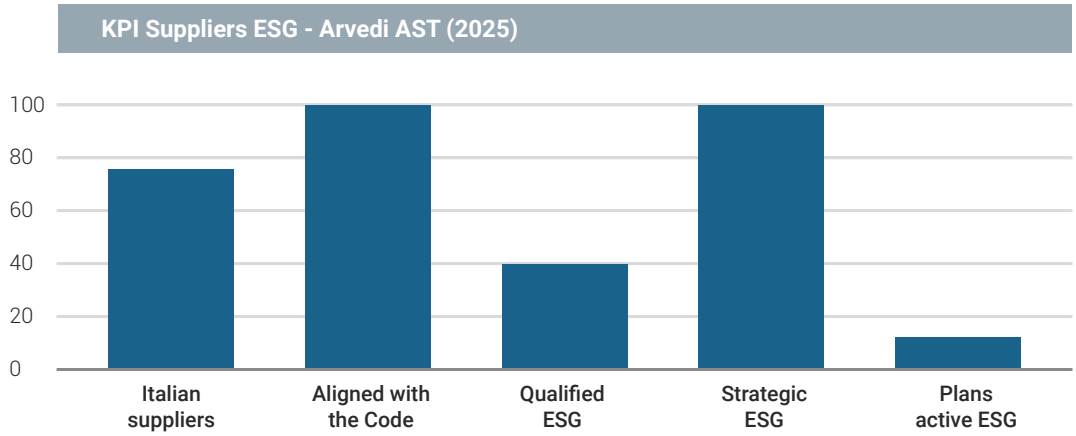
Results achieved

The data show a structured and already mature procurement system from a governance perspective, characterised by a high degree of alignment with the Group's ethical principles. In particular, full adherence to the Code of Conduct by suppliers and ESG qualification of 100% of strategic suppliers demonstrate effective oversight of the most relevant partners.

The significant proportion of Italian suppliers (79%) also strengthens the link with the local area and the local value chain.

There remains room for development in extending ESG criteria to the entire supplier base: the share of qualified suppliers (41%) and that relating to active improvement plans (6%) indicate an evolving pathway aimed at progressive operational integration of sustainability throughout the supply chain.

KPI	Value
Total number of active suppliers (by type of purchase)	1,814
Percentage of Italian suppliers	79%
Percentage of suppliers aligned with the Arvedi Code of Conduct	100%
Percentage of suppliers qualified according to ESG criteria	41%
Percentage of strategic suppliers qualified according to ESG criteria	100%
Percentage of suppliers with active ESG improvement plans	6%



SUSTAINABLE SUPPLIES

Full alignment (100%) with the Code of Conduct
indicates a solid ethical and contractual basis along the supply chain

Strategic suppliers fully ESG-qualified (100%)
Oversight effective on the partner to greater impact and risks

Strong local roots (79% Italian suppliers)
support for the local economy and greater controllability of the value chain

Arvedi AST's Procurement model shows solid and consolidated governance, with full oversight of strategic suppliers, evolving towards even more extensive and proactive integration of ESG criteria along the entire supply chain.

STEPS IN THE SUPPLIER QUALIFICATION PROCESS

Arvedi AST adopts a structured and digitalised supplier selection and qualification process aimed at identifying partners capable of ensuring high standards of environmental, social and governance (ESG) sustainability.
The model is based on application of the *Kraljic matrix,* which makes it possible to classify suppliers according to:

- the supply risk
- relevance strategic for the company.

ESG criteria are integrated into this analysis, assessing for each purchasing category the environmental impacts, health and safety aspects and energy-efficiency opportunities. This approach makes it possible to define targeted procurement strategies, oriented towards risk mitigation and sustainable supply-chain management.
Digitalisation and process stages

In 2024, the IUNGO digital system was introduced, structuring the qualification process into six phases:

1. supplier application;
2. financial soundness analysis;
3. enablement in the system;
4. preliminary assessment;
5. approval;
6. feedback and monitoring.

From the initial stage, information is collected on alignment with ESG principles, including sustainability policies, CO_2 emissions traceability and adherence to international standards (e.g. UN and Global Compact).

Assessment and monitoring

For specific product categories, technical requirements and certifications are required. Strategic suppliers are also audited at their operating sites, with checks on environmental, social and production aspects.
The process ends with structured feedback and continues over time through a **Vendor Rating** system, which makes it possible to monitor performance and recognise suppliers most committed to sustainability issues.

Approach to the supply chain

In the case of purchases through intermediaries, the ESG assessment is extended to the actual producers and countries of origin of raw materials, in order to ensure a complete view of impacts along the entire supply chain.

Note: Raw material traders are classified in the IUNGO platform as service providers. However, for the ESG assessment of supplies, the focus is on the actual producers and countries of origin of the ferroalloys traded. In this way, environmental, social and governance impacts can be monitored and assessed along the entire supply chain, even when purchasing through intermediaries.

Consistency with certified management systems

The Purchasing Department oversees a structured process that includes supplier qualification and assessment, analysis and management of requirements, negotiation and procurement activities, expediting, and inventory management and availability of the materials, goods and services needed for business continuity.

This approach ensures systematic oversight of the supply chain, guaranteeing control of external suppliers, traceability of information throughout the procurement process and continuity of operating activities. The Purchasing process also contributes to monitoring and improving supply-chain performance in line with the requirements of the certified ISO 9001, ISO 14001, ISO 45001 and ISO 50001 management systems and the Responsible Steel™ standard.

Within the Quality Management System, the supplier qualification and assessment process plays a central role, as it ensures that the selection and monitoring of business partners are carried out on the basis of structured, documented and verifiable criteria, and not through occasional or non-formalised assessments.

This approach strengthens the integration between the Purchasing process and corporate management systems, supporting transparency and traceability of information, management of operational and continuity risks, as well as continuous improvement of quality, environmental, energy, health and safety performance along the value chain.

ISO 9001 requirement	Connection with the Purchasing process	Key evidence	Reading for the Review
Environment Management System ISO 14001 (SGA) **ISO 45001 Occupational Health and Safety Management System** **Energy Management System ISO 50001 (SGE)** **System of management ResponsibleSteel™**	Connection with the Purchasing process. The Purchasing process may affect environmental aspects connected with materials, products, services, contracts, suppliers and supply management. The process is relevant for supplies, services, contractors, critical materials and activities with possible impacts on worker safety and operational continuity. The process can affect energy performance when it concerns materials, plants, equipment, services or supplies that influence consumption, efficiency or energy continuity. The Purchasing process is relevant to responsible procurement, supplier qualification and monitoring, supply-chain traceability and consistency with corporate ESG commitments.	supplier qualification technical specifications; purchasing criteria; management material; control suppliers external. supplier qualification information technical; control of external services; order management; expediting; management material. Technical specifications; needs analysis; purchasing criteria; management suppliers; management material. Vendor Matrix; Vendor Rating supplier qualification performance monitoring; management issues; documentary evidence of supply.	Supplier documentation; environmental specifications, where applicable; orders evidence of supplier assessment; environmental requirements included in requests or contracts, where applicable. Supplier documentation; technical and safety requirements; orders and contracts; evidence relating to contractors or critical supplies; reports of critical issues. Energy specifications, where applicable; technical requests; orders assessments of products, services or equipment with energy impact. Responsible procurement policies and requirements; communications to suppliers; qualification evidence; data Vendor Matrix; Monitoring actions on critical suppliers; traceability of the information available.

Payment management

The company adopts payment-management practices based on transparency, fairness and reliability, with the aim of ensuring solid and continuous relationships with suppliers.

A central element of the adopted approach is maintaining a sustainable balance between the company's liquidity management needs and fair payment conditions towards business partners.

Payment terms are defined through a structured negotiation process, which also involves the Administrative Department, in order to ensure their consistency with the company's financial situation and the evolution of the operating context.

Sustainability report 2026



Arvedi

6
Economic information

Arvedi AST

Arvedi AST directs its activities towards creating sustainable value in the long term, through an integrated set of strategic levers aimed at:

- reinforce the sustainability of the business model;
- develop innovative products;
- invest in company growth and competitiveness;
- promote efficient use of resources;
- ensure a solid financial structure;
- pursue operational efficiency;
- oversee and manage corporate risks;
- enhance research and innovation as drivers of development.

In this context, sustainability is not considered a separate element, but an essential component of the business model, capable of guiding industrial choices and generating widespread benefits for all stakeholders.

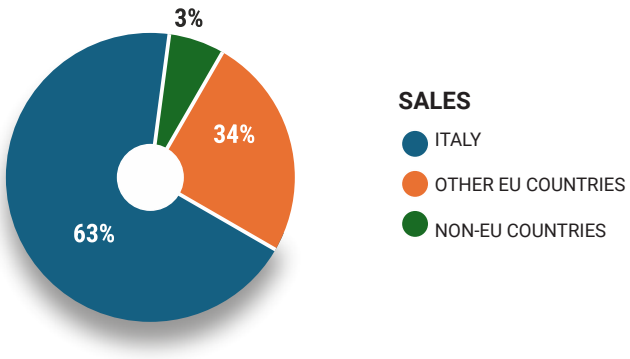
The company's economic, financial and equity data are reported in the accounting documents and financial statements, prepared in accordance with the regulations in force, to which reference is made for a complete analysis.

This chapter of the Sustainability Report focuses on the main economic indicators relevant from an ESG perspective, with particular attention to the economic value generated and distributed to stakeholders.

Sales

In 2025, Arvedi AST's sales show a concentration in the domestic market, which represents the prevailing share of overall turnover. European Union countries constitute the second reference market, confirming a solid presence at continental level, while non-EU markets, although with a more limited weight, contribute to the geographical diversification of sales.

SALES 2025	ITALY	OTHER EU COUNTRIES	NON-EU COUNTRIES
EURO/000	1,333,617	716,470	75,610



6.1 Economic value generated and distributed

Arvedi AST's activities generate value not only in terms of economic performance, but also through distribution in favour of the main stakeholders. The value created by the company translates into remuneration for employees, consideration for suppliers, charges for lenders and contributions to the community, thereby contributing overall to the economic development of the local area and the supply chain.

In 2025, the economic value generated — understood as the value of production — stood at approximately EUR 2.3 billion.

The distribution of value shows:

- an increase in resources allocated to personnel;
- a predominant share allocated to suppliers, who represent the main economic stakeholder, in line with the industrial nature of the activity;
- a reduction in financial charges, indicative of efficient management of the financial structure;
- an increase in donations;
- the absence of dividend distribution to shareholders, despite positive economic results, demonstrating the choice to reinvest resources to support corporate development and long-term sustainability.

Overall, the data show Arvedi AST's ability to generate and distribute value broadly, while supporting operational continuity and economic-financial balance.

ECONOMIC VALUE GENERATED [1]	2024	2025
€/000	**2,462,302**	**2,299,219**

(1) value of production

DISTRIBUTED ECONOMIC VALUE (EURO/000)	2024	2025
HUMAN RESOURCES	140,448	153,244
SUPPLIERS	2,263,481	2,090,023
SHAREHOLDERS	-	-
LENDERS	31,932	26,759
PUBLIC ADMINISTRATION [1]	-	-
GIFTS	162	301

6.2 Environmental expenditure and investments

In 2025 Arvedi AST incurred environmental-protection expenses of EUR 36.7 million, confirming a particularly high level of commitment to managing the environmental aspects connected with its production activities. The main expenditure items concerned waste management (EUR 13.8 million), water protection (EUR 11.2 million) and prevention of atmospheric emissions (EUR 10.6 million), which together account for more than 97% of total environmental expenditure.

At the same time, environmental investments increased significantly, from EUR 7.6 million in 2024 to EUR 16.8 million in 2025 (+120%). The increase is mainly attributable to emission-prevention measures, which absorbed approximately EUR 14.9 million, equal to almost 90% of total environmental investments. Further investments concerned water protection and waste management.

ENVIRONMENTAL PROTECTION EXPENDITURE (EURO/000)	2024	2025
Prevention of emissions	12,949	10,593
Protect the waters	11,630	11,240
Waste management	13,934	13,785
Prevention of noise pollution	150	131
Prevention of soil pollution	1,055	960
TOTAL	**39,718**	**36,709**

ENVIRONMENTAL INVESTMENTS MADE (EURO/000)	2024	2025
Prevention of emissions	6,249	14,883
Protect the waters	291	845
Waste management	411	862
Prevention of noise pollution	197	115
Prevention of soil pollution	468	83
TOTAL	**7,616**	**16,788**

6.3 Research and development

During 2025, Research and Development activities focused both on capitalising on projects launched in previous financial years and on new strategic directions supporting market evolution.

The main development lines continued compared with the previous year include:

- **European and international projects:** Participation in the Horizon Europe HEPHAESTUS project continued, aimed at recovering metals from waste dust generated by EAF and AOD furnaces. The company actively collaborated with international partners in developing solutions to improve the environmental sustainability of the steel supply chain, contributing to the project's progress towards the final phase of industrial prototyping, expected to be completed during the next financial year.
- **Development and optimisation of new steel grades:** Development and consolidation activities continued for new grades intended for different industrial sectors (including STR14 and 201E), with particular attention to optimising production processes and material performance. In the area of intellectual-property protection, the international extension process for the patent relating to 444Nb steel, already filed nationally in the previous financial year, was also completed.
- **Efficiency improvement of production processes:** Activities to improve operational efficiency continued, leading to the definition of innovative production cycles applicable both to traditional grades and to new products, with benefits in terms of performance, quality and sustainability.

The main initiatives launched during 2025 include:

- **New trials:** new prototyping and industrial testing phases were launched, focused on optimising steel formability, with the aim of developing products with superior stamping performance capable of meeting the increasingly stringent requirements of high-technology sectors. At the same time, studies were developed to improve corrosion resistance on traditional grades and finishes, in order to increase their durability and the stability of the passivation film, particularly in application contexts in which the aesthetic performance of the material is a critical functional requirement.
- **Research and support for the local area:** as part of local-area initiatives, the company contributed to the technical definition and supply of materials for a landscape bio-integration project relating to redevelopment of the Sant'Erasmo chimney area in Terni, a place of significant symbolic value for the local community. The intervention involved the combined use of Corten steel and stainless steel, selected for their corrosion-resistance and durability properties, with the aim of combining industrial innovation and harmonious integration into the environmental context.

6.4 Taxation

Arvedi AST bases the management of its tax activities on the principles of legality, fairness and transparency, adopting conduct fully compliant with the regulations in force.

In line with these values, the company's tax approach is designed to ensure the correct determination and timely payment of taxes due, preventing the risk of tax violations and improper use of regulatory instruments.

The Company operates by ensuring not only formal compliance with tax provisions, but also their application in line with the spirit and purposes of the legal system, through a responsible and prudent interpretation of the legislation.

Aware of the role of taxes as a fundamental lever for the functioning of public institutions and economic stability, Arvedi AST recognises its contribution to the country system as an integral part of its social responsibility.

Through the development of its industrial activities, the company contributes to tax revenues and to supporting the economic and social development of the territories in which it operates, adopting conduct consistent with the principles of sustainability and shared value.

7

Appendix

7.1 Content index

ESRS contents

The report also includes information reported with reference to the ESRS standards related to the EU Sustainability Reporting Directive 2022/2464 (CSRD). This information is reported taking into account both the interoperability between GRI and ESRS standards and the process currently underway to revise and simplify the requirements of the CSRD Directive following the 'Omnibus package' proposal presented by the European Commission on 26 February 2025.
This table shows the list of disclosures and related data points required by the ESRS, indicating their inclusion in the Sustainability Statement and the references to the document chapters.

DISCLOSURE AND RELATED DATAPOINT	(CHAPTER/PARAGRAPH)	NOTES
ESRS 2 - GENERAL INFORMATION		
ESRS 2 BP-1 General criteria for drafting the sustainability statement	1.1	
ESRS 2 GOV -1 Role of administration, management and control bodies	2.2	
ESRS 2 GOV -2 Information provided to administrative, management, and supervisory bodies and sustainability matters addressed by them.	2.2	
ESRS 2 GOV-5 Risk management and internal audits over sustainability reporting	2.2	
ESRS 2 SBM-1 Strategy, business model and value chain	2.3	
ESRS 2 SBM-2 Interests and opinions of stakeholders	2.4	
ESRS 2 SBM-3 Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2.3	
ESRS 2 IRO-1 Description of the process to identify and assess relevant impacts, risks and opportunities	1.2	
ESRS 2 MDR-P Policies adopted to manage relevant sustainability issues	2.5	
ESRS 2 MDR-A Actions and resources related to relevant sustainability issues	2.5	
ESRS E1 - CLIMATE CHANGE		
E1-1 Transition plan for climate change mitigation	3.3	
ESRS 2 IRO-1 SBM-3 Impacts, risks and opportunities	3.3	
E1-2 Climate change mitigation and adaptation policies	3.3	
E1-3 Climate change actions	3.3	
E1-4 Climate change targets	3.3	
E1-5 Energy consumption and energy intensity	3.2	
E1-6 Scope 1.2.3 greenhouse gas and total emissions - Emission Intensity	3.3	

DISCLOSURE AND RELATED DATAPOINT	(CHAPTER/PARAGRAPH)	NOTES
ESRS E2 - POLLUTION		
E2-1 Pollution-related policies	3.4	
E2-2 Pollution-related actions	3.4	
E2-3 Pollution-related targets	3.4	
E2-4 Air, water and soil pollution	3.4	
ESRS E3 - WATER AND MARINE RESOURCES		
E3-1 Water policies	3.5	
E3-2 Water-related actions	3.5	
E3-3 Water-related targets	3.5	
E3-4 Water consumption, recycled and reused water, intensity	3.6	
ESRS E4 - BIODIVERSITY AND ECOSYSTEMS		
E4-2 Biodiversity and ecosystems policies	3.6	
E4-3 Actions related to biodiversity and ecosystems	3.6	
E4-4 Targets related to biodiversity and ecosystems	3.6	
ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY		
E5-1 Resource use and circular economy policies	3.7	
E5-2 Actions related to resource use and the circular economy	3.7	
E5-3 Targets related to resource use and the circular economy	3.7	
E5-4 Inbound resources	3.7	
E5-5 Outbound resources	3.7	
ESRS S1 - OWN WORKFORCE		
S1-1 Policies related to own labour force	4.1	
S1-2 Worker involvement processes regarding impacts	4.1	
S1-6 Employee characteristics	4.1	
S1-7 Non-employee characteristics	4.1	
S1-8 Coverage of collective bargaining and social dialogue	4.1	
S1-9 Diversity metrics	4.3	
S1-12 Persons with disabilities	4.1	
S1-13 Training	4.4	
S1-14 Health and safety	4.2	
ESRS S3 - COMMUNITIES AFFECTED		
S3-2 Engagement processes for affected communities regarding impacts	4.6	
S3-3 Processes to remedy negative impacts and channels for affected communities to raise concerns	4.6	
S3-4 "Actions on material impacts, risks, and opportunities for affected communities	4.6	
S3-5 Objectives related to the management of impacts, risks and opportunities relevant to affected communities	4.6	
ESRS G1 - BUSINESS CONDUCT		
G1-1 Business conduct policies	5.1-5.2	
G1-2 Supplier relationship management	5.3	
G1-3 Prevention of corruption	5.1	

GRI Contents

Declaration of use

Arvedi AST reported the information mentioned in this GRI content index for the period from 01/01/2025 to 31/12/2025 according to the "with *reference" option.*

GRI 1 used

GRI 1- Fundamental Principles - version 2021

Global Reporting Initiative

GRI STANDARDS	INFORMATION NOTICE	POSITION	NOTES
GRI 2 General information 2021	2-1 Organisational details	2.1-2.2	
	2-2 Entities included in the organisation's sustainability reporting	1.1-2.1	
	2-3 Reporting period, frequency and point of contact	1.1	*Reporting period: 2025 Frequency: Annual*
	2-5 External assurance	2.1-2.3-5.3	*The report is not subject to external assurance*
	2-6 Activities, value chain and other business relationships		
	2-7 Employees	4.1	
	2-8 Non-employees	4.1	
	2-9 Governance structure and composition	2.2	
	2-10 Appointment and selection of the highest governing body	2.2	
	2-11 Chairman of the highest governing body	2.2	
	2-12 Role of the highest governing body in impact management control	2.2	
	2-13 Delegation of responsibility for impact management	2.2	
	2-14 Role of the highest governance body in sustainability reporting	2.2	
	2-15 Conflicts of Interest	5.1	
	2-16 Communication of critical issues	2.2-5.1	
	2-22 Sustainable development strategy statement	2.5	
	2-23 Policy commitments	2.5-3.2-3.3-3.4-3.5-3.6-3.7-4.1-4.2 4.3-4.4-4.6-4.7-5.1-5.2-5.3	
	2-24 Integration of policy commitments	2.3-2.5	
	2-25 Processes to remedy negative impacts	2.2-5.1	
	2-26 Mechanisms for seeking advice and raising concerns	2.2-5.1	
	2-27 Compliance with laws and regulations	3.1-4.1-5.1-6.4	
	2-29 Approach to stakeholder involvement	2.4	
	2-30 Collective agreements	4.1	

GRI STANDARDS	INFORMATION NOTICE	POSITION	NOTES
GRI 3 Tangible topics 2021	3-1 Process for determining material subjects	1.2	
	3-2 List of material topics	1.2	
	3-3 Managing tangible topics	3.1-4.1-4.2-5.3	
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	1.2	
	201 -2 Financial implications and other risks and opportunities due to climate change	1.2	
	201 -4 Financial assistance received from the government	3.1-4.1-4.2-5.3	
GRI 205 Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	5.1	*No incidents of corruption were detected*
GRI 206 Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive and antitrust behaviour as well as monopolistic practices	5.1	*No legal actions for anti-competitive behaviour, antitrust or monopoly practices were recorded*
GRI 207 Taxes 2019	207-1 Approach to taxes	6.4	
	207-2 Tax-related governance, control and risk management	6.4	
GRI 301 Tangible 2016	301 -1 Materials used by weight or volume	3.7	
	301 -2 Recycled input materials used	3.7	
GRI 302 Energy 2016	302-1 Energy consumption within the organisation	3.2	
	302 -3 Energy intensity	3.2	
GRI 303 Water and effluents 2018	303 -1 Interactions with water as a shared resource	3.5	
	303-2 Management of water discharge impacts	3.5	
	303-5 Water consumption	3.5	
GRI 304 2016 biodiversity	304-1 Operational sites owned, leased or managed in or near protected areas or in areas of high biodiversity value outside or next to protected areas	3.6	
GRI 305 Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	3.3	
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	3.3	
	305-4 Intensity of greenhouse gas (GHG) emissions	3.3	
	305-6 Emissions of ozone-depleting substances (ODS)	3.4	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other relevant air emissions	3.4	
GRI 306 Waste 2020	306-1 Generation of waste and significant waste-related impacts	3.7	
	306-2 Managing significant waste-related impacts	3.7	
	306-3 Waste generated	3.7	
GRI 308 Supplier environmental assessment 2016	308-1 New suppliers selected on the basis of environmental criteria	5.3	
GRI 401 Employment 2016	401-1 New recruitments and employee turnover	4.1	
	401-2 Benefits provided to employees	4.5	
GRI 402 Trade union/ management relations 2016	402-1 Minimum notice periods for operational changes	4.1	

GRI STANDARDS	INFORMATION NOTICE	POSITION	NOTES
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	4.2	
	403-2 Hazard identification, risk assessment and accident investigation	4.2	
	403-4 Worker participation and consultation on occupational health and safety, and communication thereon	4.2	
	403-5 Occupational health and safety training for workers	4.2-4.4	
	403-6 Workers' health promotion	4.2-4.5	
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	4.4	
	404-2 Employee skills refresher programmes	4.4	
GRI 405 Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and among employees	4.3	
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	4.3	*No incidents of discrimination were detected*
GRI 413 Local communities 2016	413-2 Operations with significant actual and potential impacts on local communities	4.5 - 4.6 - 4.7	
GRI 414 Social assessment of suppliers 2016	414-1 New suppliers selected on the basis of social criteria	5.3	
GRI 416 Customer health and safety 2016	416 -1 Assessment of health and safety impacts of product and service categories	3.1	
	416-2 Incidents of non-compliance regarding health and safety impacts of products and services	3.1	*No incidents of non-compliance were detected*
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.1	*No substantiated complaints about breaches of customer privacy, or incidents of leakage, theft or loss of customer data were detected*

7.2 Analysis of impacts, risks and opportunities

ESRS contents

The relevant environmental, social and governance topics were identified through analysis of both actual and potential impacts generated by business activities, as well as the risks and opportunities associated with them.

Although it is not currently subject to the reporting obligations provided for by the European CSRD Directive, Arvedi AST considered it appropriate to adopt an analytical and structured approach to assessing impacts, risks and opportunities, in order to support proactive risk management and strengthen the resilience of its industrial model.

The analysis carried out for financial year 2025 did not show any substantial changes compared with the impacts, risks and opportunities already identified in the previous sustainability report.

CLIMATE RESILIENCE ANALYSIS
ESRS 2 SBM-3 / ESRS E1 – Climate change

Objectives and approach methodological

Arvedi AST's climate resilience analysis is designed to assess the potential effects of climate change on the business model and on economic and financial solidity in the short, medium and long term, supporting strategic decision-making processes and the allocation of investments. The analysis is integrated into risk management processes and supervised by corporate governance; is qualitative in nature (it does not constitute a financial stress test); is updated periodically.

Methodological assumptions:

- climate scenarios considered: 1.5–2°C and >3°C;
- orizzonti temporali:
  - short term: up to the 2040
  - medium term: up to the 2060
  - long term: up to the 2100

Emissions are monitored in accordance with the GHG Protocol:

- Scope 1: combustion of natural gas and metallurgical processes
- Scope 2: purchased electricity
- Scope 3 (categoria 1): Raw Materials

Context climate and regulatory

Climate change represents a global systemic risk, with growing impacts on economic and industrial systems.

The European Union has set binding targets:

- **reduction of the emissions -55% by the 2030**
- **climate neutrality by 2050**

The steel sector is considered **strategic in the ecological transition,** as it enables infrastructure, energy and sustainable mobility.

Main relevant European policies

- Clean Industrial Deal
- European Steel and Metals Action Plan
- Industrial Accelerator Act
- CBAM (Carbon Border Adjustment Mechanism)

Levers of policy

- access to clean and competitive energy
- support to the investments low-carbon
- development of demand for sustainable steel
- protection against non-EU competition

Strategic pillars of decarbonisation

Circularity

- high use of scrap metal
- reduction of dependence on ferroalloys
- contribution to reducing Scope 1 and Scope 3 emissions

Energy efficiency

- introduction of the Walking Beam furnace (up to -40% process emissions)
- optimisation of systems
- automation and digitalisation

Low-carbon sources

- electricity from renewable sources (market-based Scope 2 emissions reduced to zero)
- use of biomethane (short term)
- development of green hydrogen (medium-long term)

Climate risk analysis

A) Physical risks

Acute risks

- extreme climate events (floods, storms, heatwaves)
- potential damage to plants and operational interruptions

Chronic risks

- increase in temperatures
- water stress

Mitigation measures

- water recycling and reuse systems
- possible adaptation measures on plants

B) Transition risks

Regulatory

- evolution EU ETS
- carbon pricing
- authorisation requirements

Of market

- volatility of energy prices
- raw material procurement

Technology

- investments required for decarbonisation

Reputational

- ESG performance of the supply chain
- obligations of disclosures

Opportunities

The climate transition generates a number of opportunities:

- growth in demand for low-carbon steel
- competitive advantages linked to efficiency and circularity
- access to European and national incentives and financing
- development of new sustainable markets

Driver of market

- low-carbon public procurement
- standards and certifications
- development of lead markets European

Strategy and resilience of the business model

Arvedi AST's strategy integrates:
- reduction of Scope 1, 2 and 3 emissions
- use of renewable energy
- technological innovation continua
- supply-chain engagement
- diversification of energy sources

DIMENSIONS	ASSESSMENT
Physical risks	Medium-low
Transition risks	Manageable
Opportunities	Significant
Resilience of the model	High

Conclusions

The analysis shows that **Arvedi AST's** business model is overall **resilient and consistent with the climate scenarios considered,** thanks to:
- strong focus on **circularity**
- positioning competitive in the steelmaking **EAF**
- structured **decarbonisation strategy**
- high capacity for **adaptation and innovation**

Strengthening climate resilience is a key factor in ensuring operational **continuity and value creation in the medium to long term.**

Workforce-related impacts, risks and opportunities (ESRS S1)

During the year, the company continued to monitor and manage the impacts, risks and opportunities related to its workforce, consistent with the principles outlined in the ESRS S1 standard.

Potential or actual negative impacts include:

The following main areas of negative impact were identified:

- the physical, psychological and economic consequences of occupational accidents, which can also affect families;
- potential discrimination or failure to value diversity and inclusion, with impacts on organisational well-being;
- insufficient adoption of measures to protect human rights in working practices;
- lack of structured tools and programmes to support employees' psychophysical well-being.

Impacts positive

At the same time, corporate activity generates a series of significant positive impacts:

- access to a consolidated welfare system (Cassa Mutua, CLT, welfare platform), aimed at supporting individual and family well-being;
- the provision of transversal training plans, focusing on technical, safety and soft skills;
- the enhancement of professional skills through cross-functional projects and refresher courses;
- improvement in the level of job satisfaction in participatory organisational contexts;
- access to performance bonuses and economic benefits linked to collective performance.

Main risks

The following main risks have been identified:

- economic and reputational risks arising from non-compliance with diversity, inclusion and human rights standards;
- operational risks arising from organisational rigidity and lack of adequate skills;
- economic and insurance risks associated with the incidence of occupational accidents;
- strategic risk arising from the loss of key personnel;

- risk of non-compliance with occupational health and safety regulations;
- reputational and operational risks connected with inadequate working conditions or limited organisational flexibility.

Main opportunities

The company also identifies important development opportunities:
strengthening of human capital through structured training and development paths

- improvement of employees' economic well-being through welfare tools and bonus systems;
- increase of corporate attractiveness as a responsible employer
- reinforcement of dialogue with trade union representatives (RSUs) to share industrial, contractual and welfare policies;
- ncreased productivity through improved health and safety conditions at work.

Management approach

The approach taken aims to ensure regulatory compliance, reduce risks and strengthen internal social sustainability, in line with the disclosure requirements of ESRS S1 and the overall corporate strategy.

Impacts, risks and opportunities related to affected communities (ESRS S3)

The company adopts a structured approach to assessing and managing the impacts, risks and opportunities connected with local communities in the areas in which it operates, in line with the requirements of ESRS S3.

The initiatives undertaken are aimed at preventing and mitigating potential negative impacts deriving from industrial activities, as well as generating shared value through solid and long-lasting relationships with the local context.

Impacts negative (current and potential)

The following main areas of impact have been identified:

- possible effects on the well-being of neighbouring communities, connected in particular with atmospheric and noise pollution associated with certain stages of the production cycle;
- impacts on water resources, with potential competition for water use in scarcity conditions, especially during drought periods;
- pressure on ecosystems and the availability of natural resources, including along the value chain, in relation to water use in upstream processes.

Impacts positive

Business activity contributes significantly to local development through:

- economic and employment effects on the local supply chain, both direct and indirect, with benefits for suppliers and commercial activities;
- ongoing collaboration with local institutions and stakeholders for cultural, health and sports initiatives, also through support for established organisations such as CLT and the Cassa Mutua;
- investments in environmental rehabilitation projects, including the reclamation of urban and industrial areas;
- sponsorships of cultural events of importance to the region (e.g. Umbria Jazz Weekend, Cantamaggio);
- promotion of industrial culture and sustainability through dissemination activities and dedicated initiatives (e.g. the "La Grande Opera" exhibition).

Main risks

The analysis identified the following priority risks:

- economic and reputational risk arising from litigation brought by local communities over perceived environmental or health impacts;

- risks of social conflict and local opposition in the absence of adequate information, engagement and preventive consultation tools, particularly for projects with a high local impact.

Main opportunities

The company also identifies significant development opportunities:

- strengthening of its role as a responsible local actor, through the consolidation of structured dialogue channels with the community;
- creation of shared value through public-private initiatives on topics relevant to the local context (e.g. health, education, inclusion);
- improvement of reputation and stakeholder trust through policies that return value to the local area.

Management approach

The adopted approach is focused on the proactive management of relations with local stakeholders, based on:

- systematic analysis of environmental and social impacts;
- tools for dialogue and community engagement;
- integration of sustainability into local development strategies.

In this context, the company considers sustainability to be a strategic lever for promoting social cohesion, territorial development and long-term value creation.

Impacts, risks and opportunities related to business conduct (ESRS - G1)		
G1-1 Policies on corporate culture and business conduct		
Impacts	Negative	A more difficult implementation of policies on business conduct.
	Positive	Having a clear definition of policies on corporate culture and conduct emanating from top management implies a breakdown of ethical principles adequately shared with all levels of the organisation.
Risks and opportunities	Risks	The internal regulatory system for employees could be considered inconsistent with the overall framework of corporate values and culture (business conduct policies). The absence of a whistleblowing management process would expose the company to the consequences provided for in the reference standard, as well as deprive the company of a channel for intercepting any critical issues. In addition, lack of knowledge of the appropriate measures protecting against the risks associated with whistleblowing, as provided for by the legislation and adopted by the Company, could limit their effectiveness. Loss of competitiveness, compared to Clients requiring specific ESG standards. Lack of compliance with reference standards in all countries with an ESG-evolved corporate culture.
	Opportunities	The Group's Code of Conduct has been set up to seize all opportunities for the disclosure of business values and conduct policies to both employees and external stakeholders (upstream and downstream of the process). Furthermore, care has been taken to adequately formalize the principles set out by ESG standards. Strengthening the compliance system by extending the areas covered by Italian and European whistleblowing legislation to include broader reporting opportunities concerning corporate culture and ethics, antitrust, fraud, conflicts of interest, privacy and human rights.

Impacts, risks and opportunities related to business conduct (ESRS - G1)		
G1-2 Supplier relationship management		
Impacts	Negative	Business continuity. Reputation / Competitiveness. Lack of regulatory compliance
	Positive	Contribution to the development of a market chain in line with ESG standards.
Risks and opportunities	Risks	Minimisation of negative business continuity and reputational effects. Lack of detail in the description of the policy concerning supplier relationship management, in particular the prevention of payment delays with reference to SMEs (non-compliance with ESRS 2 - G1-2, point 14) Risk of supply chain disruptions due to suppliers adopting business practices that are not in line with market standards and/or regulations. Failure to monitor the supply chain in terms of screening and assessing the social and environmental performance of suppliers. Lack of compliance with reference standards in all countries with an ESG-evolved corporate culture
	Opportunities	Development of a market chain in line with ESG standards. More comprehensive and optimised management of the supplier base.

Impacts, risks and opportunities related to business conduct (ESRS - G1)		
G1-3 Prevention and detection of active and passive corruption		
Impacts	Negative	Reputation / Competitiveness. Lack of regulatory compliance.
Risks and opportunities	Positive	Safeguarding against active and passive corruption, with a positive impact on business efficiency and the Company's reputation.
	Risks	Lack of formalisation of reference KPIs. Lack of specific dedicated training. Exposure to practices that harm the company and conflict with corporate culture.
	Opportunities	Preventing and detecting allegations or incidents of active and passive corruption, reacting to them and conducting investigations into them, including related training. Ensure transparency on the company's main procedures to prevent, detect and manage allegations of active and passive corruption. Improvement of corporate culture, including through the provision of specific training to employees and information to external stakeholders.

7.3 Methodological notes

Reporting period and comparisons with previous years

The data relating to financial year 2025 (1 January - 31 December) reported in this Report are compared, where possible, with those of previous years in order to assess the evolution of the company's performance. The report also contains information on certain significant events after the end of the financial year.

Previous sustainability reports

AST has undertaken sustainability reporting on a voluntary basis since as early as 2018.

Data reporting criteria

For the sake of correct representation of performance and to ensure the reliability of the data, the use of estimates has been limited as much as possible, and where they exist, they are based on the best available methodologies and appropriately reported. Some data are rounded to the nearest unit: downwards if the value after the decimal point is less than 0.5, or upwards if the amount after the decimal point is greater than or equal to 0.5.

Production volume and environmental indicators

The production of solid steel carried out directly by AST stood at 846,975 tonnes in 2025. This production is supplemented by slabs purchased from external suppliers, subsequently introduced into the company production cycle starting from the reheating and hot-rolling phases, for a total of 214,496 tonnes in 2025. The use of these supplies helps to optimise production costs and preserve the competitiveness of AST products. For the purpose of calculating intensity indicators – including energy, emissions and water intensity – the reference value used is the total volume of materials processed by AST, determined as the sum of internal solid steel production (slabs and ingots) and externally sourced slabs subsequently processed in the company's plants. On this basis, the total production volume considered in this report for 2025 is therefore 1,061,470 tonnes.

Materials used

The unit of measurement is given in weight (t) by applying appropriate technical conversion coefficients from volumes or units where necessary. Materials do not include fuels used as energy sources. Slabs purchased from external suppliers are not included in the data on incoming materials reported in the "Resource use and circular economy" section.

Greenhouse gas emissions, scope 1

Direct emissions were calculated on the basis of the methodology used for ETS purposes.

Greenhouse gas emissions, scope 2

Emissions are reported according to two different approaches: market based and location based. *market-based and location-based.* Market-based emissions are calculated with reference to electricity purchased and consumed, which for 2025 derives entirely from certified renewable energy supplies; it should be noted that the electricity consumption considered relates only to the production plant, net of service centres. Location-based emissions were calculated on the basis of national emission factors for electricity consumption for 2024 (preliminary data: 198.8 g CO_2/kWh), as reported by ISPRA in "CO_2 *emissions in the national electricity sector".*

Emissions, scope 3

The 2025 figure refers to all Scope 3 categories, whereas the 2024 figure referred only to category 1 (purchased goods and services).

ACCIAI SPECIALI TERNI S.p.A.
Viale B. Brin, 218 – 05100 Terni – Italy
tel. +39 0744-4901
www.acciaiterni.it

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