

Asonext



SUSTAINABILITY REPORT
2022



ASONEXT

Steeled for the future

As the **leading company** in the production of ingots for forging, its main goal is to **maintain its leadership** through **updated skilled personnel training, continuous improvement of the manufacturing process**, important and aimed investments, in order to obtain **maximum quality**, safely, while **respecting the environment**.

At the same time, Aso works by **preparing programmes** and adopting methods to **make customer 'service'** more and more efficient and effective, service in the sense of **rapid** examination of requests, metallurgical advice, **respecting** deliveries, evaluation of supply **results**, etc.

Such **work systems are applied** across the **entire company organisation** in all its functions and become the **rule**.

Ospitaletto, 1990

Dr. Aldo Artioli
Founder of Aso

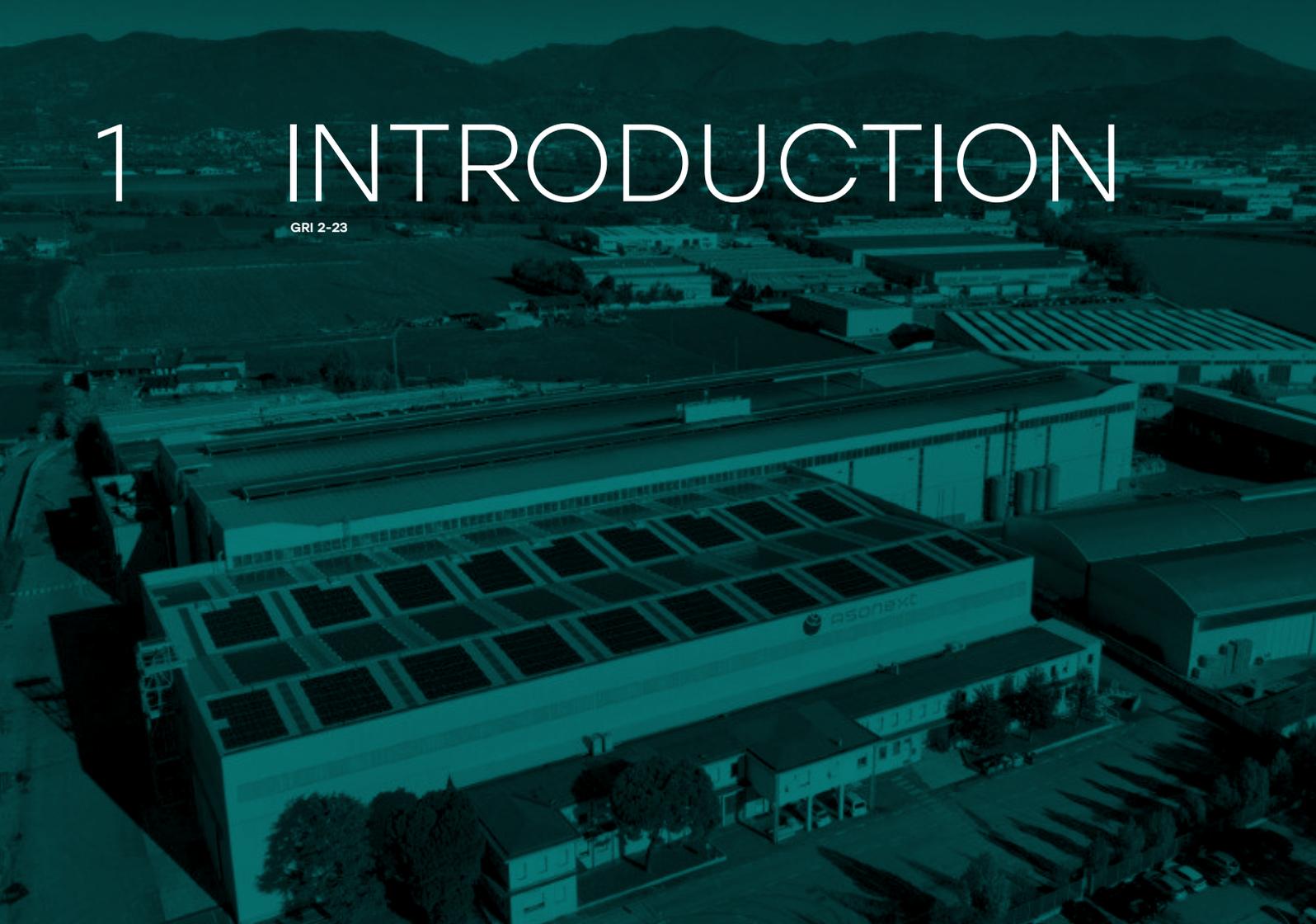
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1 INTRODUCTION

GRI 2-23



"Transforming our world. The 2030 agenda for sustainable development"

is the document adopted by the Heads of State at the Summit on Sustainable Development of 25-27 September 2015, which sets out commitments for sustainable development to be achieved by 2030, identifying 17 Sustainable Development Goals (SDGs).

The countries that have signed them are mobilising to end all forms of poverty, combat inequality and tackle climate change, ensuring that no one is '*left behind*'.



The 2030 Agenda recognises the close link between human well-being and the health of natural systems and the common challenges that all countries face. In doing so, it touches on several interconnected areas that are fundamental to ensuring the well-being of humanity and the planet: from fighting hunger to eliminating inequalities, from protecting natural resources to establishing sustainable production and consumption models.

The **SDGs** are universal in character - i.e. they address both developing and developed countries - and are based on the integration of the three dimensions of sustainable development (environmental, social and economic) as a prerequisite for eradicating poverty in all its forms.

The Agenda identifies the **High Level Political Forum** as the global forum to monitor, evaluate and guide the implementation of the **SDGs**.

Per supportare tale attività e garantire la comparabilità delle valutazioni, la Commissione Statistica delle Nazioni Unite ha costituito l'Inter Agency Expert Group on SDGs (IAEG-SDGs), con il compito di definire un insieme di indicatori per il monitoraggio dell'attuazione dell'Agenda 2030 a livello globale.

Each year, states can present the status of implementation of the **17 SDGs** in their country through Voluntary National Reviews.

The agenda has also been endorsed by Italy, which has committed to declining and calibrating the goals of the 2030 Agenda within its own economic, social and environmental planning.

In 2019, the European Commission launched the 'EU Green Deal' programme, one of the main objectives of which is to transform the European economy towards a sustainable future by cutting back on greenhouse gases, introducing clean, cheap and safe energy production systems and renewing industry towards a circular economy. This is also through a strong stimulus towards scientific research.

The PNRR (National Recovery and Resilience Plan), established in the wake of the 'Next Generation EU', also directs growth stimuli towards the indispensable policies of sustainable development, also in order to increase the very complexity and resilience of the national economic system, to better counter the criticalities introduced by the current international geo-political situation.

Ultimately, the business world also contributes to the affirmation of sustainable development, adopting 'corporate social responsibility' that reflects the following principles:

Responsibility of the identified business towards ethical values, legal standards, the dignity of people, community welfare and environmental quality

The voluntary integration of companies' social and environmental concerns in their own business and in their relations with stakeholders

Reference for the adoption of labour policies

Strengthening the connection between society and economy.



The manufacturing industry and, in particular, the steel supply chain are aware of the challenges related to sustainable development, in the knowledge that a transition is taking place from an economy based on traditional (and mass) production to one driven by ideas and new technologies.

In the above-mentioned context, Asonext SpA Group operates and adopts sustainability policies -reported in this document- following a path that allows it to more

consciously outline and communicate its sustainability objectives in the medium and long term.

Correct reporting makes it possible, starting with the letter to stakeholders, to be aware of how the company operates and is of fundamental importance to identify and understand the impacts - positive and negative - that it can have on society.

The sustainability report is therefore a tool to facilitate contact with the outside world, but above

all to 'take stock' and direct - in the medium and long term - both business strategies and actions and behaviours, through the sustainability improvement plan reported in chapter 7.

2

LETTER TO STAKEHOLDERS

GRI 3-3, 2-22, 2-25



Asonext Group has integrated sustainability principles into its growth strategy, to the extent that they have become the main factor guiding its future development.

Given that sustainability and sustainable development are not only about the environmental aspect, but also the economic and social one, Asonext, referring to the 5Ps - Planet, Peace, People, Prosperity and Partnership - and the goals of the UN 2030 Agenda, evaluates and implements the best available and sustainable techniques while respecting the environment, promoting an ethical economy and valuing people and skills.

Since the year of its foundation, 1971, Acciai Speciali Ospitaletto Sas. has designed its business activities on the circular economy, as the production of high quality steel is made from scrap materials, i.e. by reusing ferrous scrap in the electric furnace; in doing so, it works to minimise environmental impacts, avoiding the extraction of non-renewable iron ore and favouring less polluting processes and tools aimed at recycling production waste, saving energy and reducing CO2 emissions compared to the full blast furnace cycle.

Following these production paradigms, Asonext Group already had its own integrated environment and safety policy and a Management System certified according to ISO 14001 and 45001 in 2009.

Economic sustainability is therefore pursued through the objective of creating value and distributing wealth, achieved both through the efficient use of resources and energy, and through product innovation, designing ever new materials to be placed on the market.

For this purpose, operational practices are developed not to give up economic development, but to make it more compatible with environmental conservation and a changing social system. Innovation, scientific research, digitisation and a new corporate culture, therefore, support the environmental and social transition.

In pursuing **social sustainability**, Asonext values the well-being and safety of its employees and pays particular attention to relations with its stakeholders: suppliers, customers, local communities, supply chain partners. It also acts as a strategic interlocutor and builds alliances with local institutions, the municipalities of Ospitaletto and Castegnato, and with trade union representatives. The company plans and undertakes actions targeted at the needs of the community, setting up school-to-work and vocational convergence training paths for the workers themselves. Finally, it supports educational institutions in the Province of Brescia and volunteer, sports and cultural associations, maintaining a constant dialogue with the territory.

In the wake of a consolidated propensity for innovation, the company's future will be increasingly linked to the development and integration of Corporate Social Responsibility and ESG (Environment, Social & Governance) policies, today among the strategic tools to achieve a more competitive and cohesive society, as well as to modernise and strengthen the national and European social model. This will result in a renewed corporate policy that will increasingly reconcile economic objectives with the social and environmental objectives of the area of reference, based on the historical definition of sustainable development provided in 1987 by the Brundtland Commission:

"development that ensures that the needs of the present generation are met, without compromising the ability of future generations to meet their own needs".

The Chairman of the Board
Cav. del Lavoro
Dr. Paola Artioli

3 METHODOLOGICAL NOTE

GRI 2-2, 2-3, 2-4, 2-5, 2-14, 2-17, 2-29, 3-1, 3-2, 3-3



The Sustainability Report 2022 represents a unique moment of communication and reporting on the sustainability performance of the Asonext SpA Group. It is the main tool by which the company reports on its environmental, social and economic impact.

The document testifies to the company's journey of transparency and continuous improvement to consolidate sustainability issues in its way of producing steel and with a management model that takes stakeholder expectations into account.

The report was prepared in accordance with the GRI Standards (2021), defined by the Global Reporting Initiative (GRI) with a reporting level of 'with reference to (see § 8)', describing the business model, identified risks, applied policies and targets, and environmental, social and governance performance.

To enable the reader to compare data, this first edition of the report shows the situation for the period from 1 January 2021 to 31 December 2022. The economic, environmental and social data and information in the Sustainability Report refer to Asonext SpA and its subsidiary Asoforge Srl and will be updated annually.

The indicators in the report are based on the best available information. The data, calculated on the basis of the results of the general accounting and other information and/or research and analysis systems used, were collected by a dedicated work group made up of Asonext employees, in collaboration with university professors and students of the master's degree course provided by the Alta Scuola per l'Ambiente of the Università Cattolica del Sacro Cuore of Brescia.

The numbers relating to environmental and safety issues are extracted from the monitoring plans of the Integrated Management System, certified according to EMAS, UNI EN ISO 14001 and UNI ISO 45001. The organisation's carbon footprint data was collected and processed by the consultancy firm Alperia Green Future, which applied the technical standard UNI EN ISO 14064 for this purpose. The company is consolidating the SCOPE 3 indirect emission calculation and reporting system. For the calculation of direct greenhouse gas emissions (Emissions Trading System -EU ETS-), the criteria set out in Regulation (EU) No. 601/2012 of the European Commission establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council are used.

The list of GRI indicators reported and the pages they refer to are referred to in the GRI Content Index (§ 8 of this document). The document was drafted according to the principles set forth by GRI: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. The way in which data and information were managed, from the acquisition and collection phase to the transposition into the final document, was verified by the independent body Bureau Veritas Italia, which certified that the process was documented, traceable and correctly conducted, according to the above-mentioned principles (see validation letter on the following pages).

3.1 MATERIALITY ANALYSIS

In order to draw up the Sustainability Report and identify the most relevant issues to be reported in the economic, environmental and social spheres, Asonext SpA adopted the method provided by the Global Reporting Initiative (GRI). The identification of material issues¹, i.e. the macro-areas that significantly influence the organisation, stakeholder evaluations and decisions, enables the company to define strategies and initiatives to improve performance and minimise its impact on the Planet.

To this end, the company initiated a materiality analysis, starting with stakeholder mapping and engagement. In this first draft of the document - based on sector analyses, relevant aspects/impacts and the study of the state of the art of sustainability reporting - the following strategic areas were identified and analysed, covering the following environmental, economic and social issues:

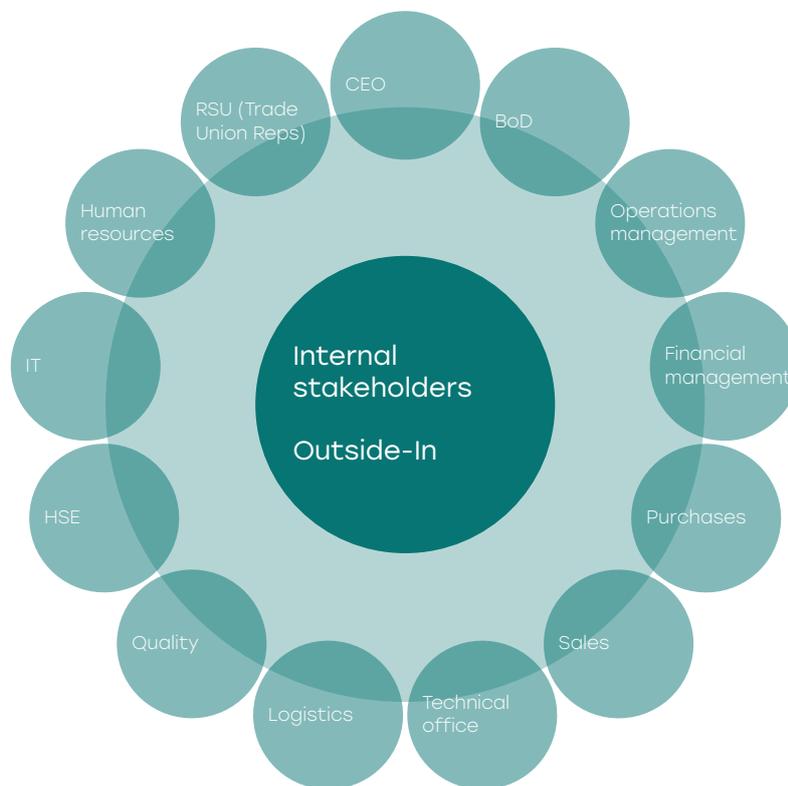
ENVIRONMENTAL THEMES	Waste and the circular economy
	Saving water resources
	Fighting climate change
	Procurement of raw materials
	Environmental practices along the supply chain
ECONOMIC THEMES	Economic value generated
	Fighting corruption and unfair competition
	Tax compliance
	Innovation, quality, customisation of products and services
SOCIAL ISSUES	Ability to attract and retain key resources
	Training and instruction
	Health and safety
	Equal opportunities and non-discrimination
	Contribution to community well-being
	Privacy
	Ethics and corporate responsibility
	Labour relations
Relations with Institutions	

¹ Definition of material theme according to GRI: a theme that reflects the organisation's significant economic, environmental and social impact or that profoundly influences stakeholder assessments and decisions.

3.2 STAKEHOLDER ENGAGEMENT

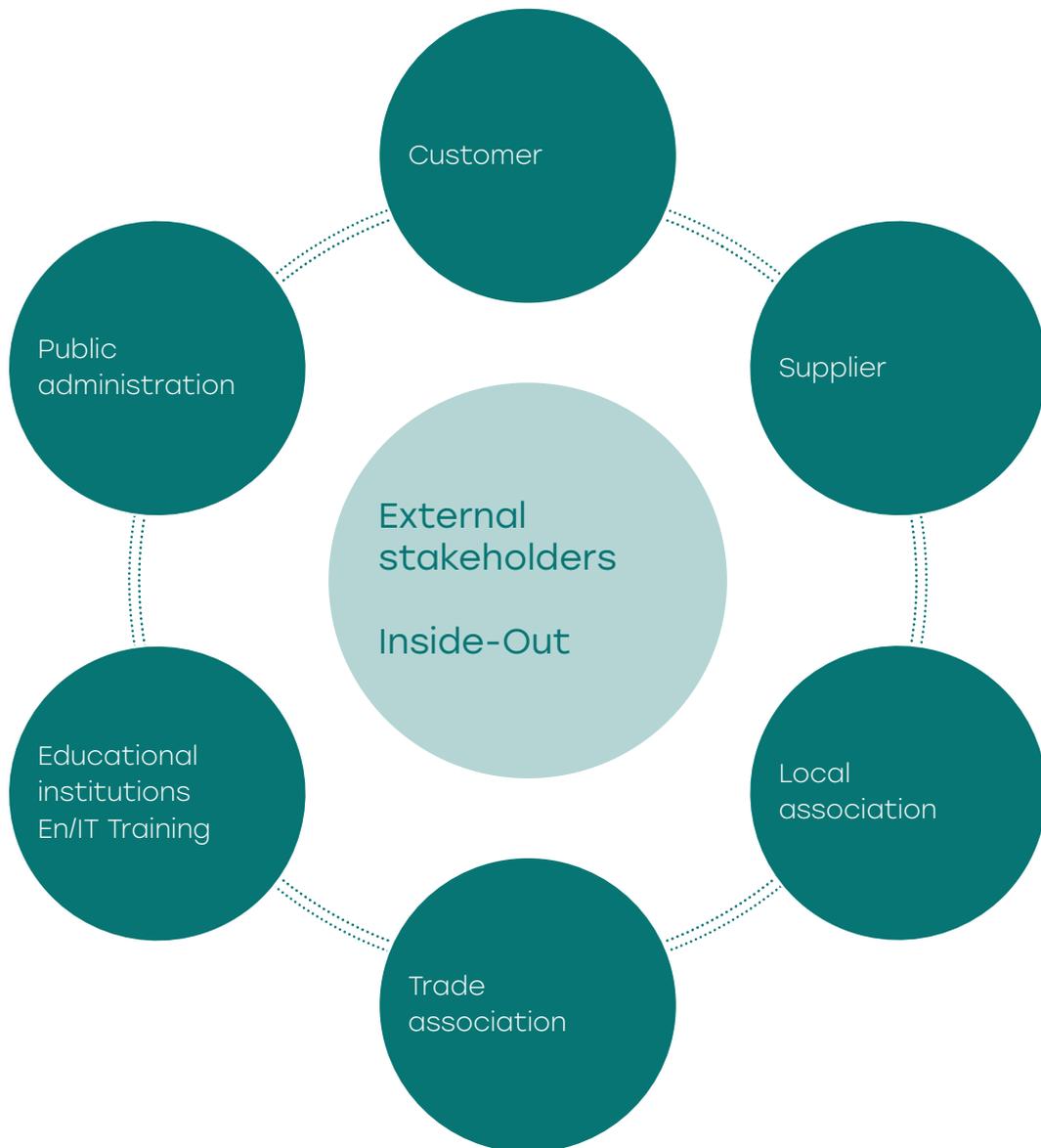
Stakeholder engagement, as envisaged by the GRI Standards, is a process of engagement with the company's stakeholders, the purpose of which is to define the degree of relevance attributed to specific issues related to the company and its business. As a matter of fact, this process makes it possible to track down the issues considered as priorities on which to make an assessment and report on the impact the company can have, planning paths to improve actions not only in the short term, but also in the medium and long term. Furthermore, stakeholder engagement makes it possible to determine which relevant issues could have effects and impacts on how business is conducted.

Stakeholders were divided into two macro-groups: interior and exterior. The internal stakeholder is identified as anyone within the company who has a direct relationship with it and who is interested in knowing the impact of sustainability issues on Asonext's business, thus adopting an OUTSIDE-IN approach. The internal stakeholders are shown in the figure below and have been identified on the basis of an assessment of the company context, the company Code of Ethics of the organisational model and the certified Integrated Management System.



External stakeholders refer to all those who, although not belonging to the organisation, come into contact with it and may be interested in knowing the impacts generated by its activities, according to an INSIDE-OUT approach. These stakeholders were identified through an assessment of the business environment, company policy, the market in which Asonext operates and the trade associations that Asonext is a member of.

Thanks to their involvement, it is possible to gain a broader and deeper insight into the consequences of one's actions on the community and the local area, as well as to detect their expectations. (note: added public administration in the graph).

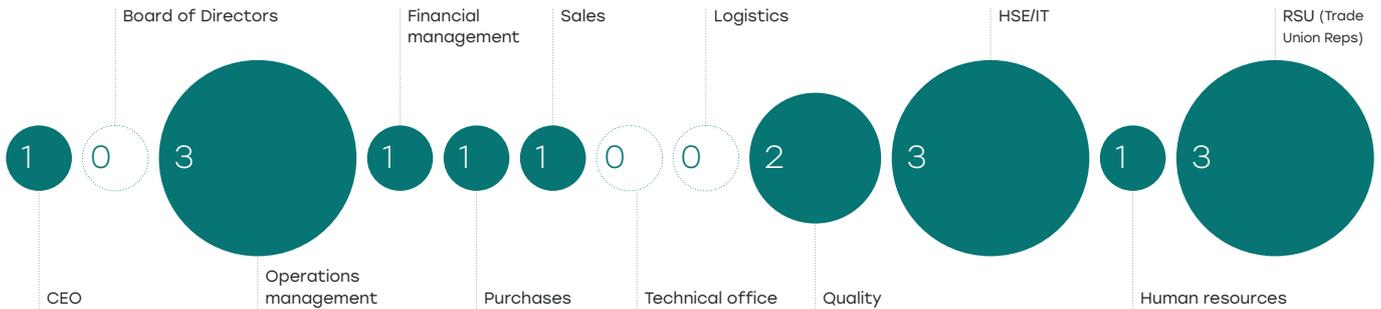


For the involvement and identification of issues to be reported, each stakeholder was asked to fill in a questionnaire. The latter mainly involved closed answers based on a Likert Scale with scores between 1 and 6 (1 not at all relevant - 6 primary); it was divided into four sections: demographic, environmental, economic and social.

Relevant topics were then identified (taking into account the GRI guidelines and the development goals of the 2030 Agenda) and from the answers obtained, it was possible to prepare the materiality matrix. In particular, a total of 48 questionnaires were analysed as follows:

Internal stakeholders

Area of membership (16 Respondents)

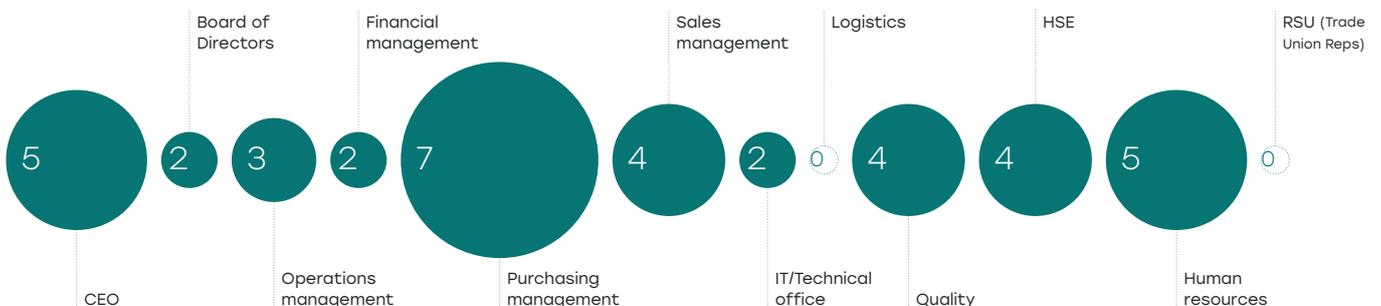


External stakeholders

Type of External Stakeholder (32 respondents)



Area of membership (32 respondents)

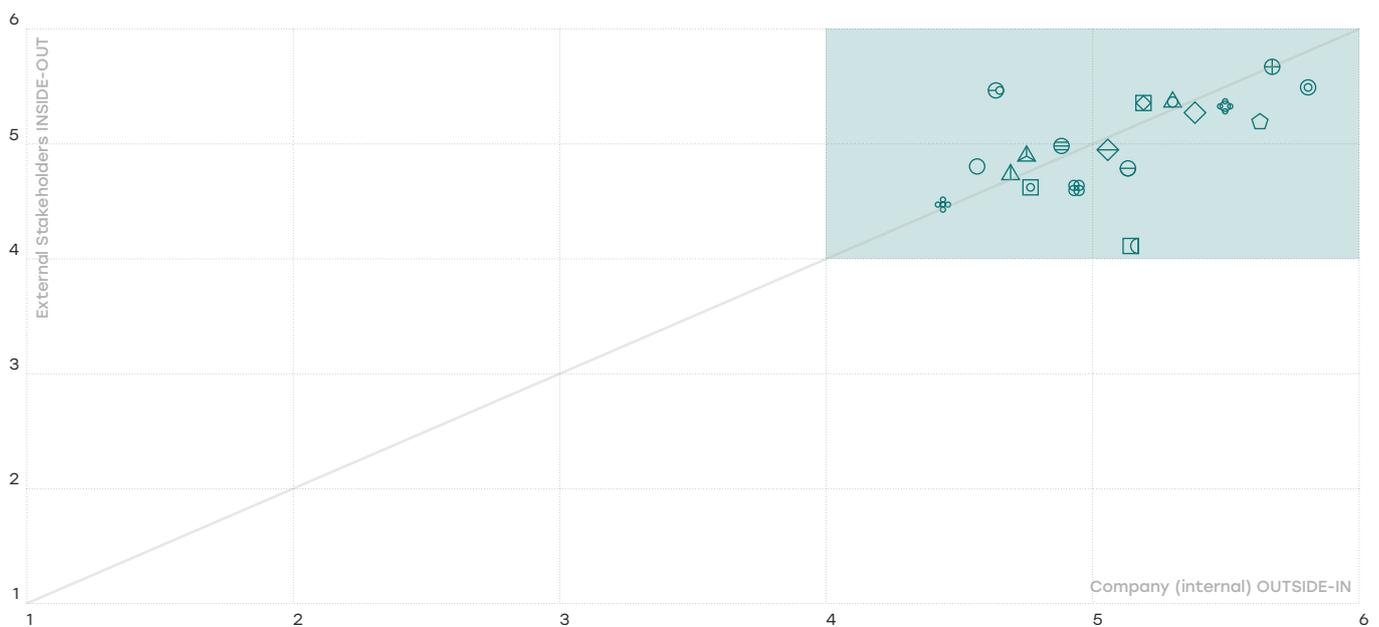




3.3 MATERIALITY MATRIX

The materiality matrix is the tool that makes it possible to graphically visualise, on a Cartesian plane, the pressing issues for each category of stakeholder who filled in the questionnaire. The results for external stakeholders were placed on the y-axis, while those for internal stakeholders were placed on the x-axis.

The items in the top right-hand box (with a score above 4) of the materiality matrix therefore represent the most relevant issues for Asonext and its stakeholders, which will be the subject of this report.

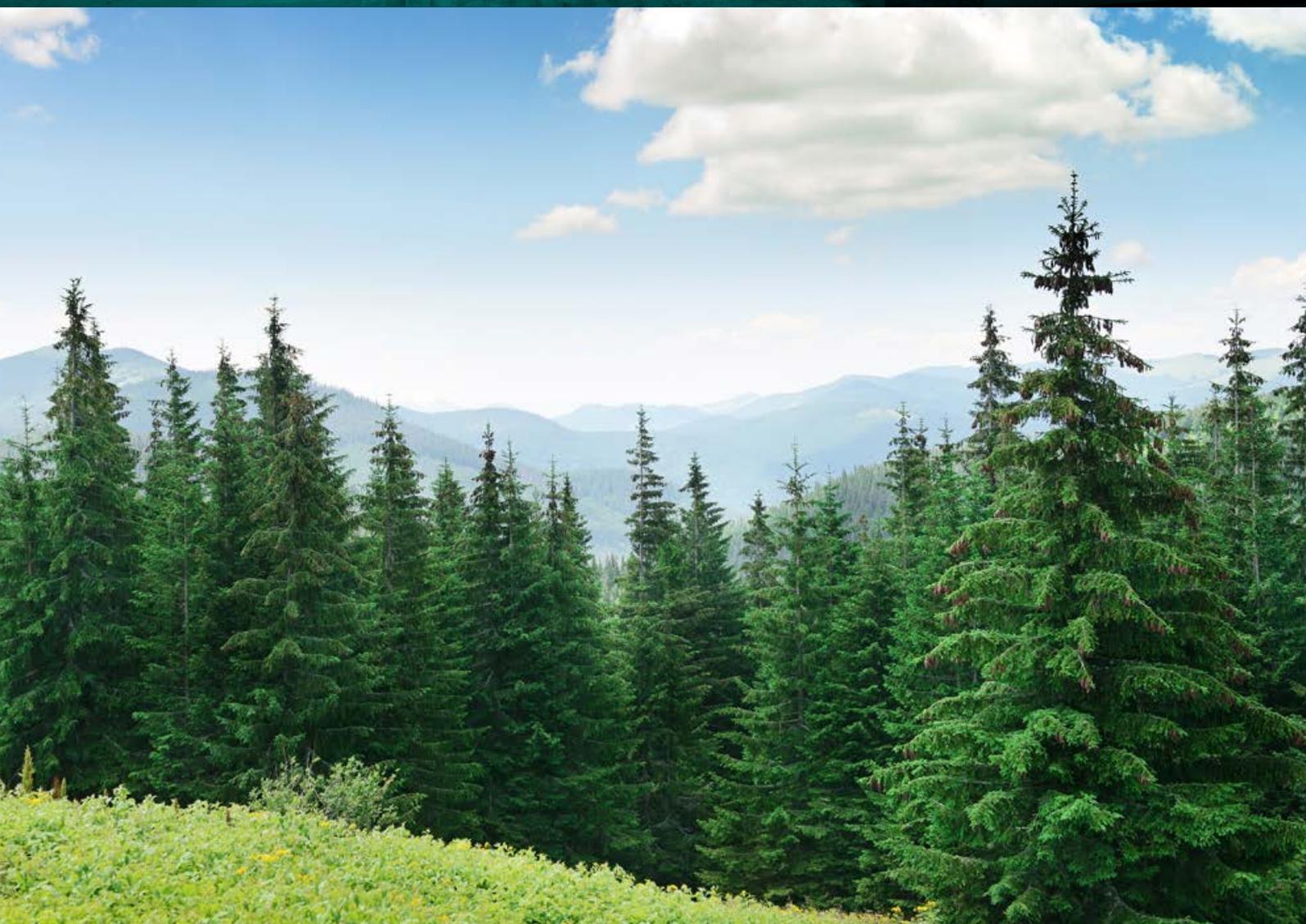


- | | | |
|--------------------------------------|---|--|
| ○ Waste and the circular economy | ⊖ Saving water resources | ▲ Supplier qualification |
| ▣ Energy efficiency | ▲ Raw material procurement | ◇ Tax compliance |
| ▲ Economic value generated | ◇ Fighting corruption and unfair competition | ⊕ Training and education |
| ⬠ Innovation, quality, product | ⊙ Ability to attract and retain key resources | ⊕ Contribution to community well-being |
| ⊕ Health and safety | ▣ Equal opportunities | ▣ Labour relations |
| ▣ Privacy | ⊖ Corporate responsibility | |
| ⊕ Relations with public institutions | ⊖ Climate change | |

An initial assessment of the data shows that all topics analysed registered high scores (greater than 4, relevant), indicating a widespread sensitivity to the aspects analysed equally divided between internal and external stakeholders.



4 COMPANY PROFILE, GOVERNANCE AND ORGANISATIONAL STRUCTURE



4.1 MAIN COMPANY DATA

4.1.1 Economic data

GRI 201-1

	U.M.	2021		2022	
		Total/Consolidated		Total/consolidated	
REVENUE	Euro	152,595,788		191,215,077	
OPERATING COSTS	Euro	128,642,303		147,328,598	
SALARIES AND EMPLOYEE BENEFITS	Euro	15,864,042		16,034,639	
PAYMENTS TO CAPITAL PROVIDERS	Euro	1,851,951		2,090,985	
PAYMENTS TO THE PUBLIC ADMINISTRATION	Euro	152,278		3,118,475	
INVESTMENTS FOR COMMUNITIES	Euro	25,699		52,829	
ECONOMIC VALUE RETAINED	Euro	6,059,515		22,589,551	

4.1.2 Workforce

GRI 2-7

	U.M.	2021			2022		
		ASONEXT	ASOFORGE	TOTAL	ASONEXT	ASOFORGE	TOTAL
NUMBER OF EMPLOYEES	No.	166	63	229	160	63	223
ONBOARDING	No.	10	5	15	8	5	13
OFFBOARDING	No.	11	8	19	13	6	19
NR MEN	No.	150	63	213	143	63	206
NR WOMEN	No.	16	0	16	17	0	17
AVERAGE AGE	Years	43.9	43.3	43.6	43.7	42.7	43.2

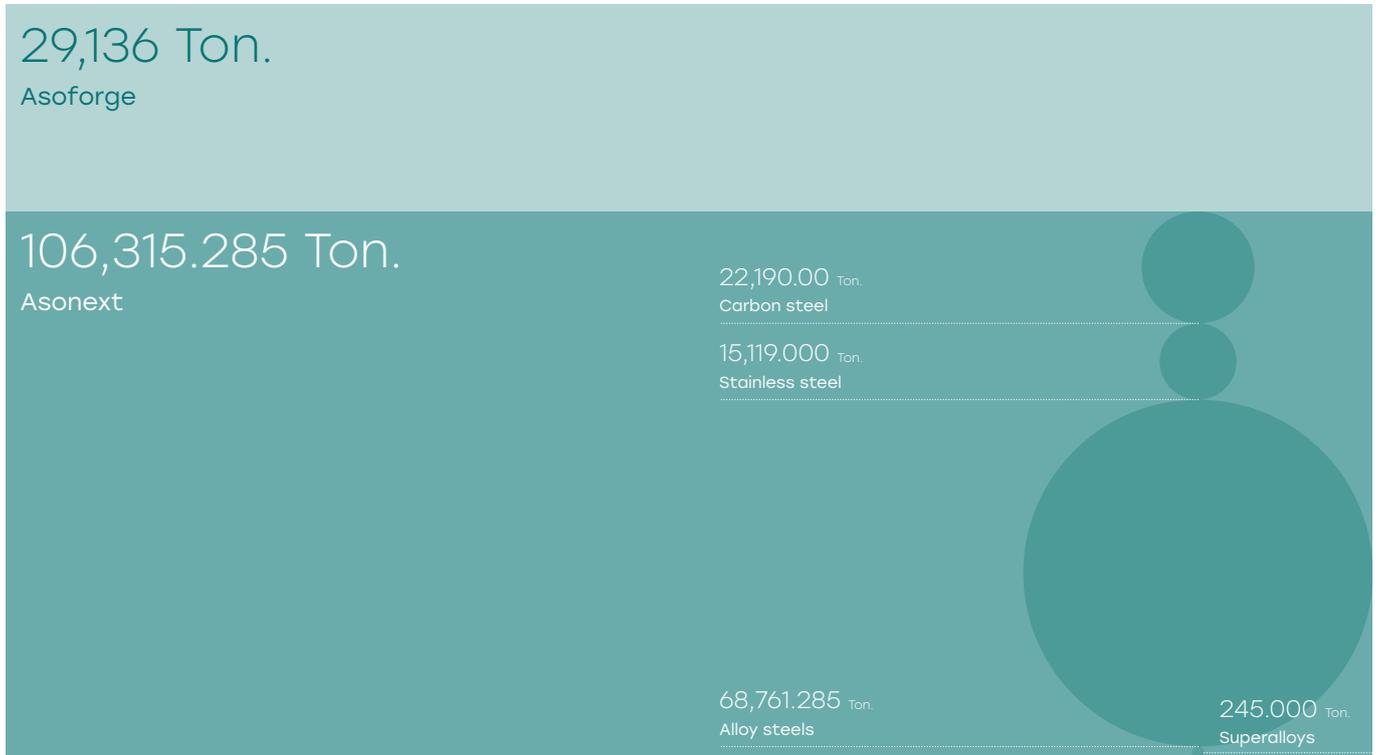
4.1.3 Activity levels

	U.M.	2021			2022		
		ASONEXT	ASOFORGE	TOTAL	ASONEXT	ASOFORGE	TOTAL
STEEL PRODUCTION/PROCESSING	Ton.	106,315	29,136²	135,451	79,150	27,295²	106,445

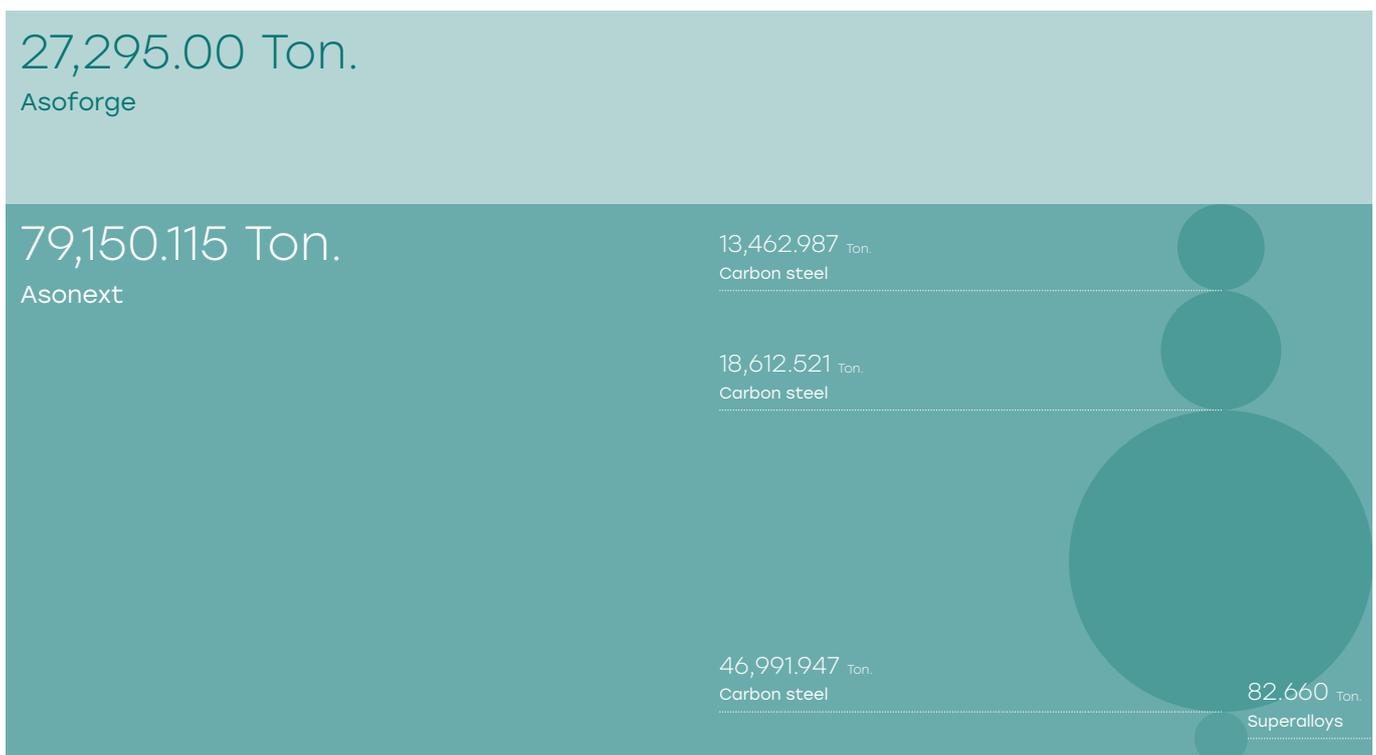
² Asoforge Srl processes steel produced by Asonext SpA

The following graphs show the breakdown by macro-category of the steels produced/processed by Asonext Group.

2021 Production/processing breakdown (Tonnes)



2022 Breakdown of production/processing (Tonnes)



4.2 GROUP IDENTITY

GRI 2-1, 2-2, 2-6

Since 1971 Asonext S.p.A. has been operating in the field of metalworking and specialises in producing special steel ingots for forging and rolling mills. Since 2010, Asoforge Srl has also been active in the forging of ingots produced by the steel mill.

The Company is able to provide a broad and tailor-made production range with specialisations. The application sectors are numerous: from energy (wind, nuclear, traditional) to aerospace, via the mechanical engineering and petrochemical sectors, with end users of great international significance.

The Group has experienced a constant development of reference markets, due to company dynamism and continual technological innovation.

Asonext's main goal is to maintain leadership in its industry through: continuous staff training, constant improvement of the manufacturing process, and significant and targeted investments. These processes enable the company to achieve the highest quality while ensuring high standards of worker safety and minimising environmental impacts. Focusing on the production of high-tech special steels and alloys, the Group offers customers a customised design and production service, processing materials according to the demand of the end product it is intended for. During 2019, the Company was involved in an extensive restructuring process of the Group's ownership structure, which led to the current situation where Asonext S.p.A. is 100% controlled by the newly established holding Advanced Steel Solutions S.r.l. and, in turn, controlling 100% of the capital of Asoforge S.r.l. 50 years of experience and a policy of expansion into different business sectors make Asonext a Group with a local and international presence.

Asonext SpA: is located in Ospitaletto (BS) and has 3 melting furnaces, 3 LF for refining, 1 AOD for stainless steel, 1 VAR plant and 1 ESR plant for vacuum and slag remelting, as well as 15 gas treatment and controlled cooling furnaces. The production capacity of

the steel mill with the present workforce (on 3 shifts) is currently 120,000 t/y but can be physically pushed up to 180,000 t/y, in compliance with the limits of the Integrated Environmental Authorisation no. 3848/2017. Asoforge Srl: the forging plant is located in Castegnato (BS) and has a 5,000 ton press for large forgings and a new 4.0 automated plant with a 2,850 ton press for the production of forged bars with a section of 200>400 mm, furnaces and treatment tanks. Asoforge's production capacity is currently 30,000 tonnes/year, which can be increased with additional volumes depending on specifications and size. Cold finishing, conditioning and cutting equipment in both plants complete the facilities.



4.3 HISTORY

1971

Aldo Artioli, an experienced metallurgist and steel industrialist, founded ASO (Acciai Speciali Ospitaletto) -with a greenfield project-, a steel mill that was entirely dedicated to the production of high quality steels from the very beginning.



1972

The installation of the first 10-tonne furnace allows Aso-next to supply end users with a very diverse range of ingots in the perspective of continuous innovation.



1990

Installation of the first ladle furnace (LF) and the first vacuum degassing plant (VD).



2002

Installation of a new 50-tonne melting furnace (EAF) and, in the same year, construction of a second, more modern vacuum degassing system.



2006

Installation of a third ladle furnace (LF) and an adjacent vacuum degassing system (VD) to increase Asonext's capacity and ensure excellent product quality through accurate control of furnace stay times.



2007

Installation of a vacuum arc remelting system, mainly for aerospace steels.



2008

Installation of a 35-tonne induction furnace and a new exhaust gas extraction and cleaning system.



2010

Creation of a new local unit (Asoforge), intended for the production of forged bars, with a 5,000 ton press, from ingots produced in the steel mill.



2013

Construction of a new ESR (electric slag remelting) plant.



2018

Installation of a new 45-tonne induction furnace.



2019

Installation of a new 2,850 ton press at Asoforge.



4.4 CORPORATE VALUES

GRI 2-23

VISION

With a view to the circular economy, the company promotes metal recycling, waste reuse and heat recovery. Furthermore, extending the life cycle of materials helps optimise energy production and provide a basis for the spread of renewable energy.

MISSION

ASONEXT is a leader in steel production and has managed to maintain its leading position on the market thanks to a policy of continuous staff training, improved production processes and major investments, all with a view to achieving the highest quality, in complete safety and with respect for the environment.

CORPORATE VALUES

The Group adopts the values of a private capital company by assuming its responsibilities and adhering to a performance standard based on honesty and reliability. The commercial strategy of recent years has developed along the lines of internationalisation, with a presence in new markets, focusing on the stainless steel sectors. In addition, the development of product qualifications and certifications allow for a broader geographical scope of markets and higher quality services.

4.5 CERTIFIED MANAGEMENT SYSTEMS

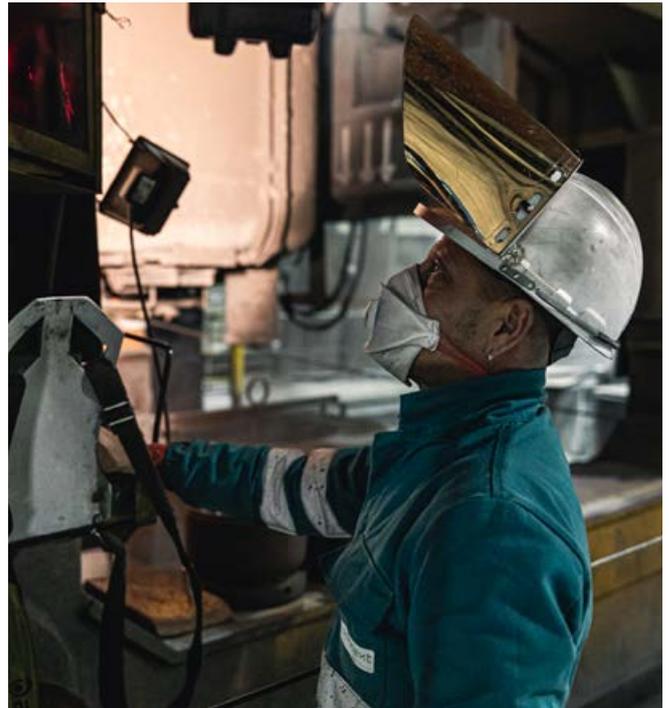
GRI 2-16, 2-17, 2-18, 2-23, 2-24, 2-26

Asonext and Asoforge identified the necessary processes and their interactions and subsequently implemented **an Integrated Quality, Environment and Safety Management System** with a policy, manual and management and operational procedures.

The Management System is reviewed annually by management to assess the company's performance and define new strategies/objectives with a view to continuous improvement.

The management systems meet the following international standards: UNI EN ISO 9001, UNI EN ISO 14001 and UNI ISO 45001 and have been **certified by accredited third-party bodies**. Asonext SpA is also EMAS registered, so it has made an *Environmental Statement available to stakeholders and published its policy on its website*.

www.asonext.com



4.6 CORPORATE GOVERNANCE AND ORGANISATION

4.6.1 Governance system

GRI 2-10, 2-11, 2-18, 2-19, 2-20

The governance of Asonext SpA is characterised by the following corporate bodies³:

- Shareholders' Meeting, which in the present case is represented by Advanced Steel Solutions Srl;
- Board of Directors consisting of 3 members, 2 of whom are independent;
- A managing director;
- Board of Auditors consisting of the chairman and 2 statutory auditors and 2 alternate auditors;
- Auditing Company;
- Supervisory Board 231, collective.

The Governance of Asoforge Srl is characterised by the following corporate bodies:

- Shareholders' Meeting, which in the present case is represented by Asonext SpA;
- Board of Directors consisting of 3 members, 2 of whom are independent;
- A Managing Director;
- Sole Auditor;
- Auditing Company;
- Supervisory Board 231, single.

For both companies, representation is attributed to the Managing Director

Cav. del Lavoro Dr. Paola Artioli.

³ On the basis of the Code of Ethics, the Asonext Shareholders' Meeting shall take care to appoint Board Members so as to guarantee - in terms of number and authority - that their judgement can have a significant weight in the Board's decisions, bringing their specific expertise from different perspectives.

The Board of Directors of the two companies is **composed** of the Executive Chairman, Cav. del Lavoro Dr. Paola Artioli, who is supported by two independent board members, Sara Miglioli, specialist in corporate and extraordinary finance transactions and Prof. Flavio Gnechchi, Chartered Accountant and lecturer in Corporate Strategy at the Bicocca University in Milan.

The remuneration of the members of the highest governing body is established by resolution of the Board of Directors and provides for a fixed annual remuneration including fringe benefits and a severance payment. No rules are established to define notice periods. Board members are in the over-50 age group.

4.6.2 Organisational structure

At the head of the organisational structure is the Executive Chairman, Cav. del Lavoro Dr. Paola Artioli, that the executive body reports to and deals with:

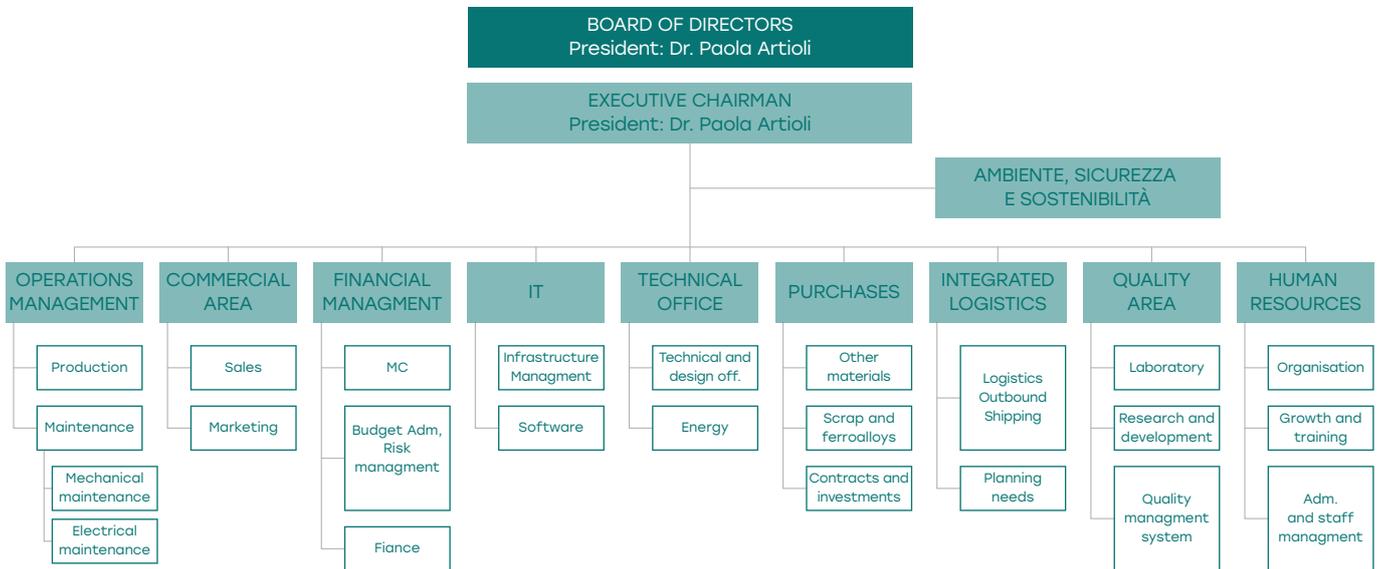
- Production and Maintenance;
- Administration, Finance, Control Risk Management;
- Sales and Marketing.

In addition to the executive body, the following areas report directly to the Executive Chairman:

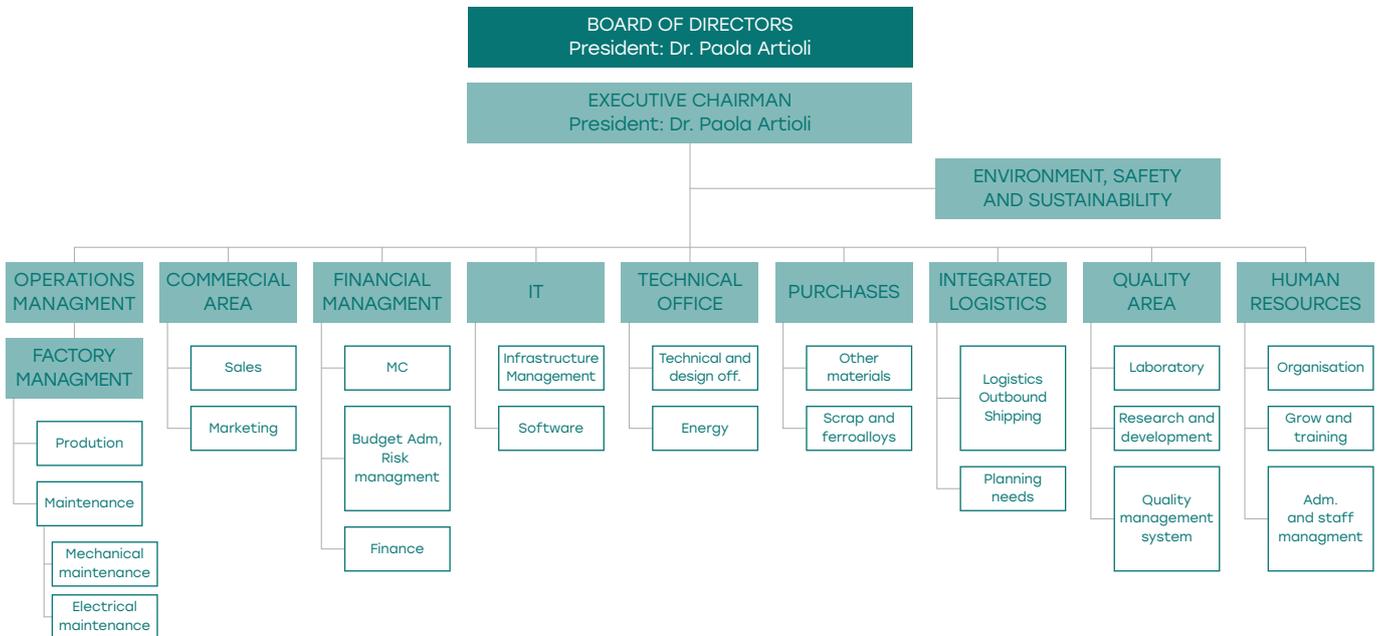
- Technical Office, Plant Engineering Development and Energy Manager;
- Human Resources and Training;
- Environment, Safety and Sustainability;
- Integrated logistics;
- Quality, Research and Development;
- Information Communication Technology;
- Purchasing Office.

The organisation chart of Asonext SpA and Asoforge Srl are shown below

Asonext SpA organisational chart



Asonext SpA organisational chart



4.6.3 Model 231 and Code of Ethics

GRI 2-15, 2-26

In 2007, in order to increase the effectiveness and efficiency of its internal control system and to pursue its production activities in a correct and transparent manner, Asonext SpA adopted the **Organisation, Management and Control Model** implemented pursuant to Legislative Decree 231/2001.

The Organisational and Management Model pursuant to Legislative Decree 231/2001 (OMM 231) is a set of protocols and procedures adopted by the company, which regulate and define the company structure and the management of its sensitive processes.

All Group companies, Asonext SpA, Asoforge Srl and Advanced Steel Solution Srl have adopted their own Organisation, Management and Control Model in order to pursue their objectives through processes that are characterised by honesty, legality, transparency and absence of conflicts of interest.

The recipients of Model 231 are:

- The members of the Board of Directors;
- The members of the Board of Auditors;
- The employees;
- Third parties (suppliers, customers, agents, transporters, consultants, collaborators, etc.);
- Group companies Asoforge Srl and Advanced Steel Solution Srl;
- Companies that have business relations with Group companies.

The Group has always been aware of the need to convey to the recipients of the Model the awareness of the criminal consequences stemming from committing an offence not only against them, but also against the company and, precisely for this reason, the recipients of the Model must constantly be able to read in it a clear and simple system, perfectly in tune with the Group's reality, that enables them to perform their duties in compliance with the corporate rules set out in the document itself.

The Models of the three Group companies are structured as follows:

GENERAL PART consisting of:

- reference legislation with the list of offences;
- the structure and governance of the Company and its Internal Control and Risk Management System;
- objectives, recipients of the Model;
- the rules for setting up the Supervisory Board;
- disciplinary system to be applied in the event of violations of the rules and prescriptions set forth in Model 231/2001;
- staff training, dissemination and updating of the Model.

SPECIAL PART consisting of:

- analysis of the various predicate offences.

Within the Model, therefore, a General Section is followed by a Special Section in which the different types of predicate offences set forth in Legislative Decree 231/2001 are specified in detail, in order to prevent them from being committed. The purpose of this Model, therefore, is to disseminate an ethical culture shared by all and a continuous monitoring of the company's activities that will make it possible to identify the areas most at risk of offences being committed, as well as to provide for sanctions in the event of non-compliance with the protocols and procedures laid down in the model.

The Group's companies have entrusted the **Supervisory Board (SB)**, endowed with autonomous powers of initiative and control, with the task of supervising the operation of and compliance with the Model and ensuring that it is updated. For Asonext, the aforementioned body is composed of 3 persons: two external professionals and one internal person. By contrast, the Supervisory Board adopted by Asoforge is single-member. The Supervisory Board is also the recipient of any reports and can take action to carry out checks and investigations (*whistleblowing*).

The rules of conduct contained in the Model are in addition to those of the Code of Ethics, which in turn integrates the control instruments provided for in the aforementioned Legislative Decree 231/2001.

The Group adopts the **Code of Ethics** in order to ensure that all those who collaborate with the company organisation (directors, employees, collaborators, agents, procurers and external stakeholders) carry out their work and conduct themselves in a correct and straightforward manner, avoiding the commission of crimes and offences.

The Code of Ethics integrates the control tools set forth in the aforementioned Legislative Decree 231/2001, and is susceptible to general application by the company in order to express principles of "company ethics" recognised as its own and which it requires everyone to observe.

4.7 MEMBERSHIP IN ASSOCIATIONS

GRI 2-28, 413-1

The group is affiliated with several associations in the area, with the aim of:

- sharing information and activity category models,
- developing partnerships,
- implementing new technologies,
- participating in work groups/technical committees and conferences.



Confindustria Brescia:

association representing and protecting companies in the Brescia area, which offers an integrated system of relations with local stakeholders.



Federacciai:

federation of Italian steel companies that aims to pursue the protection, support and creation of relations between steel producing and processing companies.



Ramet:

a consortium of metallurgical companies in Brescia whose aim is to study and monitor the impact of production activities on the workplace and the local area.



Unsider:

Ente Italiano di Unificazione Siderurgica, that standardises activities for the iron and steel sector and the sector dedicated to materials, equipment and offshore structures for the oil and gas industries.

**AIM:**

Associazione Italiana Metallurgica, which aims to disseminate the science and technology of metal and other engineering materials.

**Brescia Musei Foundation:**

agency for culture in the Province of Brescia, which brings together numerous companies in the area, contributing free donations to support the cultural activities of museums.

**I.T.S. Lombardia Foundation:**

brings together public and private entities, the aim is to promote technical and scientific dissemination, support measures and development of the economy and active labour policies.

**AIB-ISFOR-CFAIB Foundation:**

set up in 2012 to launch and manage the Guido Carli High School, the Foundation also brings together the activities promoted by Confindustria Brescia in the education and training sector, through the 'Centro di Formazione Professionale e Servizi al Lavoro' and ISFOR (Istituto Formazione Continua), which Asonext uses for its training courses and the 'Fondimpresa' service for the management of inter-professional fund files.

4.8 LEGAL AND DISCIPLINARY ACTIONS

GRI 205-3 418-1, 2-16, 2-27

At present, there are no legal proceedings pending in the areas of tax law, unfair competition, anti-corruption or privacy law violations.

As at 31 December 2022, a judicial proceeding is pending before the Ordinary Court of Brescia against Aso Siderurgica SpA for the administrative offence referred to in Article 25 septies co. 1 and 2 of Legislative Decree 231/01, following the accident recorded in 2018 and for which the then employer and an employee have already been held liable, for which separate proceedings have been initiated.



4.9 GROUP TAX APPROACH

GRI 207-1

The approach to taxation adopted by the Group is consistent with that defined in the Code of Ethics and the Organisation, Management and Control Model pursuant to Lgs.D. No. 231 of 8 June 2001, which was approved by the Board of Directors on 30 March 2022.

This approach is based on the principles of prudence, responsibility, consistency and transparency towards the Company's stakeholders, including the Tax Authorities.

Asonext SpA has always maintained continuous and proactive cooperation relations with the Tax Authorities, based on principles of transparency and mutual trust. It considers it of fundamental importance to adopt behaviours aimed at assessing and responding promptly to requests received from the Tax Authorities, transmitting - if necessary - always correct, accurate and precise information.

All activities carried out by the Group comply with the relevant tax regulations and the relevant planning is always aligned with the activities performed.

That said, the proper management of the Group's tax aspects is guaranteed by a system of internal procedures or company practices drawn up in the light of the principles set out above and also aimed at preventing tax-related offences.

The procedures and decision-making processes are characterised by the following basic principles:

- within each process, the separation between those who initiate it (decision-making initiating), those who execute and conclude it, and those who control it;
- written record of each relevant step in the process;
- appropriate level of formalisation.

4.10 INNOVATION, QUALITY AND CUSTOMISATION OF PRODUCTS AND SERVICES

GRI 2-6, 2-12, 2-17, 2-22, 2-24,2-25, 416-2

4.10.1 Leadership

In order to pursue the continuous evolution of Management Systems and continuously improve the product that is made, Management:

- defines, documents and gives its approval signature for Policies, Objectives, Commitments related to the Environment, Health, Safety and Quality, ensuring that these policies are understood, implemented and supported at all company Organisational levels;
- reviews the Quality, Environmental and Safety Management Systems and updates HSE and sustainability policies;
- ensures availability of the necessary Resources;
- communicates the importance of complying with the requirements imposed by legislation concerning the health and safety of workers, the environment, the sustainability and meeting Customer expectations.

With these Management Systems, Asonext and Asoforge continuously monitor customer needs and market sector developments, identifying and managing possible risks.

4.10.2 Suppliers of goods and services

The Organisation establishes and identifies the resources necessary to accomplish the requirements related to products and services; subsequently, it implements and maintains processes to keep materials and services supplied under control, as well as the related suppliers, from a quality, environment and health and safety point of view.

The strong focus on product quality that the company has always identified as one of its primary values is achieved starting with the selection and control of its suppliers of goods and services in order to guarantee excellence that is then transmitted downstream throughout the production chain.



Asonext and Asoforge assign a level of criticality to Vendors based on the negative affect that the product/service/process supplied may have on the organisation's ability to provide a product that conforms to its Customers' requirements.

The classification criteria are as follows:

LEVEL	IMPACT	CONTROL FREQUENCY
(A)	The product /service provided may generate Waste	1 Supply every 10 (at least 1 per year)
(B)	The product/service provided may generate Non-conformities	1 Supply every 20 (at least 1 per year)
(C)	The product/service provided may generate Production inefficiency	Annual sampling (at least 1 per year)

The selection and qualification of vendors is based on a preliminary evaluation by the Purchasing department of their ability to supply materials and services according to the requirements set out in the supply documents.

If the audit is passed, the reference Buyer notifies the Quality System of the need for the new qualification, which must be carried out by one or a combination of the following methods:

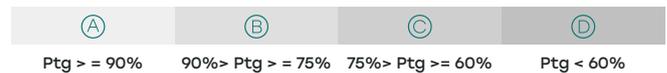
- Confirmation of the existence of a certificate issued by an accredited body certifying that the vendor's Quality System complies with ISO 9001:2015 or ISO17025 for laboratories (Calibration, Destructive Testing, etc.);
- audit of the vendor's quality system based on ISO9001:2015 requirements and/or special technical requirements;
- test order (only applicable to materials).

The organisation periodically evaluates its critical vendors according to supply Quality, Value and Punctuality, assigning each a specific score.

The supplier performance assessment, based on the following aspects:

- **% NC Supplies**
- **Punctuality** of deliveries
- **Strategic value** for the Purchasing Office
- **Additional value** for the recipients of the goods (expressed in terms of the handiness of the products received, cleanliness and the responsiveness of the suppliers to last-minute hitches/needs)

No particularly noteworthy criticalities were highlighted



Target over **85%** of suppliers in **A/B** rating

AVERAGE SUPPLIER ASSESSMENT: **92%**

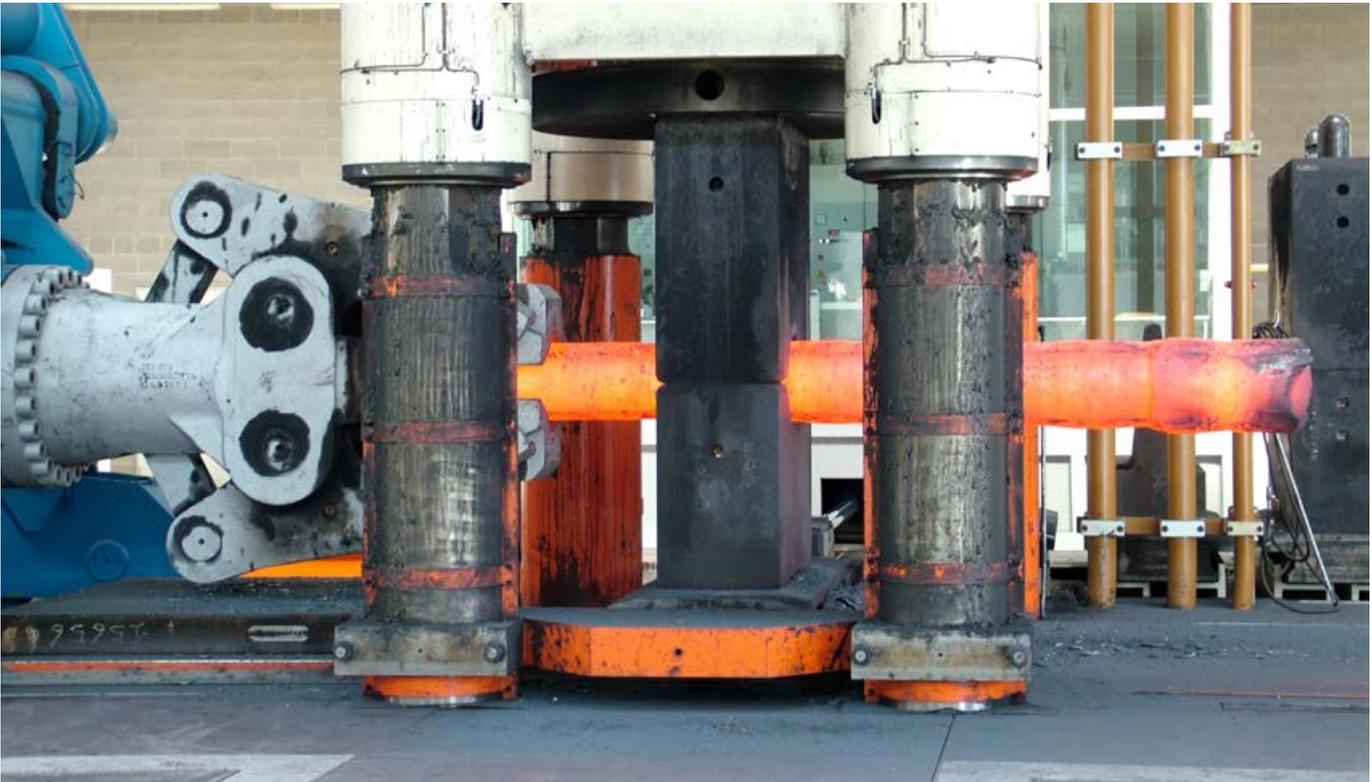
Distribution of suppliers by rating



99% of Asonext / Asoforge suppliers are rated A/B and no supplier was found to be in risk zone D

4.10.3 Product

Asonext and Asoforge have always been characterised by the production of steel grades sewn according to customer requirements, ensuring the customisation of the product and service required, guaranteeing maximum customer satisfaction.



The product is manufactured with the utmost attention to operational procedures and practices to ensure repeatability and reliability.

The traceability of each part of the process makes it possible to have a complete 'identity document' of each manufactured product that identifies the raw materials, the facilities it has passed through, the operators who have performed each operation and the controls carried out. Every part of the process is recorded and archived on an internal database that allows the statistical control of all key aspects of product realisation.

The after-sales service then allows the customer to be supported also in the subsequent stages thanks to a trained and continuously updated team and thanks to an in-house laboratory that allows the complete analysis of each problem detected.

Every customer complaint or internal non-conformity detected is documented and archived in order to monitor the quality level of the product/service.

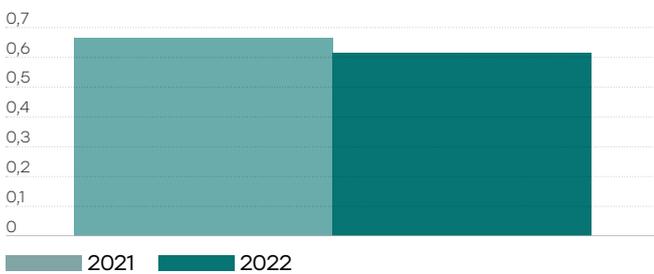
The indicators proposed below summarise the 2 major indicators of the product quality performance dashboard. For both plants, 2 separate indicators of waste percentage and stock percentage are calculated as described below each graph.

The production of ASONEXT and ASOFORGE is never voluntarily destined for stock, so any inefficiencies and errors that occur during product manufacture can essentially result in two separate situations:

- The manufactured part (or part of it) does not comply with the required specifications or contains defects such that it must be discarded completely without any possibility of re-use. The piece is then referred to as 'waste'.
- The part produced (or part of it) does not conform to the specifications against which it was manufactured, but may meet other specifications that make it reusable for other applications. The piece is allocated to 'stock'.

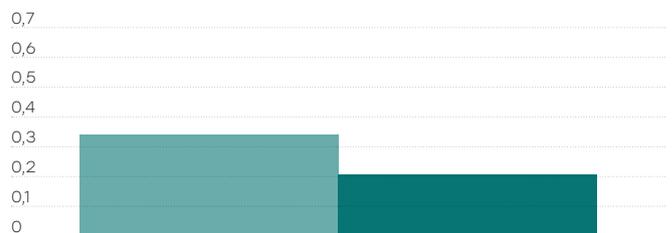
ASONEXT

Waste %



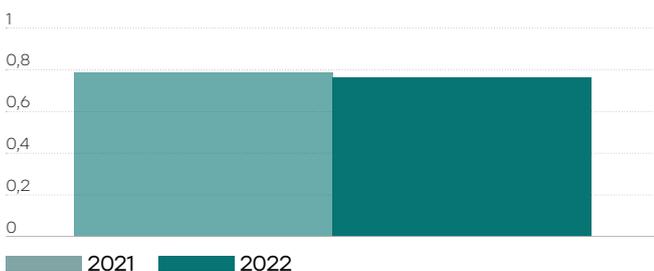
Waste = weight of waste material/total product (%)
 Stock = material put into stock due to incorrect production/total product (%)
 (ASONEXT target year 2022 -0.70% waste -0.15% stock)

Stock %



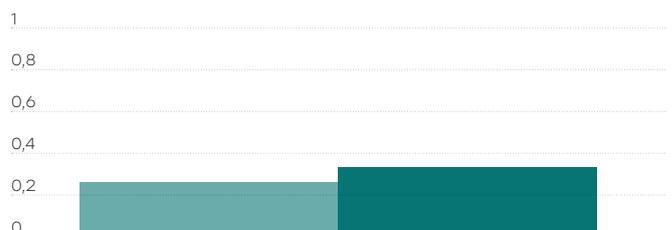
ASOFORGE

Waste %



Waste = weight of waste material/total processed (%)
 Stock = material put into stock due to incorrect production/total processed (%)
 (ASOFORGE target year 2022 -0.75% waste -0.25% stock)

Stock %

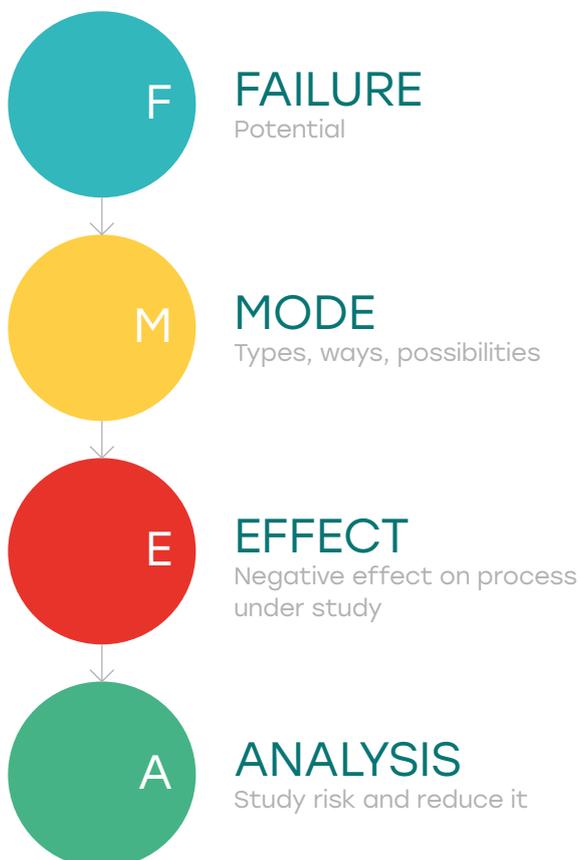


In relation to the strategy of moving towards different, more complex and higher value-added products to meet new market requirements, there is a re-evaluation of targets from year to year, which is not always assessed on a downwards trend as new products represent an increased risk of 'non-compliance' and therefore this factor must be kept under control with each annual target allocation.

4.10.3 Continuous improvement

The analysis according to the 8D and 5W methodologies becomes an effective tool to be able to coordinate a plan of preventive, corrective or ameliorative actions to solve any incident.

For the realisation of an effective improvement plan, the Group makes use not only of the analysis of complaints and internal non-conformities, but also of tools dedicated to risk analysis. These include the FMEA (*Failure Mode and Effect Analysis*), which allows the detailed evaluation of each aspect of the process and thus focuses on reducing the risk of occurrence through the implementation of specific projects.



4.10.5 Main qualifications

Product and process qualifications are an important asset for the company that goes hand in hand with the strategy of enhancing its service and image in relation to the outside world.

The list presented in the tables below shows the main product qualifications with reference to the steel and size classes covered.

COMPANY	PRODUCTS	RULES	MATERIAL CLASSES					Max. weight (kg)	NOTES	
			AUSTENITIC	DUPLEX	MARTENSITIC	C	C-Mn			ALLOY
ASONEXT	Ingots	LLOYD'S				●	●	●	65000	Naval
			●	●					31000	
		DNV-GL	●	●		●	●	●	92000	
		ABS				●	●	●	100000	
			●	●	●				50000	
		RINA	●	●					30000	
					●	●	●	●	65000	
	NKK	●	●	●	●	●	●	65000		
	TUV WO / PED	See Scope of the approval						See Scope	Pressure Vessels	

COMPANY	PRODUCTS	RULES	MATERIAL CLASSES					Max. weight (kg)	NOTES	
			AUSTENITIC	DUPLEX	MARTENSITIC	C	C-Mn			ALLOY
ASOFORGE	Forged bars	ABS	●	●	●	●	●	●	36000	Naval
		DNV-GL	●	●		●	●		42000	
		LLOYD'S				●	●	●	28000	
			●						31000	
		ISO17782 NORSOK M650	NORSOK M-630; ASTM A479; UNS S31803 - S32205; MDS D47 Rev.6							
TUV WO / PED	See Scope of the approval						See Scope	Pressure Vessels		

A strategically relevant process qualification for ASONEXT is the TPG, which has provided an important opportunity for the company to completely overhaul the quality system by detailing each process in a critical and detailed manner, allowing for a greater adherence of the quality system to the production and control stages, ensuring standardisation and repeatability.

TPG is a sector-wide approach to conformity assessment that brings together technical experts from the industry to establish accreditation requirements, accredit suppliers and define the operational requirements of the programme. The result is a standardised approach to Special Processes auditing and a reduction in audit practices for the entire industry.



This certificate is granted and awarded by the authority of the Transportation and Power Generation Accreditation Program to:

Asonext S.p.A. Unipersonale

*via seriola 122
Ospitaletto, 25035
Italy*

This certificate demonstrates conformance and recognition of accreditation for specific services, as listed in www.eAuditNet.com on the Qualified Manufacturer's List (QML), to the revision in effect at the time of the audit for:

Steel Manufacturing

Certificate Number: 232441012495
Expiration Date: 31 May 2024
Accreditation Length: 12 Months

Jay Solomond
Executive Vice President & Chief Operating Officer

Performance Review Institute (PRI) | 161 Thorn Hill Road | Warrendale, PA 15086-7527

4.10.6 R&D collaborations

GRI 2-29

The research and development activities that Asonext has carried out over the years have always been carried out through its own technical staff, but also through targeted consultations with the aim of achieving the set objectives.

Major collaborations include:

AQM: A non-profit company founded in 1982 that serves metallurgical and manufacturing companies by developing and transferring excellence in industrial materials in various fields of application, their production processes, continuous organisational improvement and the implementation of integrated management systems according to international standards in the various fields of application.

LENOVYS: a management consulting company that has evolved Lean Thinking into Lean Lifestyle, a new way of working and managing the company to achieve more results, with less time, less stress and more well-being.

FONDAZIONE AIB: is the system set up by Associazione Industriale Bresciana to operate in the fields of education and training.

RINA CONSULTING (Centro Sviluppo Materiali SpA): a key player in materials research and development. They are committed and able to: offer high-level expertise for companies that want to develop materials and processes, design and develop pilot and innovative plants, special test equipment and reduce environmental impact.

University of Brescia: with particular reference to the Faculty of Engineering in its Mechanics, Materials and Chemistry majors, it offers technical and technological support in the development of new products and processes.

In addition to the consultancy network, it is also essential to participate in industry events, conferences, trade fairs and working tables in order to increase one's professional level and know-how and expand one's knowledge network.

Activation of a doctorate at the Faculty of Engineering (from 01.11.2021) on the subject of 'Simulation of ingot forging in order to optimise the end product', and a doctorate at the Faculty of Law, activated on 01.01.2023 on the subject of 'Business & Law - Institutions and Business: value, rules and social responsibility'.

Alta Scuola per l'Ambiente – ASA – Università Cattolica del Sacro Cuore di Brescia: aims to respond to the complexity of economic, social and cultural changes by proposing new solutions for environmental protection and sustainable development. Activation, as of 02 November 2022, of two master's degree courses in Sustainability Management and Communication and Environmental Governance for Integral Ecology.

5 GROUP ENVIRONMENTAL PERFORMANCE

GRI 3-3



5.1 WASTE AND THE CIRCULAR ECONOMY

5.1.1 Waste generation and management of significant waste-related impacts

GRI 306-1, 306-2

Asonext Group's steel production is based on the use of recycled ferrous scrap in electric furnaces. The use of this practice allows considerable savings in energy and natural resources as it avoids the use of the so-called full cycle (BF/BOF), which makes use of raw materials such as iron ore and hard coal. Generally speaking, incoming scrap can be categorised as: scrap waste, end-of-waste in accordance with EU Regulation 333/2011 and by-product in accordance with art. 184 bis of Legislative Decree 152/2006. Five main types of waste fall out of Asonext Group's production cycle:

- **Steel mill slag:** is non-hazardous production waste from the electric furnace melting cycle or from the steel refining processes usually carried out in LF furnaces. They are materials rich in silicon, iron and calcium oxides that can be recycled at authorised recovery plants;
- **Smoke abatement dust:** is classified as hazardous waste and decays from the filtration of fumes produced during operations at the Group's plants;
- **Rolling flakes:** are iron oxides that originate as a result of oxidative processes involving forged ingots. Downstream of the heating cycle, before forging, the opening of the furnace door draws air into the chamber. Oxygen oxidises the first surface layer of the hot ingot, transforming the metallic iron into a solid compound that is detached by subsequent hammer blows during forging;
- **Shavings:** titled ferrous scrap, removed through surface processing on the forged ingot, carried out by the forge and returned to the steel mill for re-melting;

- Refractories from furnace and ladle refurbishment activities.

Other types of production waste, resulting from maintenance activities carried out at the plants, are also generated.

Waste-related impacts are managed by special environmental procedures in the Integrated Management System.

The documentary management of waste is carried out on the management software that guarantees the complete traceability of incoming and outgoing waste, as well as a complete automation of loading and unloading data records, for tax purposes (EER/LoW, MUD, O.R.SO.).

Practices aimed at decreasing waste production upstream and, secondarily, options involving the recycling of the material of the waste produced, with a view to the circular economy, are always fostered. It follows that the disposal option is always considered residual compared to those mentioned above.

5.1.2 Waste generated

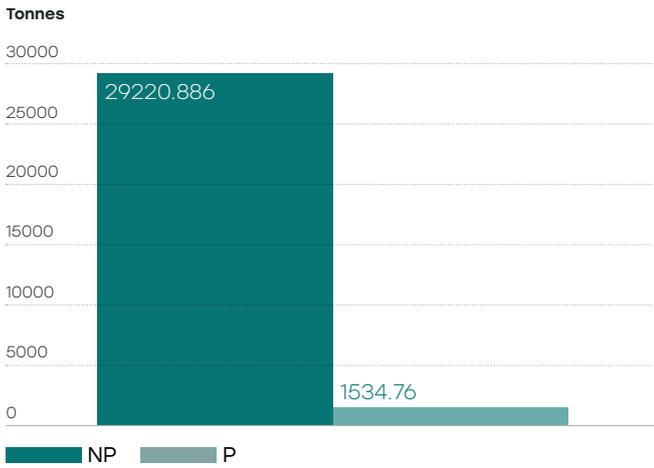
GRI 306-3

The waste generated and delivered during the two-year period 2021-2022 is listed below. The table shows the aggregated data of Asonext Group, separated by EER/ LoW. Hazardous waste is marked with an asterisk.

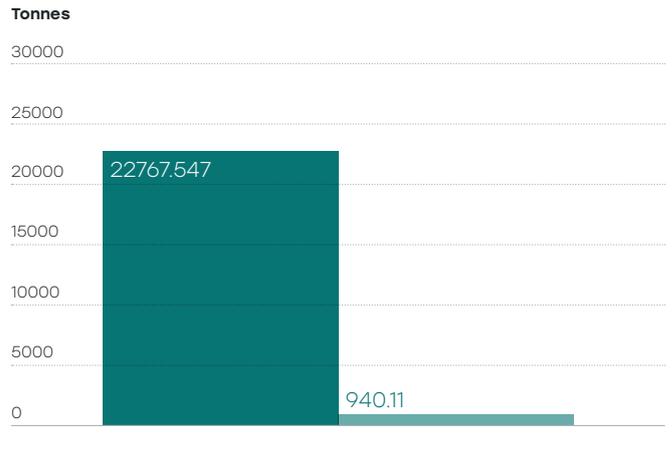
EWC	CATEGORY COMMODITY	P/NP	U.M.	TOTAL 2021	TOTAL 2022
10.02.02	Steel mill slag	NP	Ton	23,755.60	17,523.58
10.02.07*	Abatement dust	P	Ton	1,460.79	892.82
10.02.10	Rolling flakes	NP	Ton	1,232.54	858.35
12.01.01	Ferrous shavings	NP	Ton	1,289.65	1,561.75
12.01.09*	Oily emulsions	P	Ton	3.76	0.00
12.01.12*	Waxes and greases	P	Ton	2.30	3.38
12.01.18*	Sludge from rectification	P	Ton	2.34	10.89
12.01.21	Tool bodies	NP	Ton	2.19	2.49
13.01.10*	Mineral oils	P	Ton	10.64	6.44
13.08.02*	Oily emulsions	P	Ton	16.89	9.72
15.01.01	Paper packaging	NP	Ton	29.84	16.61
15.01.02	Plastic packaging	NP	Ton	6.15	7.08
15.01.03	Wood packaging	NP	Ton	121.52	93.99
15.01.06	Mixed material packaging	NP	Ton	37.21	28.99
15.01.10*	Contaminated packaging	P	Ton	-	0.18
15.02.02*	Absorbents/filtering bags	P	Ton	6.74	3.21
16.01.04	Out-of-service vehicles	NP	Ton	105.59	137.22
16.01.07*	Oil filters	P	Ton	0.12	0.25
16.01.21*	Hazardous components	P	Ton	0.96	0.45
16.02.11*	Equipment with cfc	P	Ton	0.00	1.01
16.02.13*	Hazardous equipment	P	Ton	0.34	1.11
16.02.14	Non-hazardous equipment	NP	Ton	0.54	16.19
16.02.16	Electrical components	NP	Ton	1.14	7.04
16.03.03*	Hazardous inorganic waste	P	Ton	11.86	0.00
16.05.06*	Laboratory reagents	P	Ton	0.06	0.00
16.06.01*	Lead-acid batteries	P	Ton	1.21	0.00
16.11.02	Carbon-based refractory	NP	Ton	14.35	0.00
16.11.04	Refractories	NP	Ton	1,103.08	1,129.82
17.04.01	Copper and bronze	NP	Ton	5.47	0.32
17.04.02	Aluminium	NP	Ton	0.43	0.00
17.04.05	Iron and steel	NP	Ton	1,514.59	1,194.27
17.06.03*	Ceramic fibres	P	Ton	16.75	10.65
17.06.04	Material from demolition	NP	Ton	0.00	0.07
19.09.05	Softener resins	NP	Ton	1.00	0.00
20.01.21*	Fluorescent tubes and other mercury-containing waste	P	Ton	-	0.07
20.03.04	Septic tank sludge	NP	Ton	-	3,70
TOTAL				30,755.65	23,707.66 (-22%)
Production Specification			Ton of waste/ ton of steel	0.227	0.223 (-1.76%)

Breakdown of hazardous and non-hazardous waste

TOTAL 2021



TOTAL 2022



The main wastes produced by the Group are as follows:



5.1.3 Destination of generated waste

GRI 306-4, 306-5

Asonext Group's environmental policies give priority to sending the produced waste to final recovery plants, in accordance with the principles of art. 176 of Legislative Decree 152/2006.

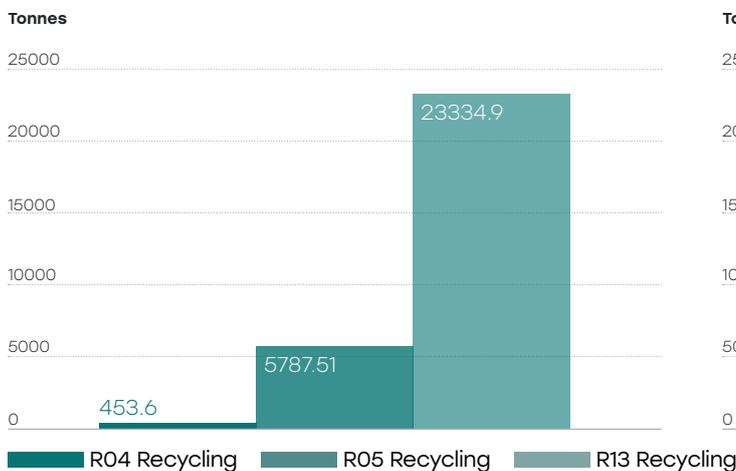
All waste produced by the Group is transferred to off-site plants. Aggregate figures showing a recycling rate of 96%-99% of waste produced are shown below.

WASTE DESTINATION	CLASSIFICATION (NP/P)	TOTAL 2021 (TONNES)	TOTAL 2022 (TONNES)
RECOVERY	NP	28,342.62	22,577.72
	P	1233.21	23387.17
Total RECOVERY		29,575.83	23,387.17
DISPOSAL	NP	772.67	52.54
	P	407.33	267.95
Total DISPOSAL		1180.00	320.49
GENERAL Total		30,755.83	23,707.66

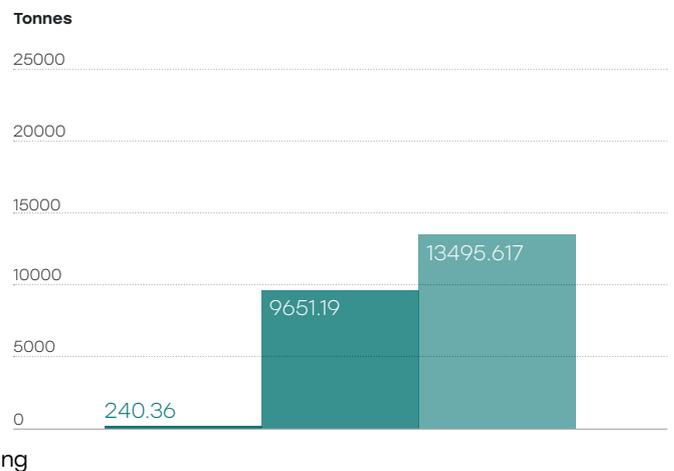
The following graph shows the main operations carried out on waste sent for recovery during the two-year period 2021-2022.

Operations performed on waste products sent for recovery

TOTAL 2021 (TONNES)



TOTAL 2022 (TONNES)



The following table shows the recovery operations carried out on hazardous waste produced during the two-year period 2020-2021.

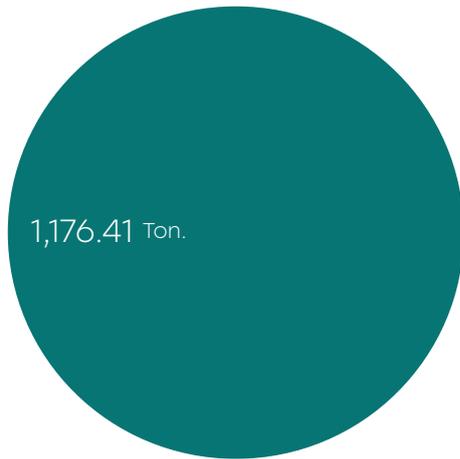
RECOVERY OPERATION	TOTAL 2021 (TONNES)	TOTAL 2022 (TONNES)
R04 RECYCLING	52,000	-
R13 RECYCLING	1,181,210	809,450
TOTAL	1,233,210	809,450

With reference to EER/LoW 120101 produced by Asoforge, it is worth mentioning that it also decays from the surface treatment operations performed on the ingot delivered by the parent company Asonext. In the name of optimisation and inter-group circulari-

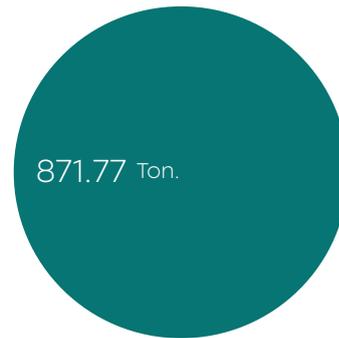
ty, the above-mentioned waste formally generated by Asoforge- is returned with a form to the Asonext steel mill and re-melted, with operation R13 for R4 (pie chart below).

**Manufacturer Asoforge:
EER/LoW 120101 remelted in Steel mill (tonnes)**

2021



2022

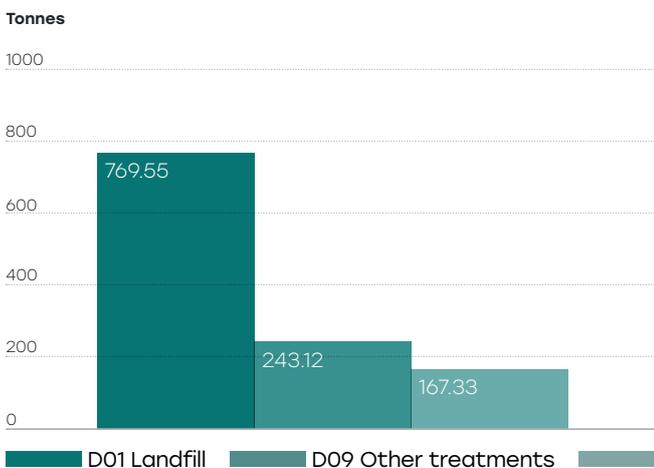


The remaining waste produced by Asonext was sent for disposal. It should be noted that for some types of waste (e.g. some smoke abatement dusts from the stainless steel area), there are currently no environmentally safe recovery options.

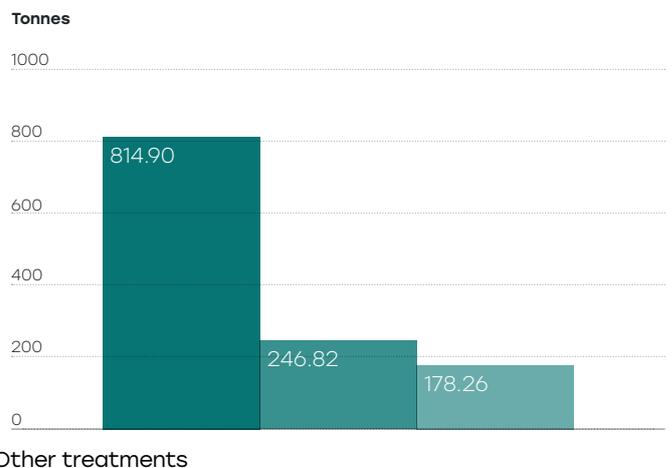
A description of the meaning of the disposal/recovery acronyms is given in the glossary.

Activities performed on waste sent for disposal

TOTAL 2021 (TONNES)



TOTAL 2022 (TONNES)



5.2 WATER RESOURCE MANAGEMENT

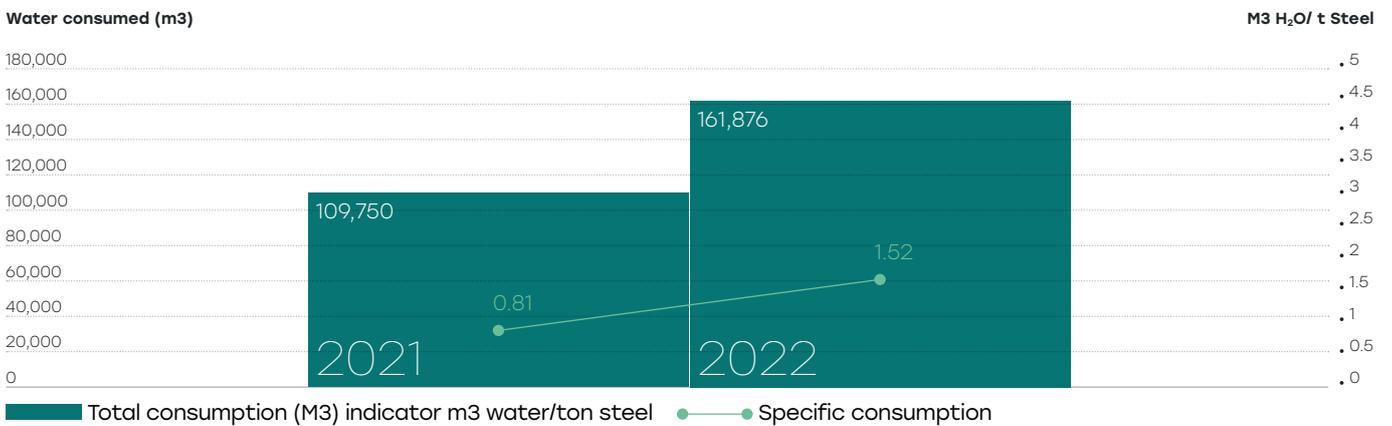
5.2.1 Water withdrawal

GRI 303-3

Water withdrawals are related to hygiene and sanitary uses and production purposes related to the conditioning of hot furnace gases, temperature abatement during scrap melting operations, cooling of engine and mechanical parts, and dust abatement during slag humidification. In the forging plant, water is also used to perform heat treatments on semi-finished products.

Asonext Group monitors its consumption and adopts rainwater collection, treatment and recirculation systems. The water treatment plants undergo regular maintenance cycles. At both production sites -which do not fall in waterstressed areas- water comes both from groundwater and from the public water supply. The following graph shows the aggregate data for 2021-2022.

Water consumption



The graph also shows the specific consumption of the resource (m3 H₂O/ton steel). It is noted that in 2022 there was an increase mainly due to two factors:

- two difficult-to-resolve water leaks (due to internal pipe faults);
- a drop in the production of steel and forgings, in the face of non-reducible fixed water consumption, which is necessary for the proper maintenance of the plants.

5.2.2 Water discharges

GRI 303-4

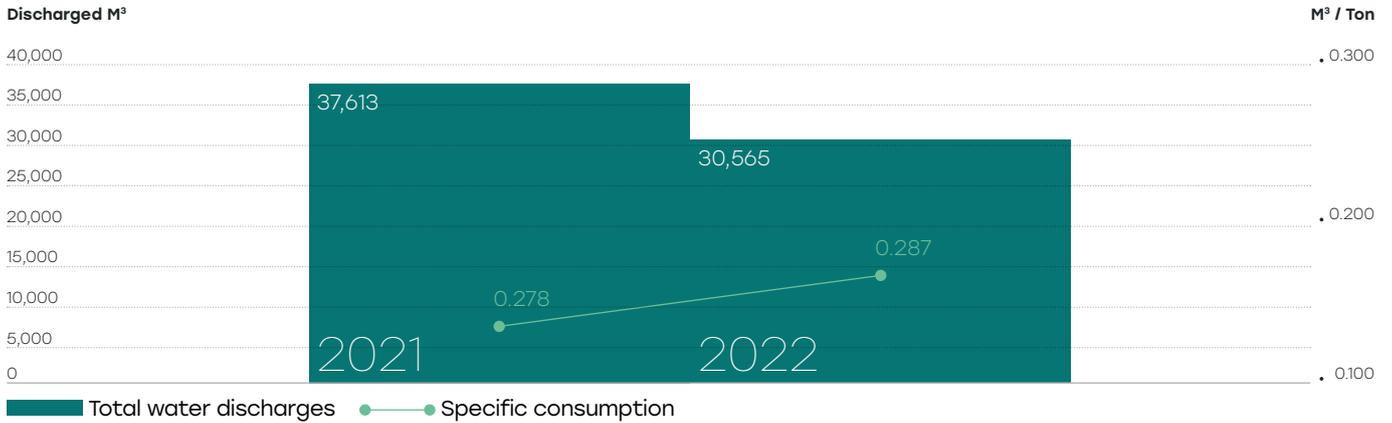
Water discharges come mainly from storm water from yard runoff. The following table shows the authorised water discharges attributable to Asonext Group plants.

They are subject to periodic compliance checks, according to the authorised monitoring and control plan and depending on the receiving body: public sewers or receiving surface water bodies (CIS in Italian).

SITE	DISCHARGE ACRONYM (from authorisation)	TYPE OF DISCHARGED WATER	RECEIVING BODY
Asonext Ospitaletto steel mill	S1	Civil and stormwater	Public sewers
	S2	Civil and stormwater	Public sewers
	S3	Cooling overflow	Receiving surface water bodies (Cis in Italian)
	S4a	Rainwaters after the first flush	Receiving surface water bodies (Cis in Italian)
	S4b	Rainwaters after the first flush	Receiving surface water bodies (Cis in Italian)
	S5	Rainwaters after the first flush	Receiving surface water bodies (Cis in Italian)
Asoforge Castegnato	S1	Storm water	Receiving surface water bodies (Cis in Italian)

The graph represents the total volumes of wastewater discharged into public sewers or surface water bodies, expressed in absolute cubic metres and related to tonnes of steel produced and processed.

Water discharges



There is a decrease in the quantities entering water bodies. Between 2021 and 2022, specific consumption increased slightly (+ 3.2%), mainly due to the decrease in the total production of Asonext plants.

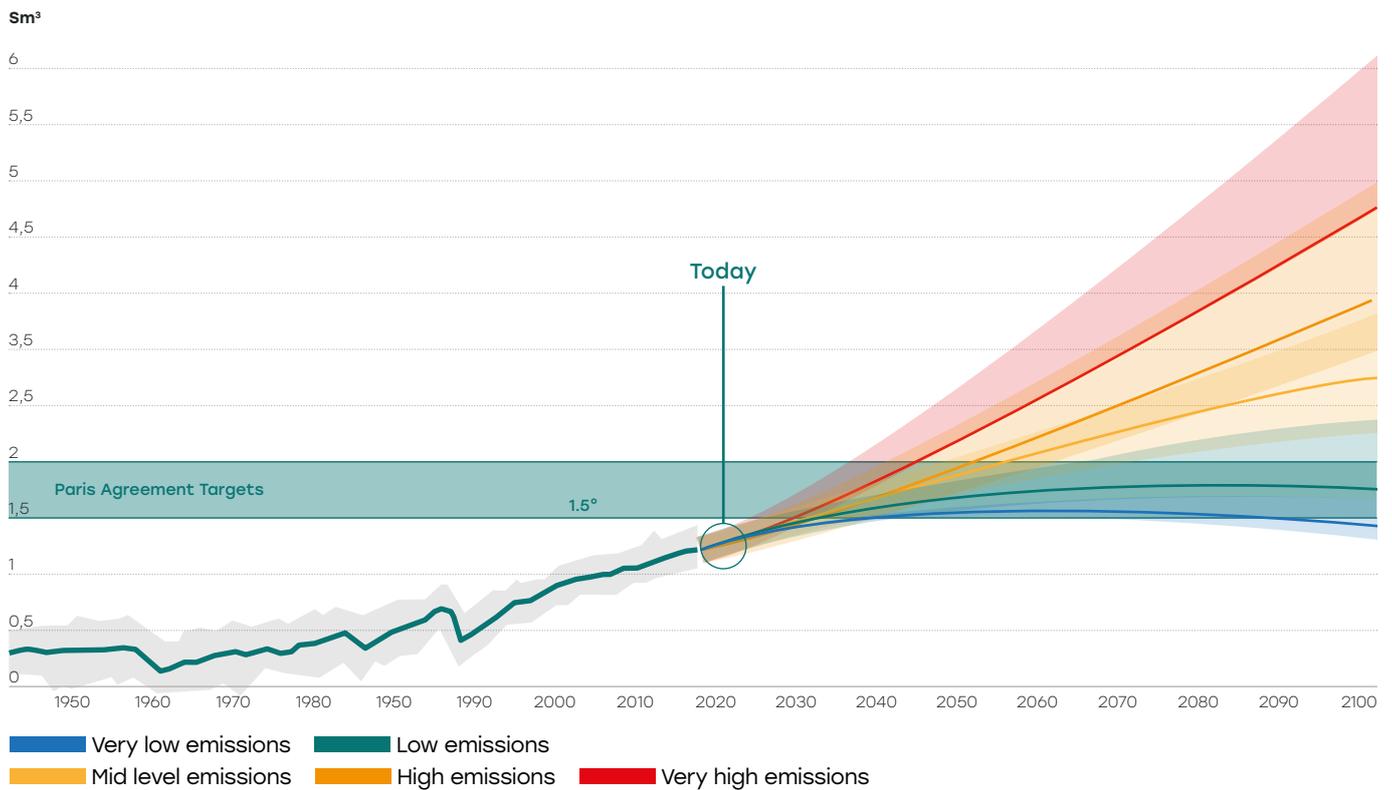
The water undergoes sludge separating/oil separating treatments before being fed into the receiving bodies. Downstream of the purification steps, the concentrations of the measured analytes comply with the limits imposed by the regulations in force. Data on the monitoring plan are communicated to the Control Authority on an annual basis through the AIDA-Vispo portal. During the 2021-2022 period, no episodes of exceeding limits were recorded.

5.3 FIGHT AGAINST CLIMATE CHANGE

The fight against climate change is now urgent. This is a real, serious and imminent planetary emergency that requires - for its containment - a multidisciplinary approach involving politics, individual citizens, and all economicproductive sectors, including industry.

The graph below shows different scenarios of global surface temperature change, depending on possible mitigation actions to be taken at the international level.

Global surface temperature °C Above 1950-1900



In this new and urgent context, Asonext Group has set itself the goal of redefining its production paradigm and planning a transition to a low-carbon economy.

In 2021-2022, it laid the foundation for its carbon footprint and measured direct and indirect emissions according to ISO 14604. From the measurements taken, it calculated specific emission factors that will be the basis for monitoring the improvements achieved. In this document, direct emissions (SCOPE 1) and indirect emissions (SCOPE 2) will be reported. Methodologies for data collection and calculation of indirect emissions (SCOPE 3) are being consolidated in accordance with ISO 14064-1.

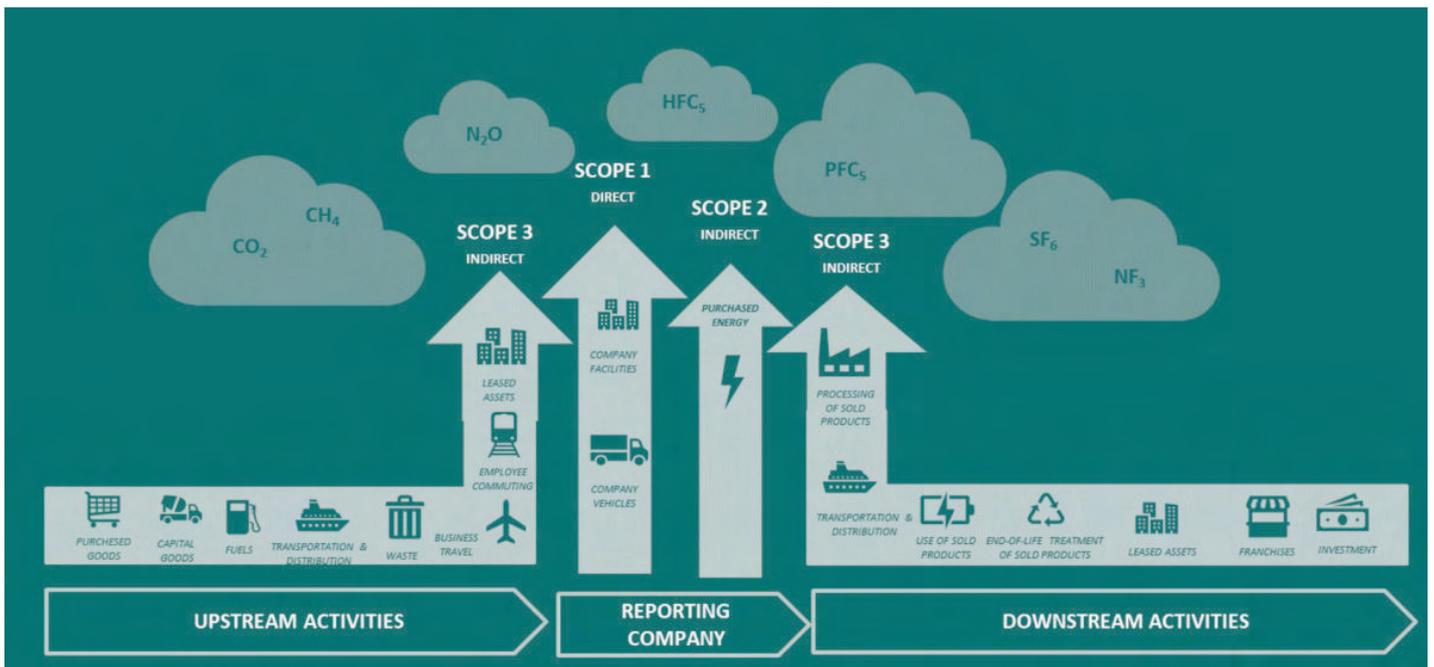


Image: «Corporate Value Chain (Scope 3) Accounting and Reporting Standard - GHG Protocol»

5.3.1 Direct GHG emissions (SCOPE 1)

GRI 305-1

Asonext Group's companies fall within the scope of the ETS regulation, a market mechanism under Directive 378/2003, which aims to monitor and reduce direct greenhouse gas emissions in various industrial sectors, including the steel industry.

The ETS lays down a maximum amount of CO2 allowances that can be emitted in a given year. It follows that, depending on its production capacity, each individual company under the ETS can only emit a certain amount of CO2 per year. Once the threshold set by the ETS is exceeded, the company must enter the allowance trading market and purchase the missing allowances (tonnes) of CO2. The trading system is based on the supply/demand mechanism, so the price fluctuates depending on the actual availability-need for CO2 allowances. By leveraging economic mechanisms, it follows that the more the price of the CO2 allowance increases, the more the company will have an incentive to introduce low-carbon tech-

nologies into its production cycle. Direct emissions include the following:

- stationary combustion due in particular to natural gas supplied from the national grid;
- diesel used for fire engines and generator sets;
- mobile combustion from owned internal vehicles (man-baskets, forklifts, company cars);
- process emissions (applicable to the steel mill only, see summary in the table below);
- fugitive emissions from fluorinated gases contained in chillers and refrigeration units.

The following table shows the contributions in terms of CO2 emissions from the individual product categories examined.

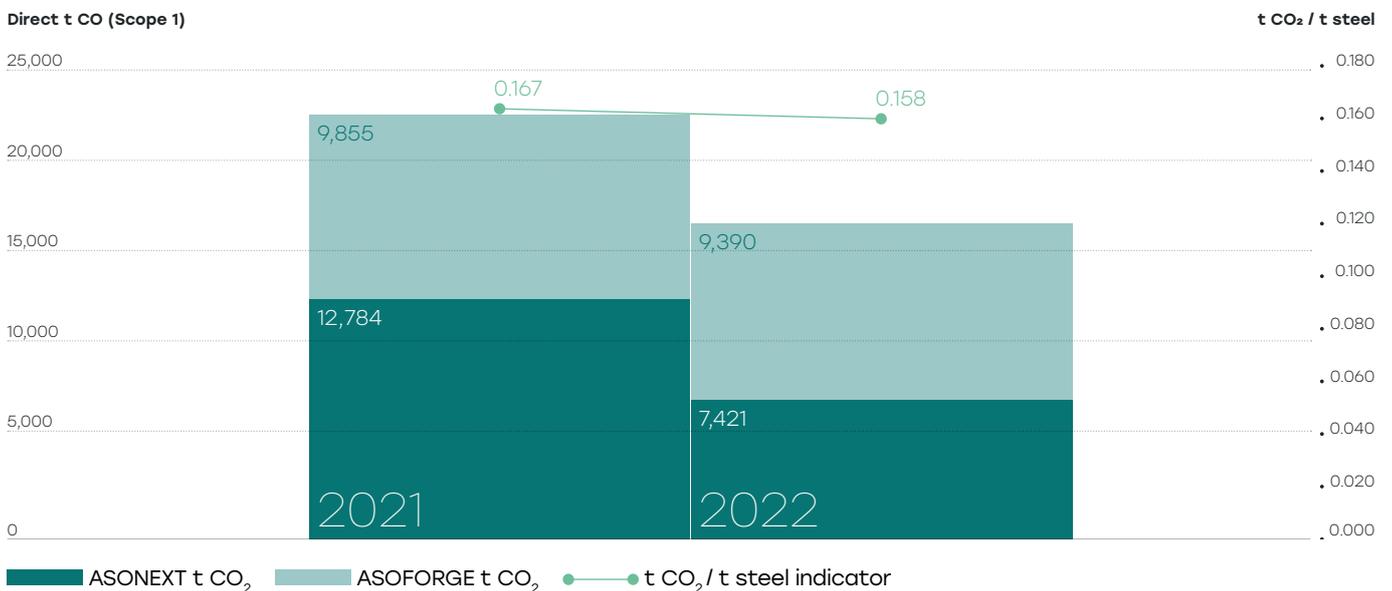
FLOW DESCRIPTION	CONTRIBUTO
STEEL SCRAP	POSITIVE
CAST IRON/CAST IRON SCRAP	POSITIVE
COMPONENTS FOR ALLOYS (E.G. FESI, FEMN)	POSITIVE
DUST	NEGATIVE
LIME (DOLOMITIC AND CALCITIC)	POSITIVE
SLAG	NEGATIVE
HOT-FILL STEEL	NEGATIVE
ELECTRODE	POSITIVE
GRAPHITE	POSITIVE
ANTHRACITE	POSITIVE
NATURAL GAS (CH ₄)	POSITIVE

In the 2021-2022 two-year period, there was a significant decrease in direct CO2 emissions (Scope 1). Specifically, CO2 emissions dropped from 22,639 tonnes to 16,811 tonnes, a decrease of 25.73%, which was achieved thanks to the following operational choices, mainly introduced in the steel mill:

- installation of new energy-efficient machinery
- modification of operational practices
- reduction and optimisation of production for high quality, niche products and consequently higher added value.

SITE	2021 (TON CO ₂)	2022 (TON CO ₂)
ASONEXT	12,784	7,421
ASOFORGE	9,855	9,390
TOTAL	22,639	16,811

Water discharges



The direct tCO₂/t steel indicator improved slightly, but was influenced by the specific emission factors of Asoforge. The subsidiary - against a decrease in net production tonnes - recorded an increase of about 18% in the number of pieces handled (with a consequent increase in the number of treatments performed), due to the change in the production mix.

Gaseous emissions are controlled by appropriate extraction systems. They must therefore be channelled and treated in order to comply with the limits imposed by current legislation. There are a total of 25 atmospheric emission points, the monitoring plan for which is managed by the HSE office, in accordance with authorisation requirements.

Of the 25 installed atmospheric emissions, the most significant is the E3 emission of the steel mill, which is related to the EAF section and receives fumes from the dog-house of the electric arc furnace installed there. The emission is equipped with an automated SME control system that records the flow and dustiness data of the fumes treated by the abatement systems in real time.

The monitoring data for 2021-2022 are given below.

Data on the monitoring plan are communicated to the Control Authority on an annual basis through the AIDAVispo portal.

EMISSION E3 ELECTRIC ARC FURNACE EAF

CHEMICAL PARAMETERS	MEASUREMENT UNITS	AIA LIMIT 2017	2021	2021
DUST (pts)	mg/Nmc	5	<0.3	<0.3
NOX (EXPRESSED AS NO2)	mg/Nmc	300	105	14
HF	mg/Nmc	2	0.2	<0.2
PCDD/PCDF (AVERAGE)	ng I-TEQ/Nmc	0.1	0.0029	0.0022



5.3.2 Indirect GHG emissions from energy consumption (SCOPE 2)

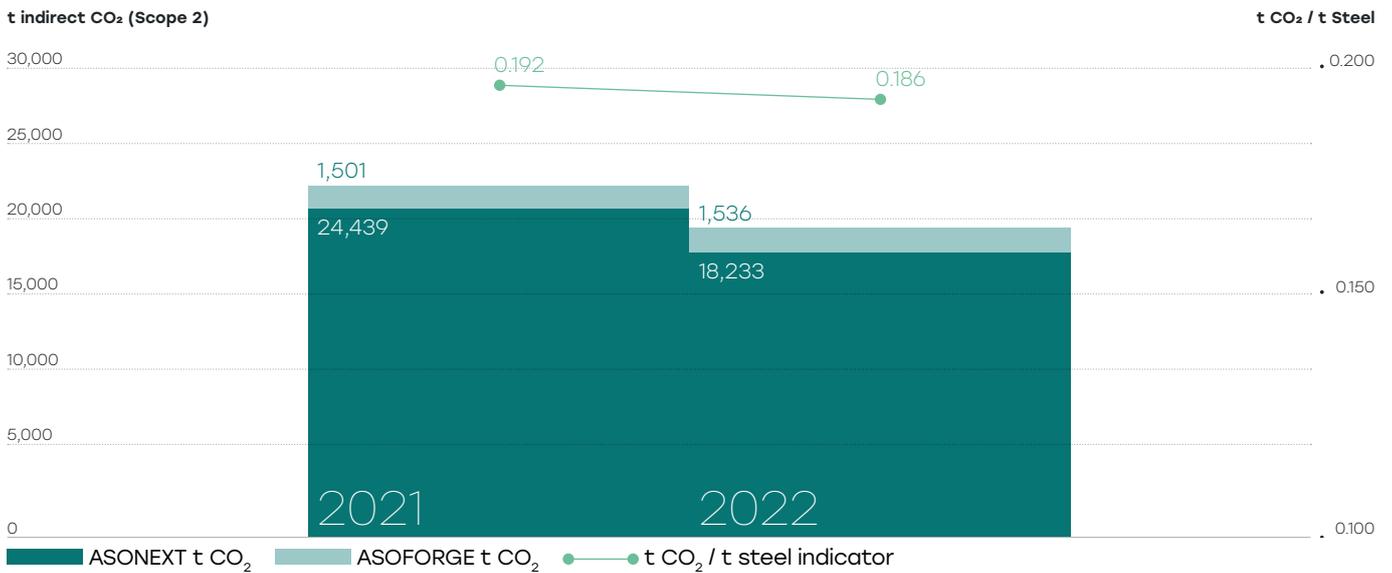
GRI 305-2

Indirect emissions from imported energy include the generation of electricity purchased and used in the two plants. Within the organisation's premises, there are self-generating power systems: the forging plant's photovoltaic system and the emergency systems. There is no import of other energy carriers such as steam or thermal energy at any plant.

Emissions related to electricity purchased by the organisation are accounted for according to both the *location-based*⁴, and *market-based*⁵ approaches.

The following graph shows the indirect CO₂ emissions from electricity purchase (*location-based approach*⁶).

Indirect CO₂ emissions



In the two-year period 2021-2022, both the absolute quantities of indirect CO₂ emitted decreased from 25,940 t to 19,769 t (- 23%). The specific emission factor dropped by about 3%.

⁴ The location-based conversion factor is 0.255 KgCO₂/Kwh, as per GHG Accounting report 2021

⁵ The market-based conversion factor is 0.457 KgCO₂/Kwh, as per GHG Accounting report 2021

⁶ The market-based approach yields the following results:

- indirect CO₂ emitted in 2021: 46,488 t
- indirect CO₂ emitted in 2022: 35,428 t

5.4 ENERGY EFFICIENCY

GRI 302-1, 302-3, 302-4

The steel production cycle requires a high use of electrical and thermal energy. The former is mainly needed in steel mills and is mainly used for melting ferrous scrap and refining liquid steel. Methane is used in both the Steel Mill and the Forging Plant for ladle heating/maintenance and for heating ingots to be forged.

Asonext continuously monitors its environmental performance by assessing the levels of energy consumption resulting from its business activities.

The energy needs required for their implementation require the Group to carefully manage resources and plan energy efficiency initiatives. For this purpose, the Company has appointed an Energy Manager who manages the aspects and impacts related to its activities, proposes energy saving solutions and monitors the Group's consumption trends.

The focus on energy efficiency has led to the adoption of a series of initiatives and process innovations, starting in 2021 with clear benefits in terms of both cost reduction and environmental impact.

The initiatives continued during 2022. Asonext has implemented and maintained improvement programmes to limit the environmental impact of its products, especially from an energy perspective. In particular:

- replacement or installation of energy-efficient machinery, plant and/or equipment (e.g. through relamping or the installation of operational intelligence software aimed at monitoring and optimising energy consumption);
- installation of recuperative heating systems;
- programme for the installation of photovoltaic panels on the roofs of the Asoforge industrial sheds;
- S.P.A.C.E for Steel project (see § 7.1);
- transport of hot ingots to the forging plant with insulated semi-trailers.

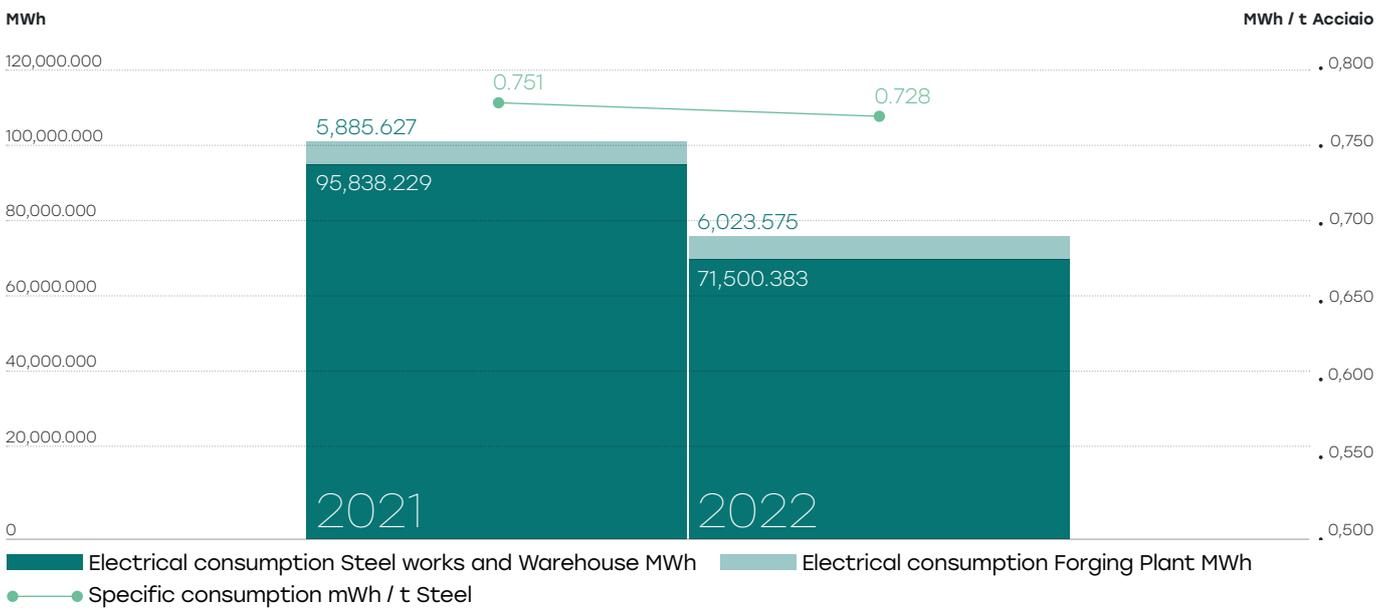
The 'Green Metal' project was developed with the RAMET Consortium, the Italian Biogas Consortium and the Boston Consulting Group.

The project, which is part of the PNRR and is based on the Ministerial Decree for the Environment of 15 September 2022, aims to develop a consortium of Brescia's steel metallurgy companies to consolidate demand and ensure the availability of green fuels, as well as make targeted investments with a view to decarbonising the steel production cycle through the use of biomethane with guarantees of origin.

5.4.1 Energy consumed within the organisation and energy intensity

As described in the introduction, the main energy sources used by Asonext are electricity and natural gas, the consumption of which is shown in the following graphs.

Electricity consumption

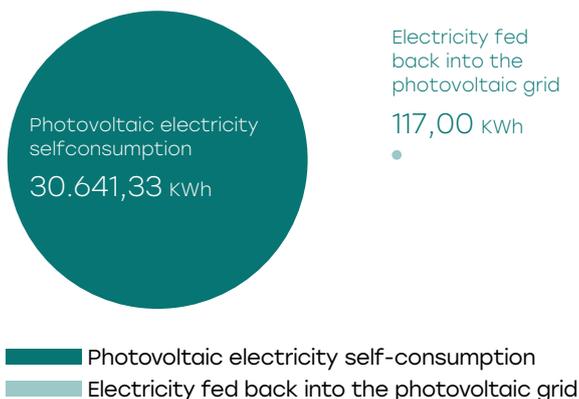


A reading of the graph shows that absolute electricity consumption fell by 23.79% (from 366,202.8 GJ to 279,086.4 GJ) over the two-year period 2021- 2022. Specific consumption also decreased by 3%.

During 2022, Asoforge completed the first phase of photovoltaic roof installation. In the period July-August, the first 479 KWp were installed on the roofs of sheds 4+5, which were connected to the grid in

October. In the first three months of operation, 30,758.33 KWh of electricity was generated. Of this, approximately 117 KWh were returned to the grid, representing 0.3% of the renewable energy produced by the photovoltaic system. Self-consumption from renewable sources covered 0.5% of the forging plant's energy requirements.

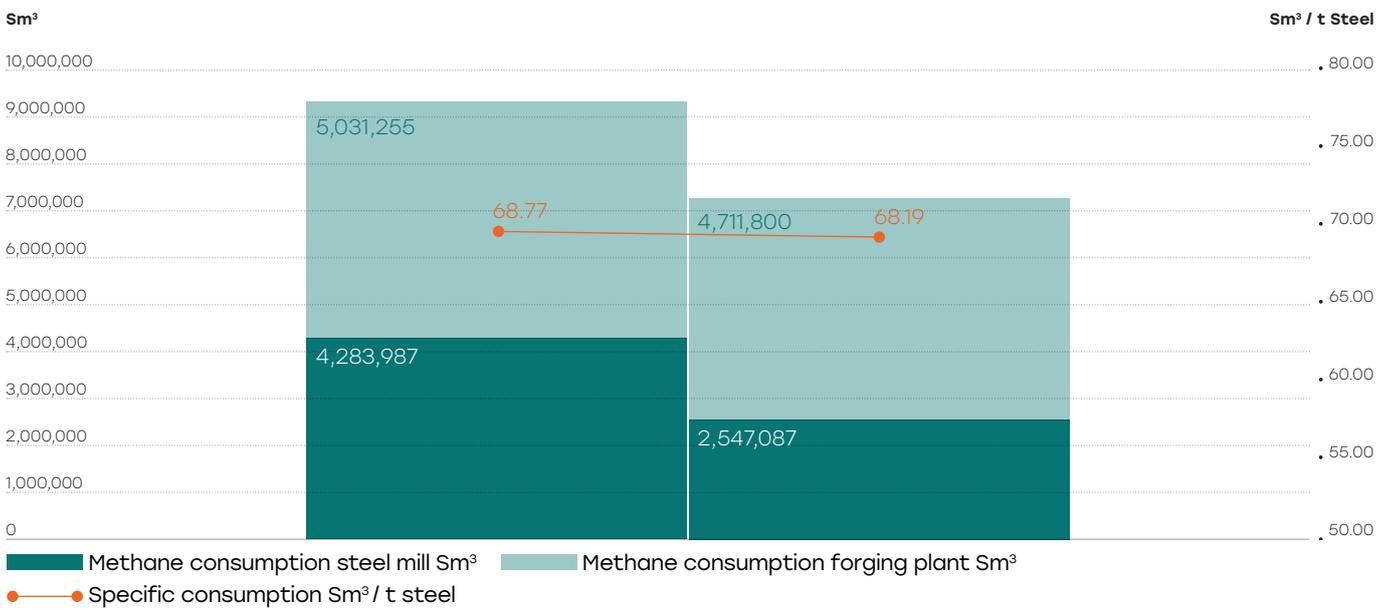
Year 2022 Photovoltaic Asoforge



5.4.2 Natural gas consumption

An evaluation of the data shows that absolute natural gas consumption fell by 21% (from 325,120 GJ to 256,707 GJ) over the two-year period 2021-2022.

Natural gas consumption



The decrease in consumption is mainly related to the energy-saving measures introduced -on an experimental basis- from the steel mill.

As in the case of the direct CO2 emission factor (§ 5.3.1), the Sm3/t steel indicator also decreased by about 0.9%, driven by the consumption trend of Aso-forge.

5.5 PROCUREMENT OF RAW MATERIALS

5.5.1 Materials that come from recycling

GRI 301-2

In this section, the use of recycled materials in production sites will be discussed in more detail. It is useful to clarify that the contribution to the use of raw materials from recycling comes exclusively from the steel mills, as Asoforge's production cycle merely involves transforming the ingots produced by Asonext SpA.

The melting furnaces installed at the steel mill are electric arc or induction. Other refining treatments (VAR/ESR) start from the 'unfinished ingot' which, following remelting, achieves higher quality characteristics.

In all cases, the production cycle starts with the melting/remelting of ferrous scrap from recovery operations or simply by-product.

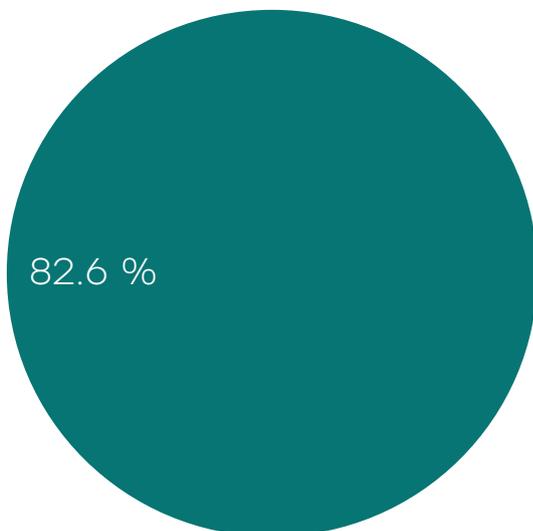
The production cycle involves the addition of other auxiliary materials (carbons, ferroalloys, slagging agents), with the main purpose of adding the necessary chemical elements to the liquid steel according to pre-established chemical recipes.

It follows that the Group's policy has historically been to purchase and search the market for high quality ferrous scrap from selected suppliers in terms of reliability.

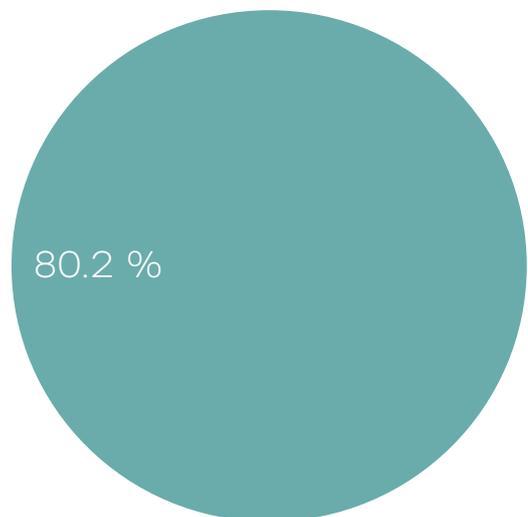
The following graph shows the percentage of purchased recycling materials over the two-year period 2021-2022.

Percentage of recycled materials purchased

2021



2022



5.6 ENVIRONMENTAL PRACTICES ALONG THE SUPPLY CHAIN

GRI 2-24, 308-1

All suppliers and contractors are selected on the basis of their technical-economic competitiveness, credibility and soundness. They must comply with Asonext's Code of Ethics, which reiterates the need for fair and transparent behaviour in conducting the required activities.

The procedures for choosing suppliers are aimed at ascertaining the capacity and reliability in the supply of products and services that meet the contractual and quality requirements, verifying the technical-professional suitability and regularity of companies and workers, assessing the capacity, quality and conformity of products and services and ranking suppliers also with a view to reducing costs.

A Qualified Vendor List has been established and updated to share with buyers of goods and services, the list of those suppliers who meet the criteria of quality, environmental protection and workers' health.



5.6.1 Proportion of spending on local suppliers

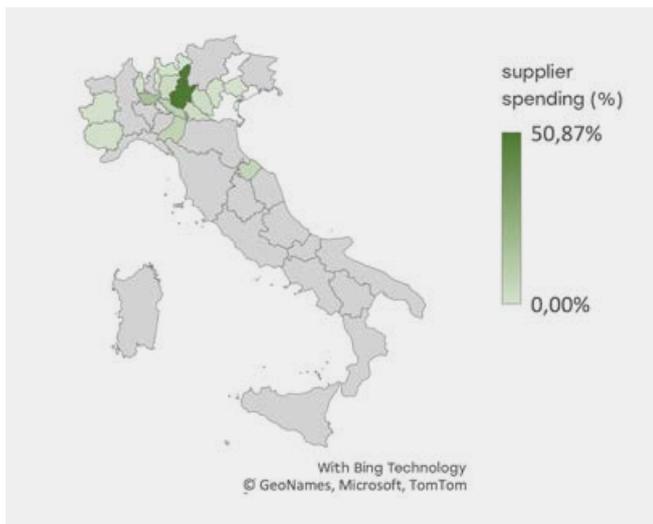
GRI 204-1

In this first edition of the sustainability report, Asonext intends to focus on the 'proportion of spending towards local suppliers⁷' aimed at the purchase of ferrous scrap, the company's strategic raw material that represents the source of the highest production cost. By applying the following formula

$$\frac{\text{Purchase from local suppliers (€)}}{\text{Total scrap purchase (€)}} * 100$$

the graphs below can be derived.

Local supplier spending 2021

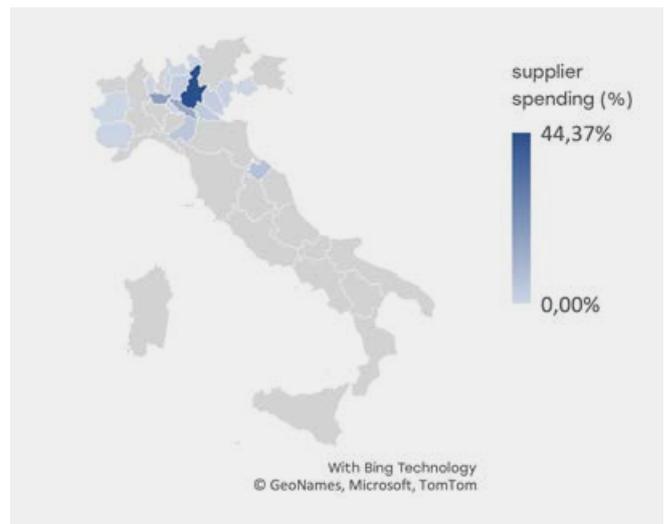


From the analysis of the aggregated data, the following conclusions can be drawn:

- the proportion of spending towards suppliers of the Province of Brescia is approximately 50% (50.87% in 2021 and 44.37% in 2022);
- the proportion of spending towards suppliers of the Lombardy Region increased from 81.55% to 84.73%, respectively 2021 and 2022.

These two figures testify to the high degree of attention paid by the company to local suppliers, with whom relationships of mutual trust have been established.

Local supplier spending 2022



⁷ A local supplier means a supplier based in the Province of Brescia.



6 SOCIAL PERFORMANCE

GRI 3-3



6.1 THE STAFF AT ASONEXT

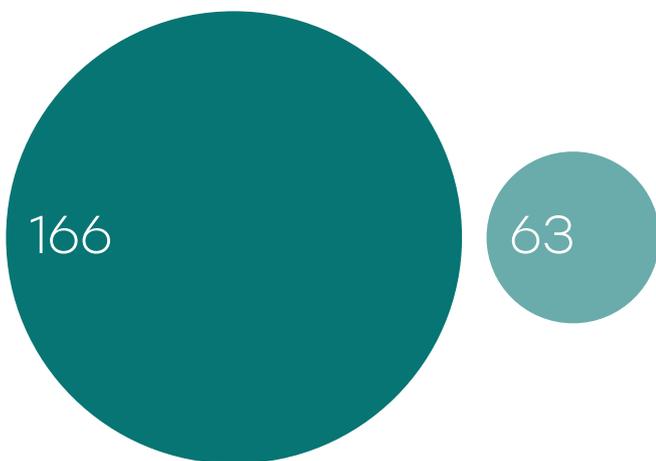
6.1.1 Onboarding and turnover

GRI 2-7, 2-8, 401-1, 405-1

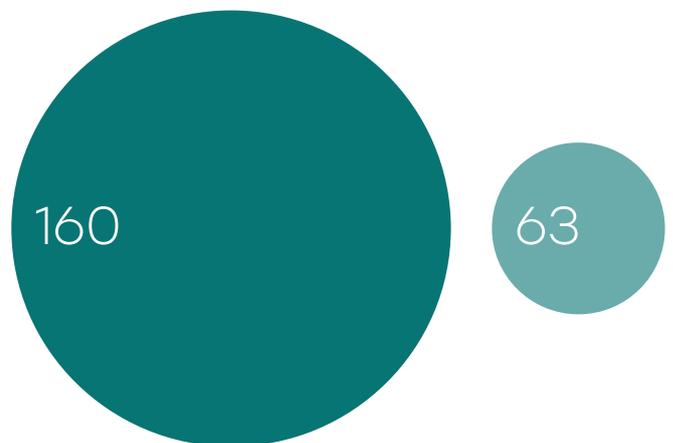
For Asonext, the contribution of all company personnel is a strategic element for the continuous development of the company and the region.

As of 31 December 2022, Asonext Group consisted of 223 employees, a decrease from 2021 due to an internal reorganisation that began in 2020.

Workforce per Company 2021



Workforce per Company 2022



■ ASONEXT ■ ASOFORGE

The valorisation of Human Resources at Asonext is reflected both in providing the stability and continuity of people's work, and in guaranteeing the Company with the experience and reliability required by the high complexity of the production processes, which is why 100% of Asonext Group employees are employed on permanent, full-time and part-time contracts.

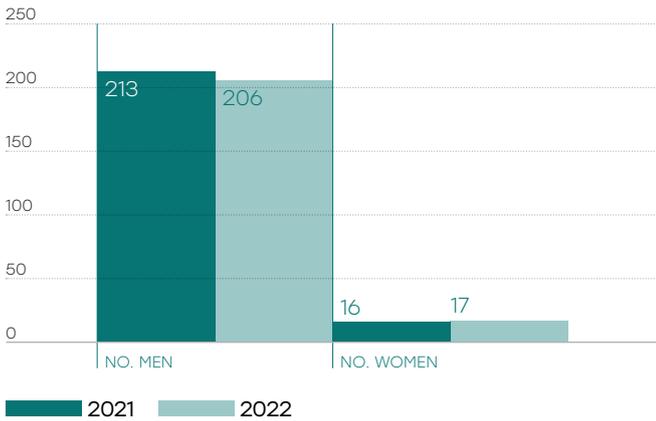
Workforce as at 31/12/2022



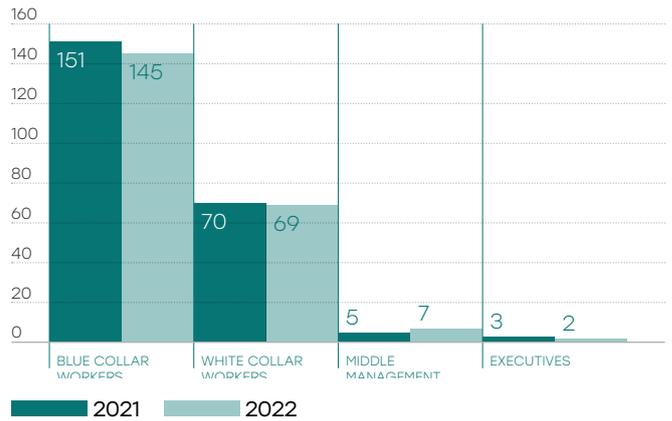
BLUE COLLAR WORKERS	FULL TIME	PART TIME
Women	0	1
Men	143	1
WHITE COLLAR WORKER	FULL TIME	PART TIME
Women	12	3
Men	54	
MIDDLE MANAGEMENT	FULL TIME	PART TIME
Women	1	0
Men	6	0
EXECUTIVES	FULL TIME	PART TIME
Men	2	0

Although there is a significant male presence within the above categories (typical of the steel sector), an increase in the number of female employees was noted during the two-year period under review, with career paths that value skills and merit, in relation to the job.

Gender 2021-2022

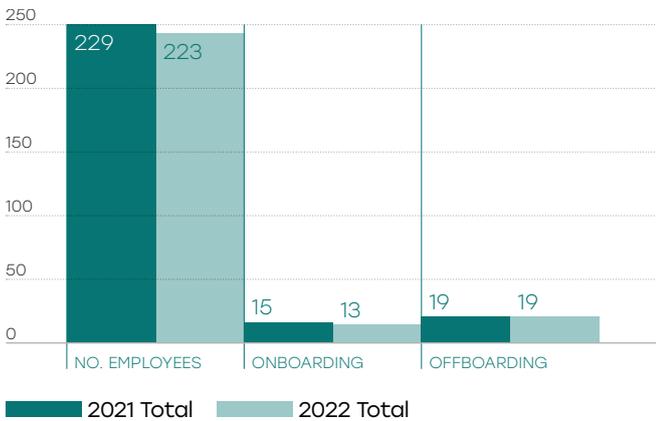


Workforce by professional category 2021-2022

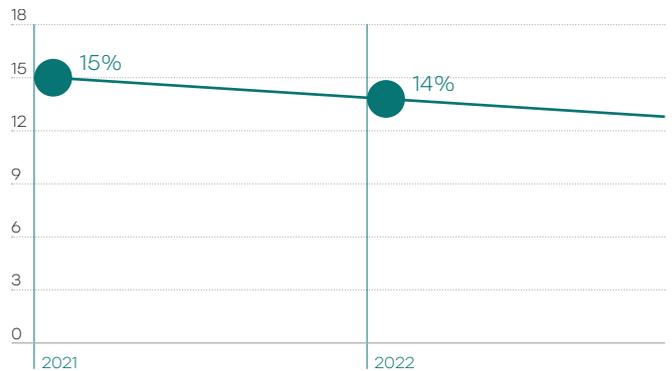


The two-year period 2021-2022 saw a total number of 38 outboardings, against a total of 28 onboardings. The turnover rate for the two-year period went from 15% to 14%.

Onboarding / Offboarding 2021-2022



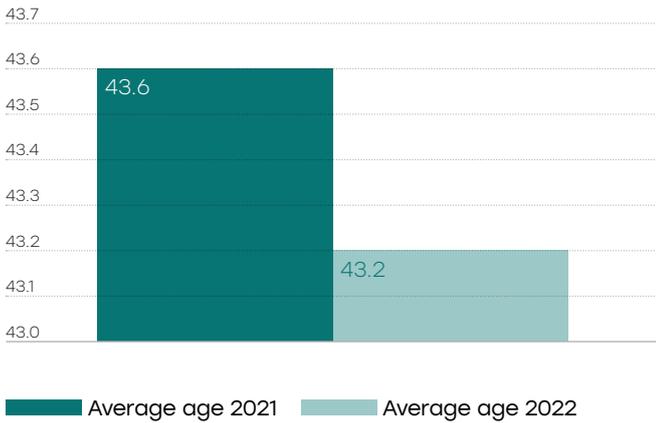
Turnover rate



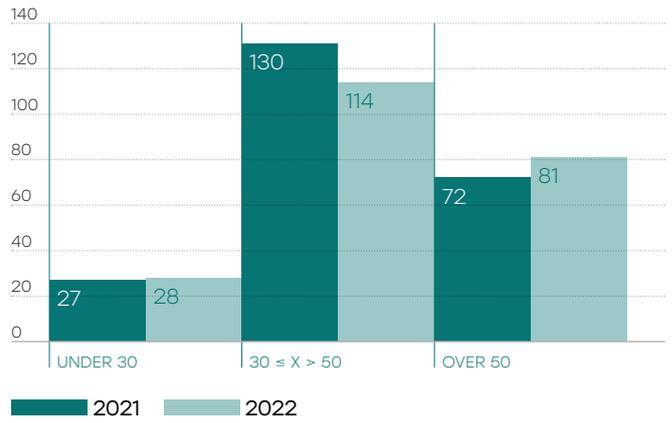
The company reorganisation that took place in 2021-2022 significantly lowered the average age of the company, thus guaranteeing continuity and ensuring an important investment for the future, given by the inclusion of younger staff with new skills oriented towards innovation, technological/IT development and internationalisation.

A constant dialogue between experienced colleagues and young recruits fosters a mutual exchange of skills and knowledge, leading to the growth of the individual and of the Group and enhancing the value of the more experienced workers who ensure the generational transition.

Average age of employees



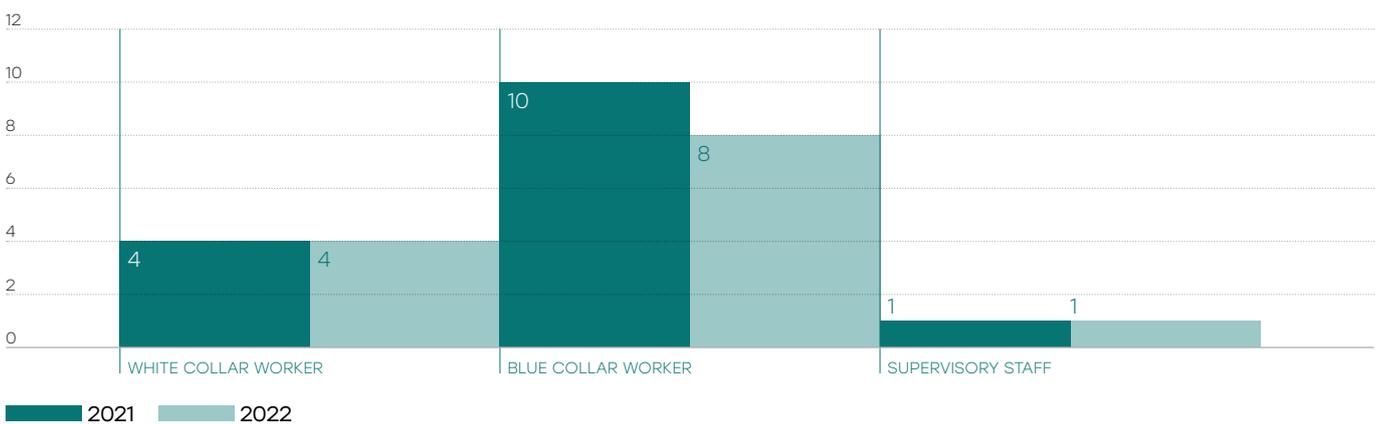
Staff age 2021-2022



The protection of employment and work in general is a key issue for Asonext, which is embodied in its commitment to maintain a stable employment level.

During the two-year period under review, 28 people were employed with different qualifications and roles according to skills and business needs.

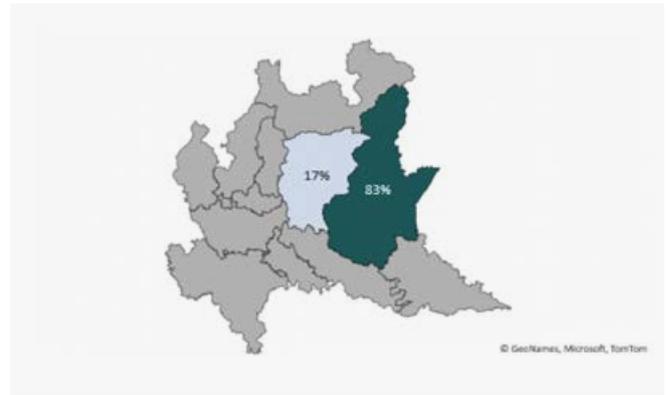
Qualification of new recruits 2021-2022



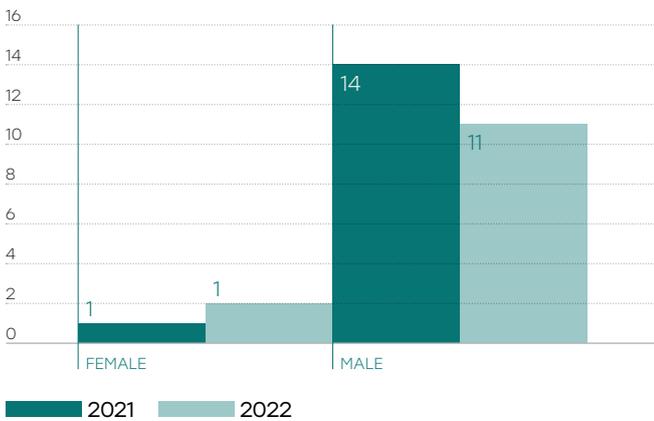
99.5% of employees are residents in the Lombardy Region (with the exception of one full-time employee resident in Trentino Alto Adige), and most of the new hires for the 2021-2022 two-year period are residents in Brescia and the surrounding area (83%), with the remaining 17% coming from the neighbouring Province of Bergamo, demonstrating how much the Company contributes to the enhancement of the talents of the area it operates in.

Among new recruits, the average age is around 29: 14 under 30, 9 in the 30-50 age group and 5 over 50; of these, 10% are female.

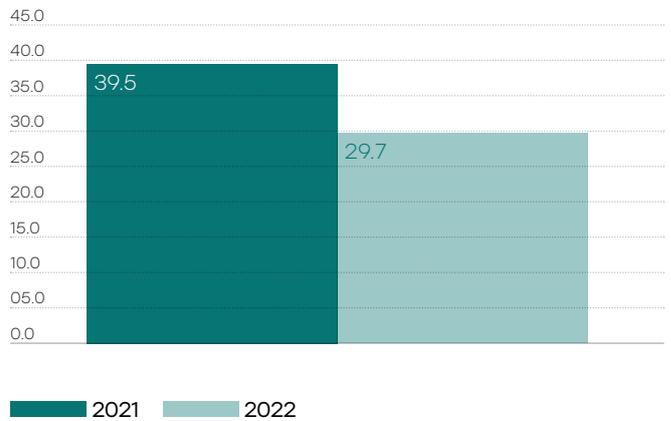
Geographical area of origin of new recruits 2021-2022



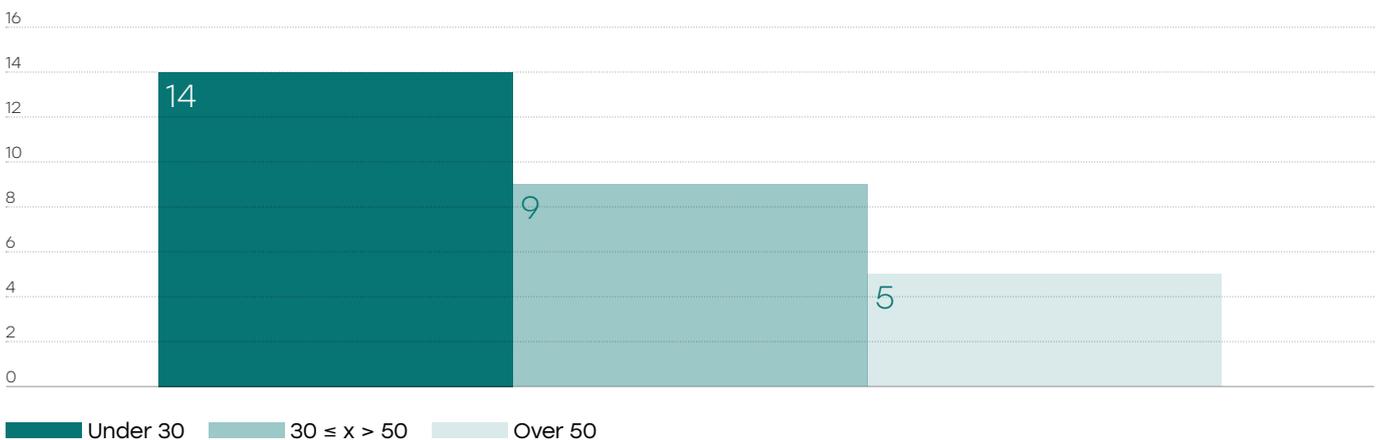
Gender of new recruits 2021-2022



Average age of new recruits 2021- 2022



Recruitment by age group 2021-2022



In addition to the directly hired employees, 9 workers were employed in 2022 under staff leasing contracts, 2 of whom were subsequently hired during 2022.

6.1.2 Benefits provided for employees

GRI 401-2

Aware that the wellbeing of its people is the key to achieving its goals, the Group is constantly striving to improve the work environment and the lifestyle of those who work at its plants and offices.

Asonext provides employees with a variety of company benefits, including insurance plans, health care plans and work-life balance tools.

In particular, in addition to providing its executives and middle managers with supplementary 'life and health' insurance, Asonext offers, as set forth by the CCNL, a Supplementary Insurance Plan through the 'Metasalute' fund for all employees. In addition, on a voluntary basis, the Group offers a supplementary pension plan (COMETA fund), guaranteeing an additional contribution from the company.

On the health prevention front, the company provides for compulsory examinations related to fitness for work and makes the company doctor available to employees once a month. It also organises flu vaccination campaigns on a voluntary basis.

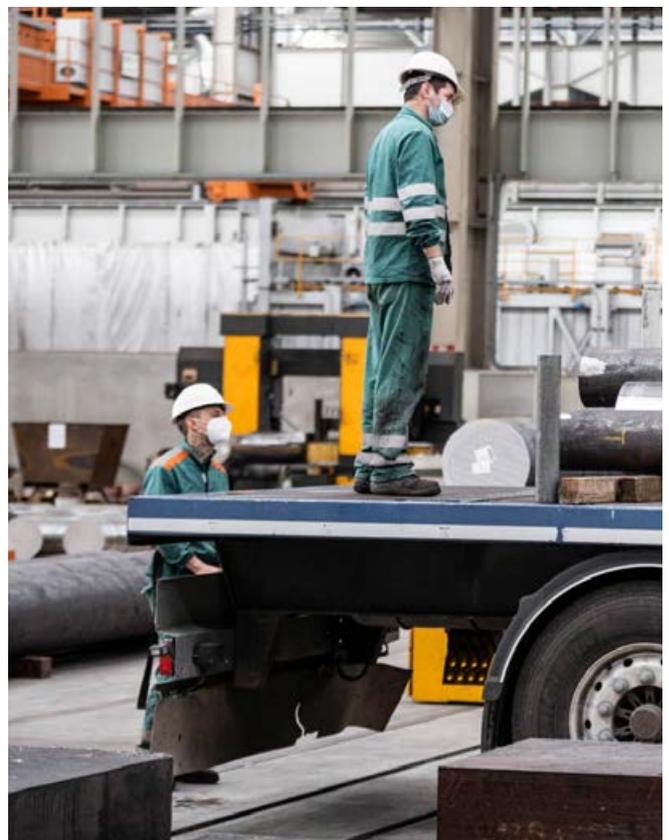
In order to facilitate the work-life balance of its employees, or in cases where the Company needs to reschedule staff presence, the Company promotes agile work as a mode for performing the employment relationship, regulating its use through internal regulations.

Since 2018, there has also been a welfare portal for all employees, where they can upload the variable bonus governed by the supplementary contract, in addition to the €200 provided for by the metalworkers' collective agreement.

The portal offers services, incentives and conventions such as: reimbursement of medical expenses (additional health insurance guaranteed), care of the elderly, child care, education, study support, health services and benefits, gyms, subscriptions to sports centres, travel, cinema and shows, theme parks, vouchers, financing and supplementary pensions.

In addition, as of 2020, the Company's Board of Directors has decided to award all employees, who have reached a certain length of service (11, 16, 21, 26 and 30 years), with a donation, to be used through

the Company Welfare Platform. With the aforementioned award, each year the company celebrates the increasing contribution made by its employees towards the achievement of its main goal: the creation of a solid company, oriented towards innovation and continuous development, and attentive to the personal well-being of its employees and their families.



6.2 REMUNERATION POLICY

GRI 2-20

Asonext's Remuneration Policy, in line with the company's values and consistent with standards and stakeholder expectations, is defined in such a way as to fulfil two main purposes:

- to design a remuneration system that is based on the principles of ethics, gender equality, transparency, quality, proactivity, belonging and valorisation, and that is effective not only in attracting, but also in retaining resources that, thanks to their high professional skills and qualities, can manage and operate successfully within the Company;
- to motivate these resources to achieve increasingly challenging performance, with the aim of continuous improvement, also through the use of incentive systems that can direct their behaviour towards the achievement of the company's strategic objectives, with a view to value creation.

The Group's remuneration policy was outlined by identifying three main areas.

This division developed from the need to highlight the differences in specialisation, positioning, and availability on the labour market of the profiles belonging to the individual areas.

They are:

- Production and maintenance area;
- Administration, human resources and services area;
- Commercial and marketing purchasing area.

Remuneration at Asonext is composed as follows:

- **Fixed Contractual Remuneration:** includes the remuneration set by the National Collective Labour Agreement and by the company's supplementary bargaining agreement, depending on the classification level of the profile;
- **Fixed Individual Remuneration:** this means the allocation of an individual extra allowance over the minimum pay upon the achievement of skills and objectives, which for some profiles is preparatory to possible transfers to subsequent levels;
- **Variable Individual Remuneration:** this includes function allowances, to be paid when assigning tasks other than those inherent to the specific task; one-off bonuses in recognition of a particular commitment made over a certain period of time or for a specific task; on-call time.

Fixed Contractual Remuneration is divided into:

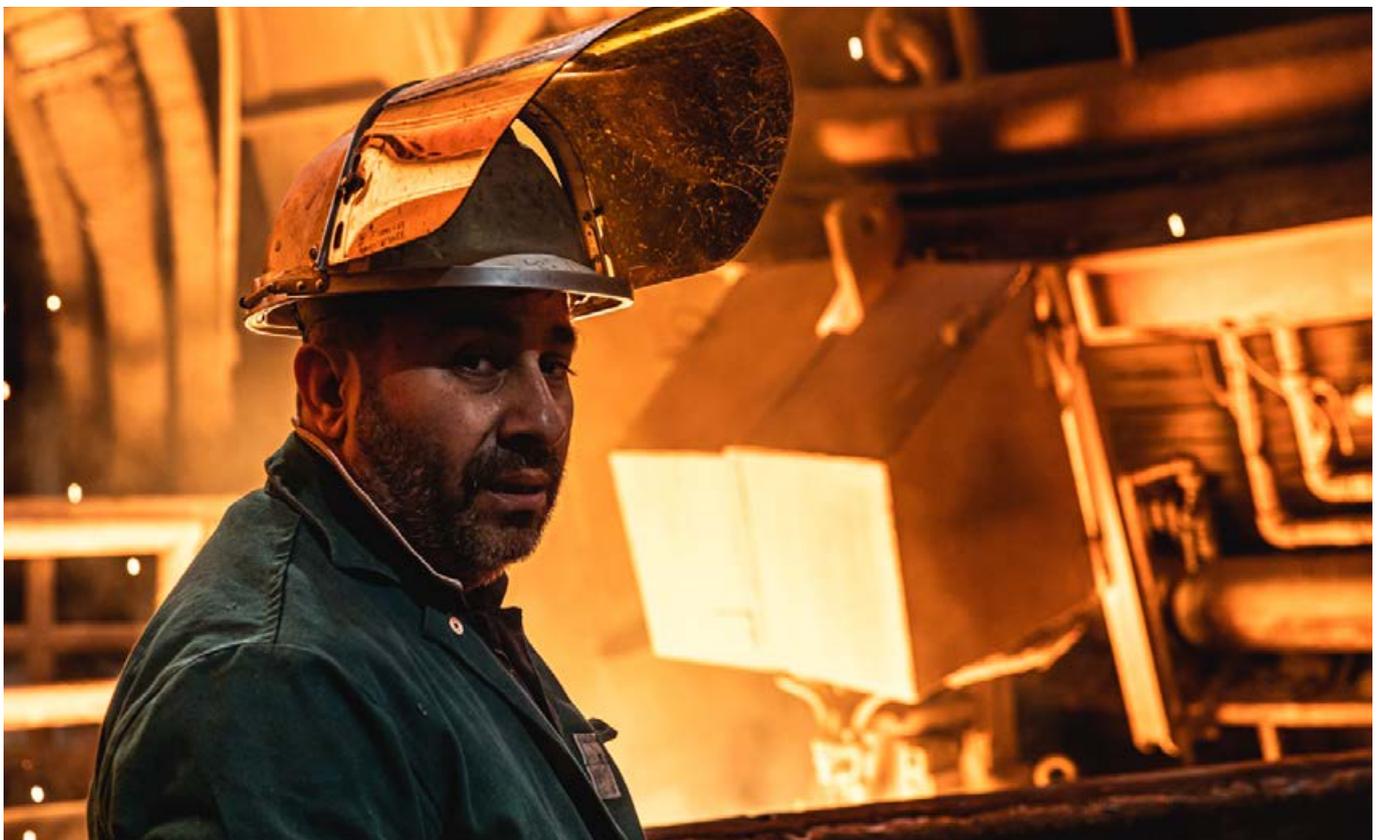
- **Level:** a minimum starting level and a maximum level of achievement is assigned for each area and each profile, according to the tables of the National Collective Labour Agreement for the metalworking sector;
- **Supplementary Company Bargaining:** reference is made to Level II bargaining signed by the Company and the unitary and territorial trade union representatives, which regulates matters delegated by collective bargaining.

La Retribuzione Fissa Individuale si articola in:

- **Individual extra allowance over the minimum pay:** this is an additional pay increase over and above the minimums laid down in collective bargaining. It is defined as a 'merit raise', as it is linked to the achievement of goals, skills and responsibilities.

Individual Variable Remuneration is divided into:

- **Function Allowance:** this is an allowance attributed to an individual worker or groups of workers, linked to certain fiduciary and strategic tasks for the Company, it is recognised only after a period, defined as per the attached table, of consolidation in the role;
- **One-Off:** this is an extraordinary recognition paid unilaterally by the company in order to enhance the commitment of an individual worker or a group of workers;
- **On-Call Availability:** is governed by the National Collective Labour Agreement and is granted to workers who, by virtue of their duties, must be available to meet unforeseeable needs in order to ensure the restoration and continuity of services, the functionality or safety of installations.



6.3 STAFF TRAINING

GRI 2-24, 404-1, 404-2, 403-5

6.3.1 Average annual training hours per employee

Asonext Group has always been attentive to the growth of its human resources and the continuous improvement of skills and professionalism that contribute significantly to the company's development.

Continuous training and professional development of staff significantly improve staff motivation, the company climate, efficiency and productivity. In addition, training and refresher courses make employees feel part of a team, developing critical thinking skills and enhancing interpersonal skills for team building. Skills, knowledge and motivation are the key levers that we have acted on to ensure improved results.

During the two-year period under review, the Group provided not only technical training, but also individual and group courses for the development of soft skills, preparatory to effective and productive interaction with colleagues; communication courses, employee management support, leadership courses and individual or group coaching sessions were provided.

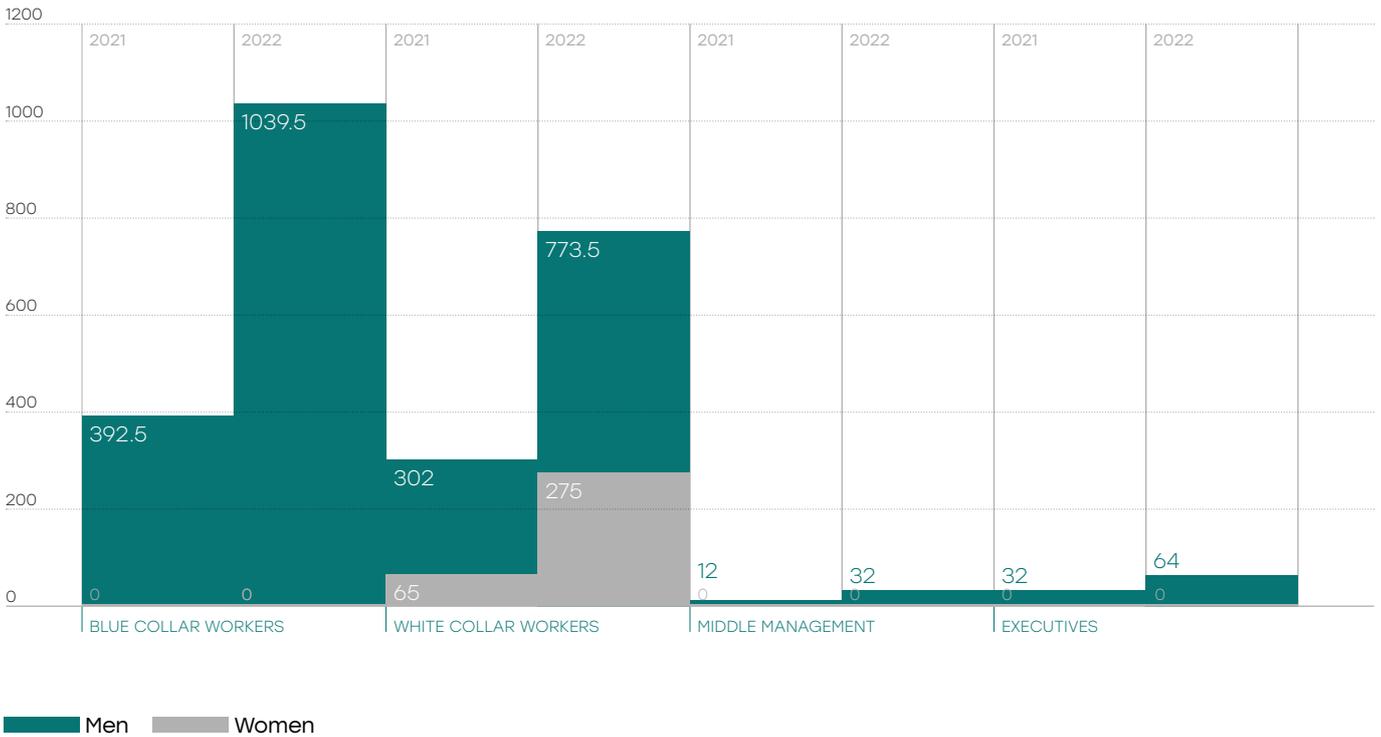
In addition to soft skills, Asonext also aims to strengthen the technical skills of its staff through the training of hard skills, partly acquired through education and partly increased through specialisation and experience in specific sectors.

In order to constantly stimulate the growth and updating of its employees, the Group's employees regularly participate in qualified seminars, webinars and conferences, relating to a multitude of topics, both specific to the steel sector and of a general nature on economic and industrial trends. A separate chapter concerns training on safety in the workplace;

the company, through various and targeted training courses, as well as specific 'training breaks', promotes the dissemination of a culture of safety in the workplace, the development of risk awareness, the consolidation of processes and procedures as well as the promotion of responsible behaviour

In the year 2022, 2,184 hours of training were provided, a sharp increase from the 803.5 hours provided in 2021. All categories of employees benefited from more training hours than in 2021, particularly white-collar and blue-collar workers, also for obvious reasons of the number of employees in these categories.

Training hours 2021-2022

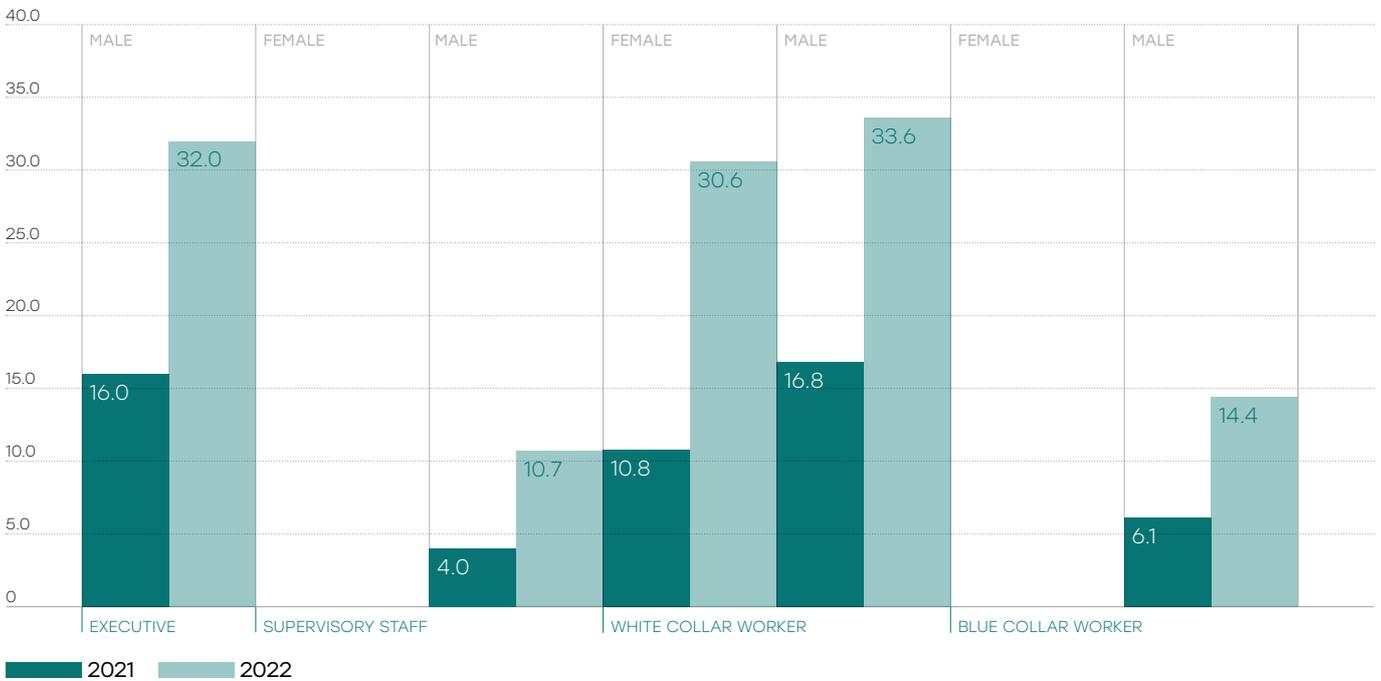


Also with regard to the average number of hours worked in 2022, we see a clear increase for each category and each type of employee compared to 2021, with white collar workers having the highest average hours.

The average hours of training in 2022 doubled in every category and gender; it should be noted that, with regard to female employees, the average hours of training even tripled; below is a table and a summary chart showing the average hours of training.

AVERAGE HOURS OF TRAINING BY QUALIFICATION AND GENDER	GENDER	2021	2022
EXECUTIVE	Men	16.0	32.0
AVERAGE HOURS EXECUTIVE TRAINING		16.0	32.0
SUPERVISORY STAFF	Women	0.0	0.0
	Men	4.0	10.7
AVERAGE HOURS OF MIDDLE MANAGEMENT TRAINING		4.0	10.7
WHITE COLLAR WORKER	Women	10.8	30.6
	Men	16.8	33.6
AVERAGE HOURS OF WHITE COLLAR TRAINING		15.3	32.8
BLUE COLLAR WORKER	Women	0.0	0.0
	Men	6.1	14.4
AVERAGE HOURS OF BLUE COLLAR TRAINING		6.1	14.4

Average training hours 2021-2022



The 2021 figures, both absolute and average, are also affected by the epidemic and the initial lockdown period, as a result of which all courses were initially suspended. For a short time, however, training courses were resumed, either in-person with only a few people to ensure minimum distances or, predominantly, on-line.

6.3.2 Employee skills upgrading and transition assistance programmes

Asonext's industrial strategy focuses on people, with their professional experience and skills.

Competence management and enhancement processes and activities support people throughout their career at the company, stimulating continuous training and constant reskilling, in a work environment that allows them to express their skills, experience sharing and professionalism to the full.

A strategy aimed at attracting and managing the profiles and skills needed to meet the new challenges posed by the market, first and foremost that of continuous innovation.

Since 2019, Asonext has been part of the Academy Siderurgica (Steelwork Academy), developed from the collaboration between players in the steel industry such as Duferco Italia Holding, Feralpi Group, Pittini Group, Acciaierie Venete and Ori Martin.

The aim of the Academy is to overcome individual company differences in order to create shared paths aimed at providing transversal competences, soft skills and additional technical knowledge.

The training courses organised by the Academy include:

- **Management4steel:** the first training course designed by the Academy, it proposes an overview and was created to align the skills of women and men working in companies grappling with an increasingly technological and innovative industrial landscape. In this context, the promoting companies have developed a framework agreement to train their resources so that they can increase their technical, strategic and organisational expertise. The training course, now in its third edition, developed in collaboration with Officina

Pittini per la Formazione and ISFOR Formazione e Ricerca, provides an ad hoc structured programme to develop the necessary notions to increase a mindset open to innovations and to foster collaboration between steel companies.

- **Mechanical4Steel and Electrical4Steel:** courses aimed at maintenance department personnel to deepen their knowledge of technical topics with classroom sessions and practical drills in the department;
- **Leadership4Steel:** training courses mainly aimed at managers in the Operation area, with the objective of developing the managerial skills needed to coordinate a work group.
- **Future4Steel:** a project started in October 2022 as an active response to the well-known problem of skill mismatching, i.e. the discrepancy between the skills of candidates and those actually sought by companies. Focusing mainly on the role of the steel maintenance technician, Asonext selected four students mainly from higher education courses in the technical field, with the aim of pairing them with the company's experienced maintenance technicians in order to grow new resources on the specific knowledge and skills required by the role of the steel maintenance technician. The course, which will end in June 2023, will involve theoretical lessons (400 hours at the CNOS -FAP Istituto Salesiani Don Bosco in Brescia) and practical experience directly in the field - which will take place at the plants of the companies involved - and may offer, in addition to a certificate of higher specialisation, the possibility of becoming a permanent part of Asonext Group. At the end of the course, participants will obtain the professional qualification of expert in installation and maintenance techniques for civil and industrial systems, as well as the possibility of being employed in the company's workforce.

6.4 HEALTH AND SAFETY AT WORK

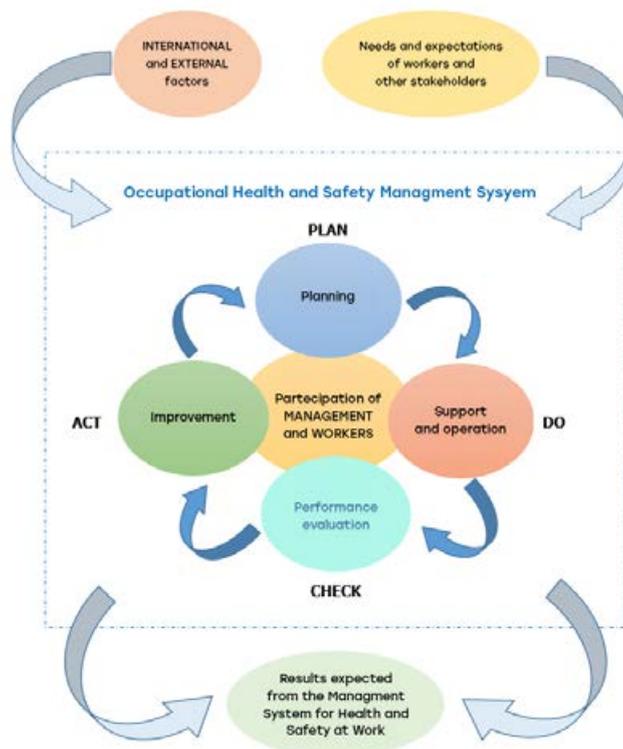
GRI 2-16, 2-23, 2-24, 403-1, 403-2, 403-7

In an occupational context such as the steel industry, in order to protect the health and safety of all workers in the best possible way, it becomes essential to focus on an accurate assessment of all risks existing in the plants and their consequent strict management.

The Asonext Group has always regarded safety in the workplace as a fundamental pillar underpinning all its activities. As such, all strategic decisions taken by the organisation are integrated with the dynamics related to workers' health and safety, thus becoming an inseparable and indissoluble part of its production processes.

The Health and Safety Management System adopted by Asonext was created with the aim of providing the entire organisation with an effective tool capable of implementing an iterative process based on the PDCA (*Plan-Do-Check-Act*) concept:

- **PLAN:** identify and assess occupational health and safety risks related to their production activities and, more generally, risks and opportunities in relation to their context and stated objectives;
- **DO:** perform planned processes;
- **CHECK:** determine the checks and monitoring of activities;
- **ACT:** take action with a view to continuous improvement.



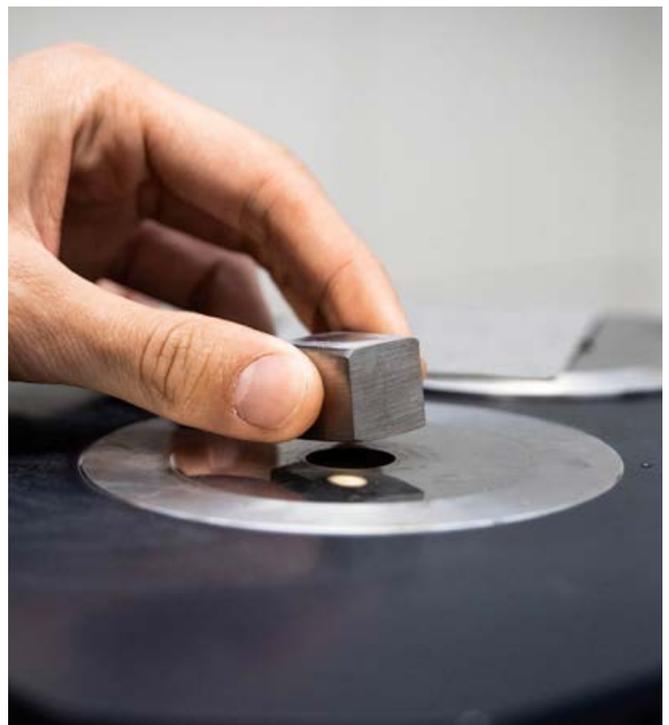
The Management System adopted by Asonext in accordance with the UNI ISO 45001 standard is certified by an accredited third party through periodic audits to verify compliance with all regulatory requirements.

By adopting a Safety Management System, Asonext demonstrates its commitment to achieving the objectives set by management. First and foremost, through a risk-based thinking approach, in which context analyses (reviewed on an ongoing basis) and periodic re-evaluations of the risks and opportunities inherent in its activities are carried out.

During management meetings and gatherings (management review, periodic meetings pursuant to art. 35 of Legislative Decree No. 81/08, work groups convening at pre-established frequency and other moments of evaluation and comparison), through the analysis and monitoring of safety indicators and KPIs, the direct and indirect impacts that every activity undertaken by the Company entails on workers' health and safety are constantly monitored.

Based on the analysis of the indicators, this results in the planning and subsequent implementation of appropriate corrective and preventive actions, with a view to continuous improvement of its performance.

The steel mill is a Major Accident Risk (RIR) company subject to the obligations of Legislative Decree 105/2015. It therefore has a specific management system subject to regular checks by a technical commission formed by ARPA Lombardia and the Fire Brigade. The last audit was conducted in December 2022 and passed.



6.5 WORKER PARTICIPATION

GRI 2-24, 403-4

Asonext considers it indispensable, in order to successfully pursue the set health and safety objectives, that activities must be carried out by all parties concerned, each within their own sphere of competence.

With this in mind, the planning and preparation of activities and tools aimed at increasing the degree of involvement of all workers becomes central, so that all internal and external personnel can (and must) make their contribution. Asonext has therefore made employee participation the central focus of the adopted Management System.

The involvement of workers is ensured through a series of measures, ranging from the organisation of non-compulsory training courses with the aim of increasing staff awareness of safety issues, involvement in discussions dedicated to the analysis of recorded events, or the scheduling of special 'training breaks' in the field, held in the various production departments.

Among the tools used to facilitate the management of all safety aspects within plants are special management software such as Alfagest. Introduced in Asonext Group's Management System as of 2017, Alfagest is an IT system specifically designed to manage security at all company levels and tends towards the digitisation of production processes.

The adoption of software such as Alfagest makes it possible, among other things, to manage:

- workers' records;
- the scheduling of training and information courses and health examinations;
- regulatory compliance and legislative deadlines;
- events relating to accidents, near-misses, dan-

gerous situations, as well as the management of non-conformities and improvement actions;

- reports from workers. All supervisors in the various production departments can rely on a tool to make reports of events, near-misses, incidents or proposals for improvement, shared with management and automatically recorded by the system;
- all external companies, which perform activities at the plants that may create interference with Asonext's production activities, are registered and managed through the portal, which also allows the creation and sharing of all contract documentation, including the Single Document for the Evaluation of Interference Risks;
- sharing with all area managers and supervisors (and workers upon request to their supervisors) up-to-date occupational health and safety documentation (e.g. safety job descriptions, operating procedures, emergency plan and the Risk Assessment Document and others).

Through the creation of credentials for web-based access, managers, supervisors and workers are able to log into the portal to access all the information of their purview and competence. In this way, safety, starting with clarity of roles and effective corporate communication, aims to become a shared and participatory process at all levels.

6.6 MANAGEMENT INVOLVEMENT

GRI 2-13, 2-16, 2-17, 403-1, 403-2, 403-4

In 2021, a work group was set up to address health and safety issues for workers. The work group consists of:

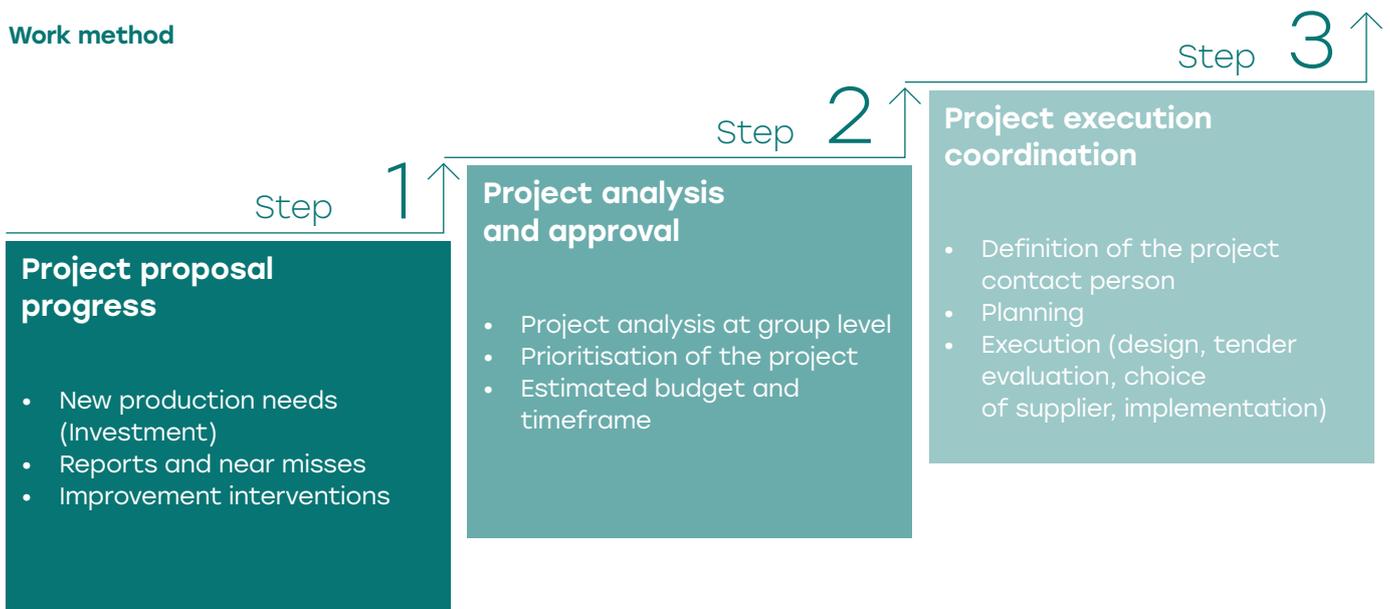
GENERAL MANAGEMENT	EMPLOYER
SECURITY AREA	RSPP (health and safety officer)
AREA HSE & SUSTAINIBILITY	ENVIRONMENT, SAFETY AND SUSTAINABILITY COORDINATION
PRODUCTION AREA	OPERATIONS MANAGEMENT
TECHNICAL AREA	TECHNICAL OFFICE MANAGER

The main objectives of the work group are:

- Improving health and safety conditions in the workplace;
- Helping to spread awareness among workers;
- Decreasing accidents;
- Minimising risks;
- Reducing the direct and indirect impacts of accidents.

The technical functions of the work group meet weekly, while the Employer attends the meetings every 15 days. The work method applied can be schematised in the following image:

Work method



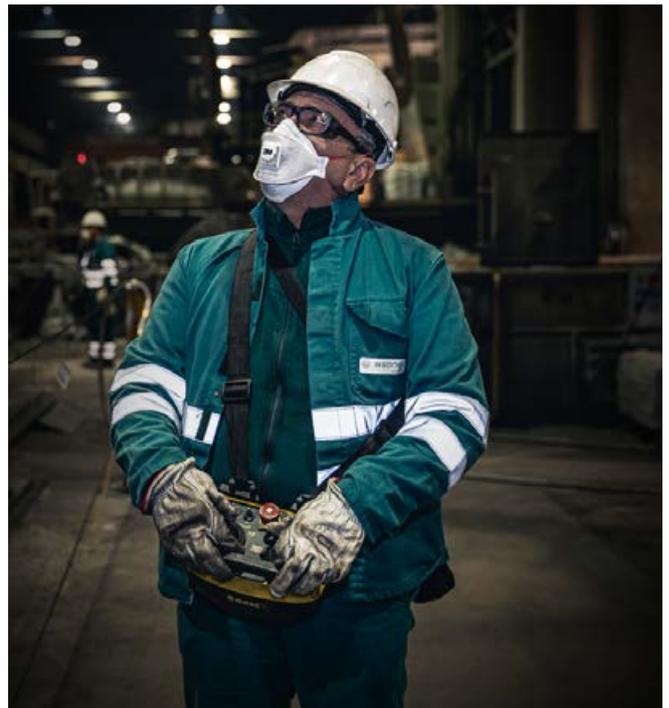
The improvement projects drawn up by the work group feed into the 'Safety and Environment Improvement Plan'.

6.7 INFORMATION AND TRAINING

GRI 2-24, 403-5

Asonext recognises the importance of training on health and safety requirements for workers. Occupational accident prevention measures aim to avoid human error in the work environment. To this end, the most effective tool at the company's disposal is to plan and provide punctual training courses capable of increasing the awareness of all personnel involved. It is therefore of paramount importance to ensure that all workers, supervisors and managers are adequately trained and prepared on the importance of the safety regulations to be adopted in production processes.

Asonext considers training as an investment and an opportunity. In fact, training courses make it possible to: prevent accidents and related costs, contribute to a healthy and sustainable work environment, maintain a high level of quality and thus increase company competitiveness.



6.8 ACCIDENTS

GRI 403-9

Asonext focuses its attention on reducing the number of accidents, injuries and occupational diseases. The following table shows the accident trends of Asonext Group employees:

DESCRIPTION	2021	2022
TOTAL NUMBER OF ACCIDENTS	6	6
TOTAL NUMBER OF SERIOUS ACCIDENTS ⁸ (STD. GRI)	0	0
TOTAL NUMBER OF DEATHS ON THE JOB	0	0
TOTAL NUMBER OF HOURS WORKED	365,322	326,112
AVERAGE DURATION OF INJURIES (DAYS)	40.50	33.33
RATE OF RECORDABLE ACCIDENTS ⁹	16.42	18.40

At present, cases of occupational diseases are excluded.

The trend in accidents for personnel not employed but working for Asonext Group is shown:

DESCRIPTION	2021	2022
NUMBER OF STEEL MILL ACCIDENTS	1	2
NUMBER OF ACCIDENTS FORGING PLANT	0	0
TOTAL NUMBER OF ACCIDENTS	1	2
NUMBER OF SERIOUS ACCIDENTS IN STEEL MILLS	0	0
NUMBER OF SERIOUS ACCIDENTS FORGING PLANT	0	0
TOTAL NUMBER OF SERIOUS ACCIDENTS	0	0
TOTAL NUMBER OF DEATHS ON THE JOB	0	0
TOTAL NUMBER OF HOURS WORKED	33,164	31,121
AVERAGE DURATION OF INJURIES (DAYS)	9	31,5
RATE OF RECORDABLE ACCIDENTS	30.15	64.27

⁸ As defined by the GRI standard, an injury is serious when it results in an absence of more than 180 days

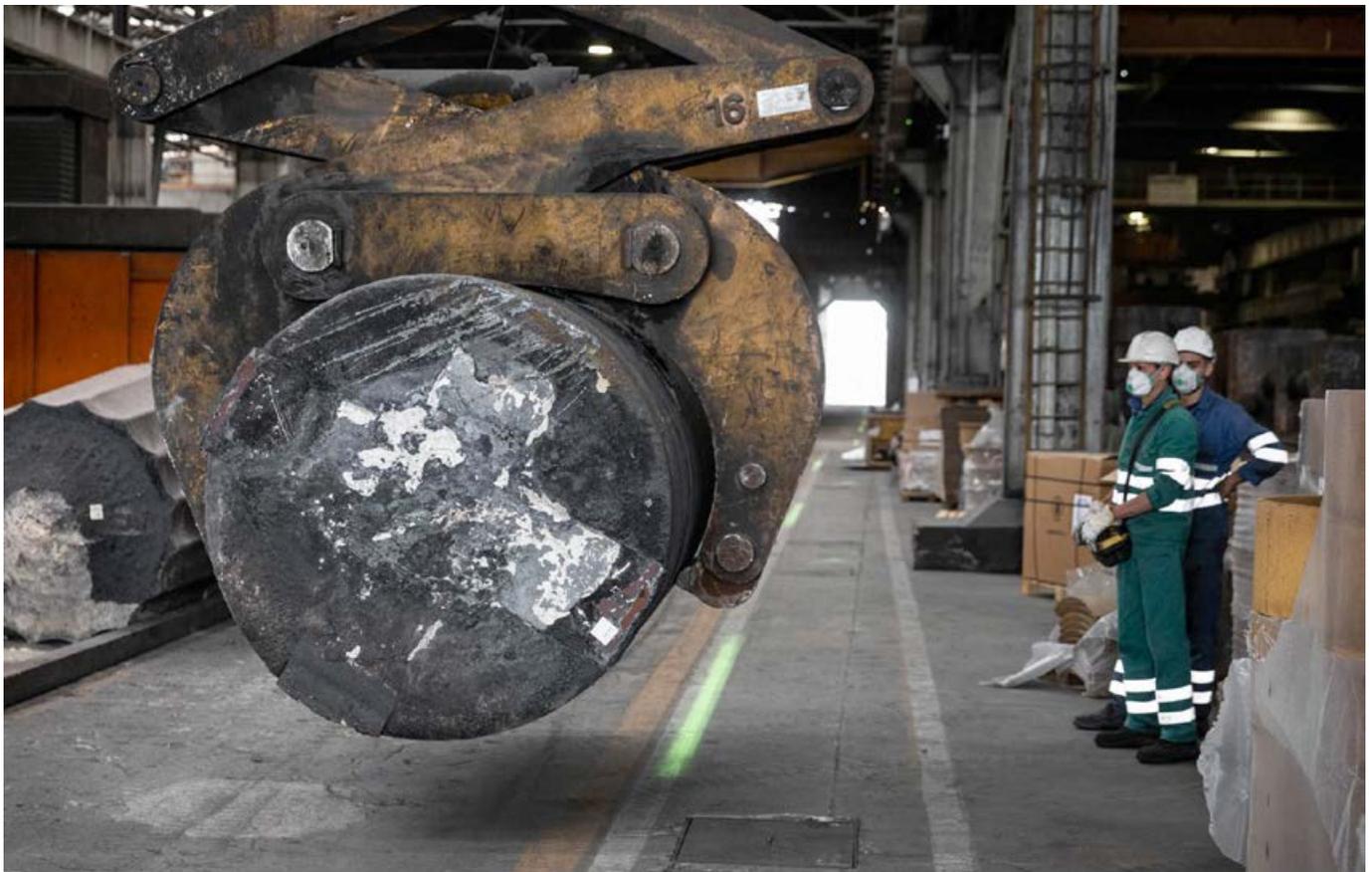
⁹ The index is calculated as the ratio of the number of accidents to the number of hours worked, multiplied by 1,000,000

6.9 MAIN TYPES OF ACCIDENTS

GRI 403-9

Following each accident, the offices in charge analyse the event, the causes and propose preventive or corrective actions. As required by the GRI, the main types of accidents recorded in 2021-2022 are listed:

- cut wounds;
- foreign bodies in the eye;
- bruises;
- sprains;
- crushing;
- minor burns;
- fractured bones.



6.10 EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

GRI 2-23, 406-1

6.10.1 Incidents of discrimination and corrective measures taken

Asonext has always supported and respected human rights in accordance with the UN Universal Declaration of Human Rights.

In particular, the Group promotes respect for the physical, cultural and moral integrity of its male and female collaborators, as well as guaranteeing working conditions that respect individual dignity, safeguarding male and female workers from acts of psychological violence and opposing any attitude or behaviour that is discriminatory or harmful to the person. In full compliance with the Code of Ethics and Corporate Model 231, Asonext undertakes to avoid any discrimination on the basis of age, gender, sexuality, state of health, race, nationality, political opinions and religious beliefs, in all decisions affecting relations with stakeholders.

In the context of personnel management and development processes, as well as in the selection phase, decisions made are based on matching up expected profiles and profiles possessed by employees and/or on merit.

The elimination of discrimination in employment and occupation is facilitated by the fact that the Group's employees, who work in the production plants, belong to different nationalities and operate in an atmosphere of strong social integration and mutual respect.

This set of company rules and values meant that no incidents of discrimination were reported during the two-year reporting period. Diversity management.

6.10.2 Diversity management

Asonext has long implemented internal practices to facilitate maternity and retain female staff in the organisational structure, even after the birth of the children. The adopted management models include best practices for:

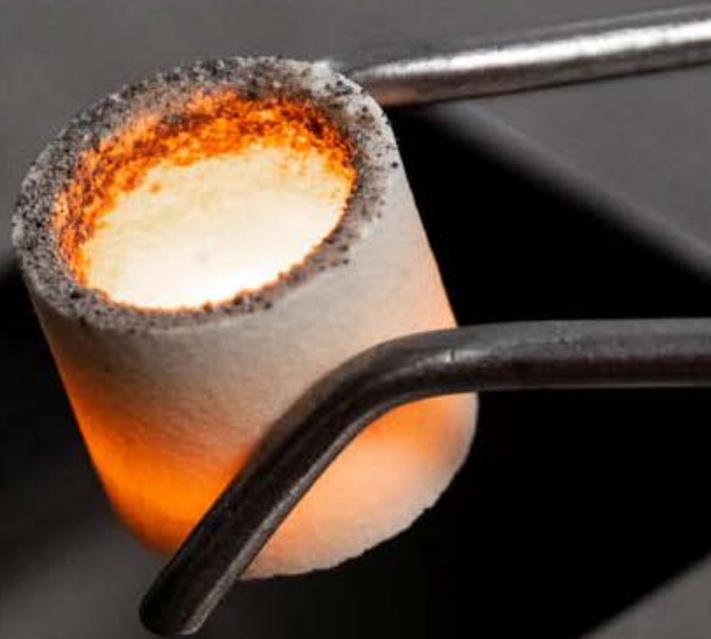
- prioritising family-work balance;
- working from home;
- planning maternity leave for female staff, in order to be able to provide a replacement for the person who will be absent;
- planning the return to work of new mothers, in order to ensure proper support and a gradual increase in work hours and workload;
- creating reserved parking spaces for female staff, close to the offices, in order to facilitate the home-work commute;
- offering 'reduced and flexible' hours for mothers who need them.

With a view to diversity management, in 2011 Asonext (in collaboration with the AIB foundation and the University of Brescia) participated in and developed a programme for female managerial growth. The programme, entitled 'Women, technology and entrepreneurship', was based on onboarding a female figure enrolled in her last academic year of a technical-scientific degree programme. The candidate, who met certain requirements mainly related to her university career (average and number of examinations taken), held a motivational interview with the tutors and company contact persons. In the event of a positive assessment, the candidate was placed in the company with a paid 'internship' contract and mentored by a tutor.

In the specific case of Asonext, the '*Women, technology and entrepreneurship*' programme successfully concluded with the permanent employment of the 'intern', who is still with the company today and holds positions of responsibility closely related to her major.

Asonext selects personnel by valuing specific skills and on the assumption that different nationalities, genders and ages of candidates can represent an element of cultural enrichment for the entire organisation, ensuring different points of view and experiences. During the two-year period under review, the company hired people of different nationalities, genders and ages.

With regard to the management of people with disabilities, Asonext complies with the regulations by ensuring the presence of people belonging to protected categories in the various areas of the workforce. The company also has specific agreements with social cooperatives that employ fragile people to provide certain services (cleaning, laundry, etc.).



6.11 COMMUNITY RELATIONS

GRI 413-1

Since its foundation, Asonext Group has considered it of fundamental importance to create forms of collaboration, involvement and dialogue with local communities.

The companies of Asonext Group and the areas they develop and create wealth must be able to mutually benefit from their coexistence and mutual recognition.

The maintenance of relations with the communities is realised through the development of activities aimed at supporting, in particular, the population living in the municipalities of Ospitaletto and Castegnato.

Collaboration with communities has developed through participation in charitable activities, of which it is worth mentioning:

- The sponsorship of scholarships and degree prizes for deserving students in the Municipality of Castegnato and for students participating in the Summer School organised by the Istituto di Studi Economici e per l'Occupazione (Institute of Economic and Employment Studies) (I.S.E.O.);
- Donations to non-profit organisations, such as: Green Cross of Ospitaletto, VISION+, Amici di Francesco;
- Donations to foundations, such as: Brescia Musei, AIB Foundation, AIRC for Cancer Research ETS.

It should be noted that since 2019, as part of an urban sustainability project in the Municipality of Ospitaletto, an on-site exchange system for excess heat in the cooling circuits of the melting furnaces has been implemented. The surplus energy is transferred free of charge to the city's cold district heating network and used to run the heat pumps in Ospitaletto's school buildings.

The community of Ospitaletto has thus benefited -and continues to benefit- from a source of energy production without carbon dioxide emissions that has allowed the elimination of all existing methane boilers, guaranteeing the citizens monetary savings.

Asonext also participates in the Fondazione della Comunità Bresciana (FCB), a foundation established in 2001 by the Fondazione Cariplo on the model of the US *community foundations*.

Over the years the Foundation is an autonomous entity that has consolidated its role as a territorial point of reference able to act as an intermediary between those who can and wish to donate and those who, on the other hand, need to receive in order to be able to carry out socially useful projects.

The organisation is moving in the direction indicated by modern philanthropy and wants to be a transparent flywheel of local development, a catalyst of resources capable of stimulating new projects, networking organisations and associations that together have shown they can achieve great goals.

A fund named memory of Aldo and Mara Artioli has been created within FCB, which aims to

'support the various needs of the Province of Brescia, with particular attention to social, cultural, artistic and scientific development and growth'.

6.12 LABOUR RELATIONS

GRI 2-30

Asonext has historically had Unitary Trade Union Representatives (RSU), whose relations with the company have always been characterised by transparency and a spirit of cooperation.

Asonext recognises the RSUs (Trade Union Representatives) as key interlocutors for the management of Human Resources and for the development of OSH/ Training issues, it has always maintained a dialogue with them on the key issues for employees, in a transparent, open manner and in full respect of the roles.

6.12.1 Collective agreements

GRI 2-30

All employees are covered by forms of 'collective bargaining'; the reference contract applied to all employees is the CCNL Metalworkers- Industry, while the National Collective Bargaining Agreement for Executives of Companies Producing Goods and Services is applied to managers. On 15 July 2022, the company's second-level contract was also renewed after negotiations with the RSUs (Trade Union Representatives) that began in early 2022.

In the new integrative contract, the company and the RSU (Trade Union Representative) confirmed their common commitment to achieving objectives to improve company efficiency and quality, as well as safety at work, also through a more intense involvement of workers.

In fact, the parties shared the priority of concluding an agreement that, through the participation of the workers themselves in the pursuit of objectives to improve the levels of measured product quality (through the reduction of waste, non-conformities and so-called 'deviations and dilutions'), could make a significant contribution to company competitiveness.

Furthermore, the Parties have ascertained that the involvement of all employees in the dissemination of the company's safety and environmental protection 'culture' is a decisive factor for the Company's improvement.

For the above reasons, in the new supplementary contract, the annual variable bonus is allocated to all employees depending on the achievement of annual safety and quality parameters.

In addition to the variable bonus, the new supplementary contract increased the economic values of fixed monthly bonuses, with a special focus on the so-called 'shift workers', in recognition of their commitment and flexibility, especially in recent years.



7 SUSTAINABILITY IMPROVEMENT PLAN

GRI 2-17, 2-25



The definition and management of improvement goals regarding ESGs is done through the *PLAN-DO-CHECK-ACT* mechanism.

Based on the assessment of the analysed impacts and aspects, themes and priorities for action are defined. Subsequently, the interventions themselves are designed and the effects introduced by them are measured in order to calibrate possible corrective actions.

The improvement plan for the period 2023- 2025 will be based on the three pillars of sustainability (see summary table). Its progress and the achievement of objectives will also be monitored through the use of specific performance indicators.

In this edition of the sustainability report, emphasis will be placed on the **S.P.A.C.E. for Steel** project.



7.1 S.P.A.C.E. FOR STEEL

(SUSTAINABLE POWER AND
CIRCULAR ECONOMY FOR STEEL)

In the current steel industry scenario, the competitiveness of the business cannot disregard the need to reduce environmental impact and pay special attention to sustainable development as a pillar of fundamental importance to ensure economic, environmental and social improvement. This is both because legislation places increasingly stringent limits on the parameters to be met regarding emissions that comply with legal limits, and because integration with the surrounding community is increasingly becoming an opportunity to ensure the long-term viability of production sites.

For this reason, technological efforts to improve the performance of processes and product quality cannot neglect sustainable development in which a circular economy is widely used as the basis for cutting-edge economic development with sustainable actions and behaviours that encourage a strong use of circularity of resources and minimise waste. The developed project moves precisely in this direction.

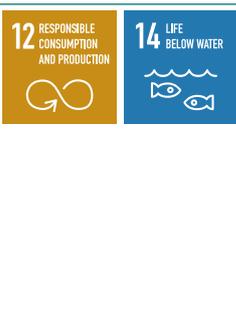
In fact, the aim of the project is to build a series of plants that provide solutions for a significant reduction in steel production waste and the minimisation of the social-environmental impact due to steel production.

By implementing innovative solutions oriented towards the principles of circular economy and energy efficiency, Asonext aims to realise a production system with minimal environmental impact.

The project is not only limited to the perimeter of the Ospitaletto site, but will have wider repercussions, as it will give value to waste materials from other sectors by introducing them into its own production process. Based on these green economy concepts, Asonext intends to design and implement the following plant engineering interventions.

- 1 Development of a system for recycling slag for the production of inert materials for reuse in production. The process to be developed will allow the chemical-physical properties of slag components produced by thermal processes to be exploited and enhanced. The various granulometric fractions resulting from slag processing can be dosed (on site) with natural materials (minerals) and/or cement and/or water, mixed in a special mixer to produce cold-bound conglomerates that, subject to certification, can be marketed.



<p>2 Development of a system for replacing raw materials from fossil sources with recycled materials (SRA secondary reducing agent or other types of secondary raw materials, e.g. Biochar etc.) within the steelmaking process with benefits in terms of a replacement rate of anthracite with SRA > 50%, energy savings, electrode consumption savings, standardisation of the chemical composition of the slag and the slag foaming process, and reduction of CO₂ emissions..</p>	
<p>3 Development of an industrial-scale system to stabilise the supply voltage to three-phase systems. The innovation will allow the study and experimentation of different plant utilisation profiles in order to maximise reduction:</p> <ul style="list-style-type: none"> ☑ In electricity consumption, creating a reduction in the environmental impact of electricity consumption. ☑ In electrical disturbances that the use of plant engineering solutions could transmit externally on the general network. 	
<p>4 Development of technological solutions for natural gas consumption efficiency through:</p> <ul style="list-style-type: none"> ☑ The construction of a refractory temperature maintenance system positioned inside the AOD converter. The system is equipped with recuperative technology that transfers the heat of the combustion fumes to the combustion air. The released heat saves the consumption of fossil fuels. ☑ Optimised plant for performing stress-relieving annealing cycles for the treatment of ingots. Interconnected system equipped with energy-saving technologies. 	
<p>5 Development of technological solutions to achieve circular use of water resources with:</p> <ul style="list-style-type: none"> ☑ More rational use of cooling water for installations by improving the flexibility of the entire circuit with the aim of minimising withdrawal. ☑ Improved water quality to maximise heat exchange and reduce circuit losses. ☑ Minimise exhaust. 	

Sustainability Improvement Plan 2023-2025

ENVIRONMENTAL THEMES	DESCRIPTION	ACTION/OBJECTIVE
WASTE MANAGEMENT	Implementing initiatives to increase waste recycling	Construction of a system for steel mill slag self-recycling
ENERGY EFFICIENCY	Implementing initiatives to increase energy efficiency	Introducing additional systems to decrease specific electricity and natural gas consumption
ENERGY EFFICIENCY	Implementing initiatives to decarbonise the production cycle	Construction of an EAF injection system of recycled materials (biochar or SRA) instead of hard coal
USE OF RECYCLED MATERIALS	Implement initiatives to increase the use of recycled materials. Recycling of waste	
WATER SAVING	Increasing water efficiency	Introducing additional systems to decrease specific water consumption for industrial use
USE OF ALTERNATIVE ENERGY SOURCES	Implementing initiatives to replace traditional fossil fuels with renewable fossil fuels	Greenmetal project: use of biomethane instead of fossil methane
SOCIAL ISSUES	DESCRIPTION	ACTION/OBJECTIVE
HEALTH AND SAFETY	Maintaining ISO 45001 to improve OSH-related performance	Reducing the number of accidents through technological improvements and worker training
TRAINING	Raising the educational level of employees	Planning and consolidating interventions aimed at the growth of employees' hard and soft skills
INITIATIVES FOR WORKERS	Support for corporate welfare	Modernisation and renovation of the canteen, changing rooms and office area. Consolidation of the corporate welfare portal
INITIATIVES FOR THE COMMUNITY	Supporting Communities	Strengthening the relationship with local communities through dialogue, cultural initiatives and donations
COLLABORATION WITH TRAINING ORGANISATIONS	Building quality education	Consolidating the relationship with the 'Academy siderurgica (Steelwork Academy)' for 'ad hoc' designed training courses for each category and profession.
GOVERNANCE THEMES	DESCRIPTION	ACTION/OBJECTIVE
TECHNOLOGICAL INNOVATION	Development of new products	Developing also in cooperation with universities and research institutions, new processing methods/recipes to produce new high quality special steels and/or for emerging sectors
ECONOMIC GROWTH	Generating economic value	Constant growth of the organisation
CUSTOMER SATISFACTION	Satisfying customer needs also through continuous monitoring of the level of satisfaction	Developing and implementing the customer satisfaction measurement system and continuously improving the evaluation rating
PRODUCT QUALITY	Continuously improving the quality standards of the steels produced	Maintaining a system for monitoring complaints in order to constantly decrease the number. Introducing new qualifications/certification to ensure high quality standards
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8

GRI CONTENT INDEX



GRI content index

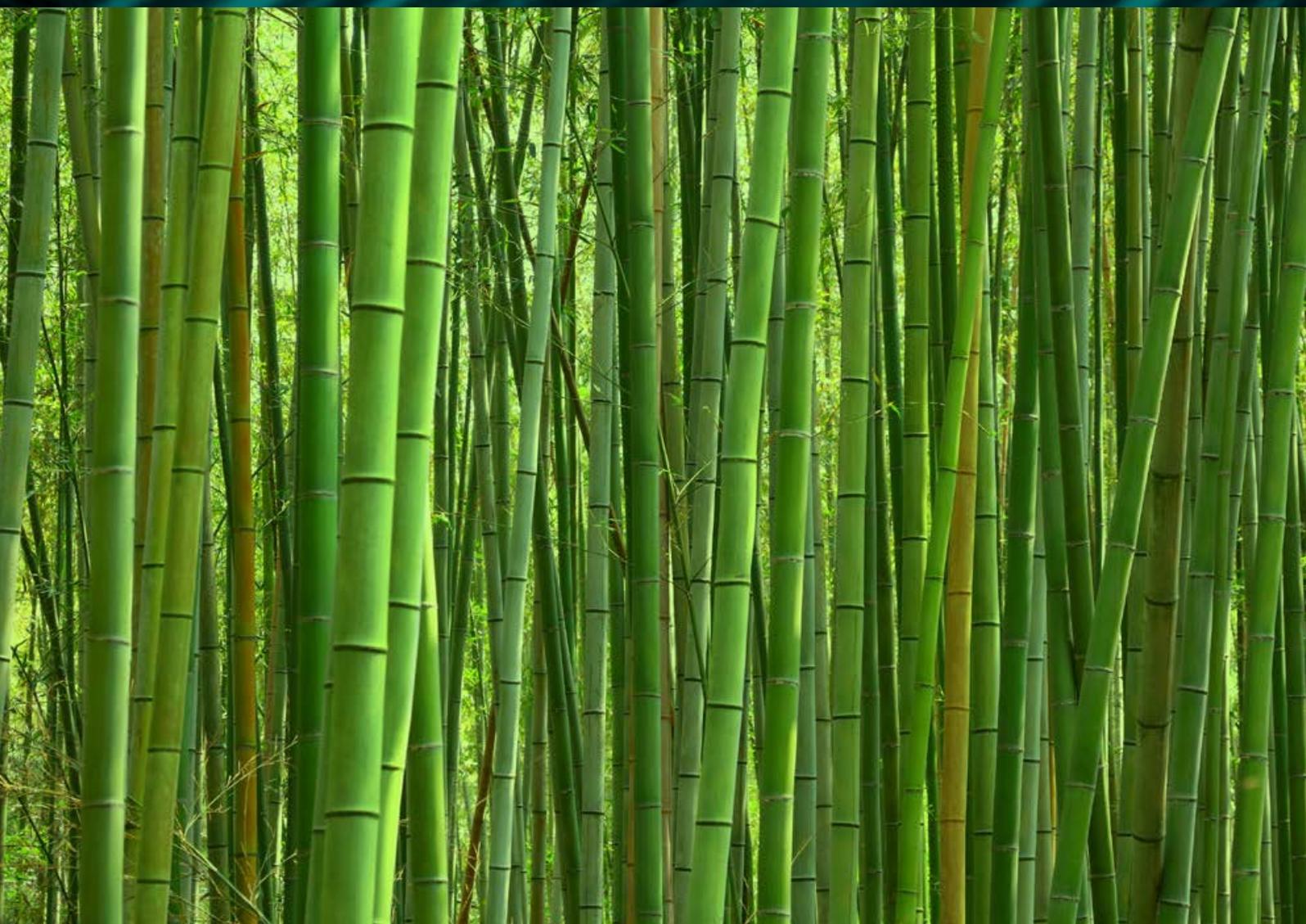
Declaration of use	Asonext SpA reported the information mentioned in this GRI content index for the period from 01 January 2022 to 31 December 2022, with reference to the GRI Standards
UTILIZZATO GRI 1	GRI 1 - Fundamental Principles - version 2021

GRI STANDARD	GRI DESCRIPTION (DISCLOSURE)	CHAPTER (LOCATION)
GRI 2: General Information 2021	2-1 Organisational details	4.2
	2-2 Entities included in the organisation's sustainability reporting	3, 4.2
	2-3 Reporting period, frequency and point of contact	3
	2-4 Review of information	3
	2-5 External assurance	3, 10
	2-6 Activities, value chain and other business relationships	4.2, 4.10
	2-7 Employees	4.1.2, 6.1.1
	2-8 Non-employees	6.1.1
	2-9 Governance structure and composition	4.6.2
	2-10 Appointment and selection of the highest governing body	4.6.1
	2-11 President of the highest governing body	4.6.1, 4.6.2
	2-12 Role of the highest governing body in impact management control	4.6.2, 4.10
	2-13 Delegation of responsibility for impact management	4.6.2, 6.6
	2-14 Role of the highest governing body in sustainability reporting	3
	2-15 Conflicts of interest	4.6.3
	2-16 Communication of critical issues	4.5, 4.8, 6.4, 6.6
	2-17 Collective knowledge of the highest governing body	3, 4.5, 4.10, 6.6, 7
	2-18 Performance evaluation of the highest governing body	4.5, 4.6.1, 4.10.5
	2-19 Remuneration rules	4.6.1
	2-20 Remuneration determination procedure	4.6.1, 6.2
	2-22 Sustainable development strategy statement	2, 4.10
	2-23 Policy commitment	1, 4.4, 4.5, 6.4, 6.10

GRI 2: General Information 2021	2-24 Integration of policy commitments	4.5, 4.6.2, 4.10, 5.6, 6.3, 6.4, 6.5, 6.7
	2-25 Processes to remedy negative impacts	2, 4.10, 7
	2-26 Mechanisms for requesting clarifications and raising concerns	4.5, 4.6.3
	2-27 Compliance with laws and regulations	4.8
	2-28 Membership in associations	4.7
	2-29 Approach to stakeholder engagement	3, 4.10.6
	2-30 Collective agreements	6.12.1
GRI 3: Material Themes 2021	3-1 Process for determining material themes	3
	3-2 List of material themes	3
	3-3 Management of material themes	2, 3, 4, 5, 6
GRI 201: Economic Performance	201-1 Economic value directly generated and distributed	4.1
GRI 204: Procurement Practices 2016	204-1 Proportion of spending towards local suppliers	5.6.1
GRI 205: Anticorruption	205-3 Proven incidents of corruption and actions taken	4.8
GRI 207: Taxes 2019	207-1 Approach to taxation	4.9
GRI 301: Materials 2016	301-2 Materials used that originate from recycling	5.5.1
GRI 302: Energy 2016	302-1 Energy consumed within the organisation	5.4
	302-3 Energy intensity	5.4
GRI 303: Water and Water discharges 2018	302-4 Reduction in energy consumption	5.4
	303-3 Water withdrawal	5.2.1
	303-4 Water discharge	5.2.2
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope1)	5.3.1
	305-2 Indirect GHG emissions from energy consumption (SCOPE 2)	5.3.2
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.1.1
	306-2 Management of significant waste-related impacts	5.1.1
	306-3 Waste generated	5.1.2
	306-4 Waste not intended for disposal	5.1.3
	306-5 Waste intended for disposal	5.1.3
GRI 308: Environmental assessment of suppliers	308-1 New suppliers assessed using environmental criteria	5.6
GRI 401: Employment 2016	401-1 Onboarding and turnover	6.1.1
	401-2 Benefits provided for full-time employees, but not for part-time or fixed-term employees	6.1.2
GRI 401: Employment 2016	403-1 Occupational health and safety management system	6.4, 6.6
	403-2 Hazard identification, risk assessment and accident investigation	6.4, 6.6
GRI 401: Employment 2016	403-4 Worker participation and consultation and communication on occupational health and safety	6.5, 6.6
GRI 401: Employment 2016	403-5 Occupational health and safety training for workers	6.3, 6.7
	403-7 Prevention and mitigation of occupational health and safety impacts within business relationships	6.4
	403-9 Accidents at work	6.8, 6.9

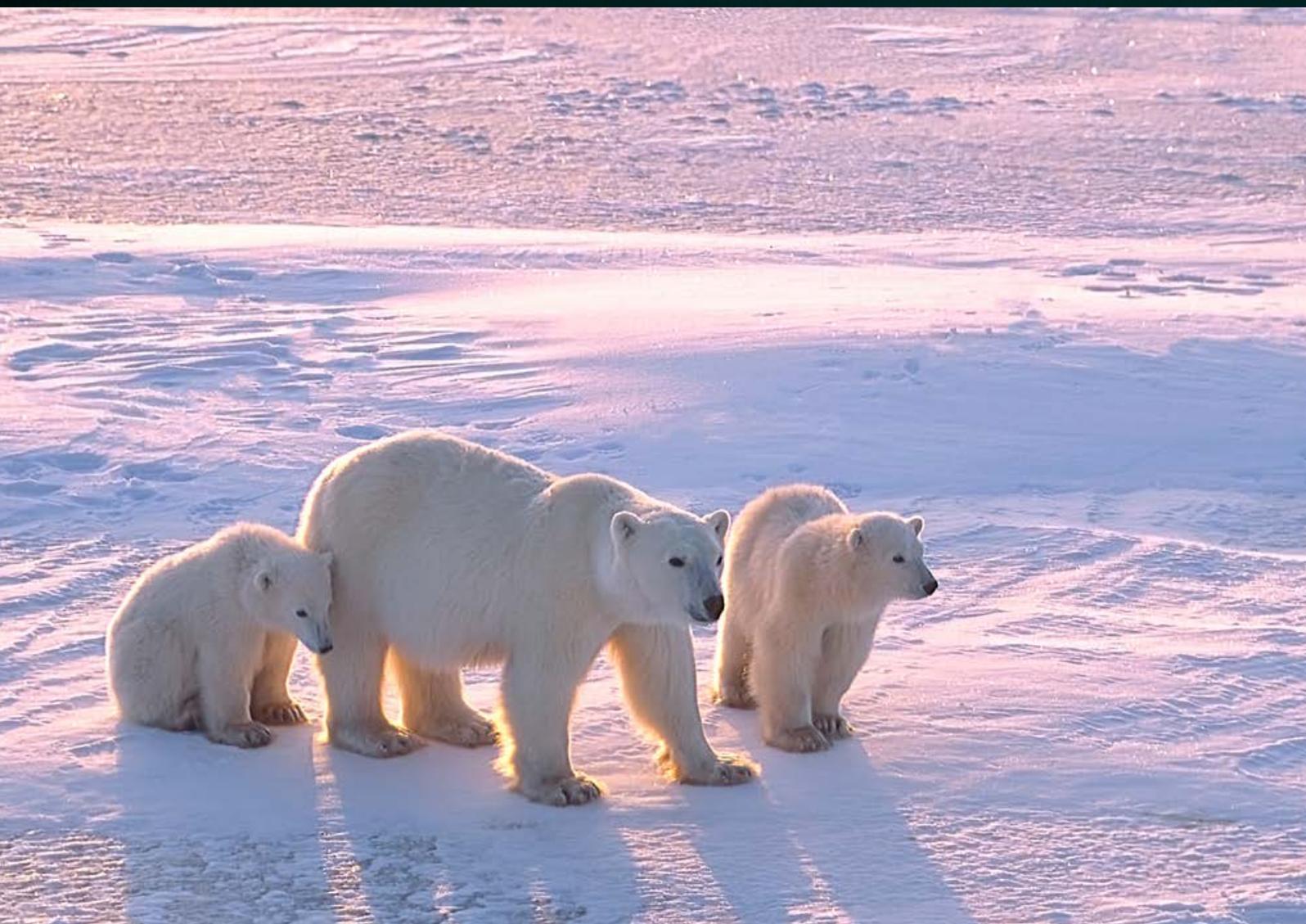
GRI 404: Training and instruction 2016	404-1 Average hours of training per employee per year	6.3
	404-2 Employee skills upgrading and transition assistance programmes	6.3
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and among employees	4.6.1, 6.1.1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	6.10
GRI 413: Local communities 2016	413-1 Activities involving local community involvement, impact assessments and development programmes	4.7, 6.11
GRI 416: Customer health and safety 2016	416-2 Incidents of non-conformity concerning impacts on the health and safety of products and services	4.10
GRI 418: Customer Privacy 2016	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data	4.8

9 GLOSSARY



AOD:	Argon Oxygen Decarbonisation.
BF/BOF:	Blast Furnace/Basic-Oxygen Furnace.
CIS:	Surface water body. Receiving surface water bodies.
D01:	Deposit of waste in a landfill.
D09:	Physical chemical treatment of waste.
D15:	Preliminary storage of waste (storage) Dog-house: structure where the EAF electric furnace is installed and segregated.
EAF:	Electric Arc Furnance.
EER/LoW:	European List of Waste.
ESG:	Environment, Social and Governance.
ESR:	Electric Slag Remelting, a slag remelting plant that is used to remelt and refine steels and various superalloys into high quality ingots.
FMEA:	Failure Mode and Effect Analysis.
GRI:	Global Reporting Initiative.
HSE:	Health Safety & Environment.
KPI:	Key Performance Indicator.
LF:	Ladle Furnace.
MUD:	Single Environmental Declaration Model.
O.R.SO.:	Supra-regional Waste Observatory.
PDCA:	Plan Do Check Act.
AIDA-Vispo Portal:	Integrated Self-Control Application, ARPA Lombardy Inspection Management System.
R13 for R4:	Storage of waste (R13) for recycling/recovery of metals or metal compounds (R4).
R13 for R5:	Storage of waste (R13) for recycling/recovery of other inorganic substances (R5).
ETS Regulation:	<i>Emission Trading System.</i>
RSU:	United Trade Union Representatives.
SDGs:	Sustainable Development Goals.
SME:	Continuous Emission Monitoring System.
VAR:	Vacuum Arc Remelting.
VD:	Vacuum Degassing.
8D:	(Eight disciplines) is a step-by-step structured Problem Solving method, which - through a systematic approach - guides the organisation in the management of the problem and its complete resolution.
5W:	(Analysis of the five whys). Problem solving method.

10 BUREAU VERITAS ASSURANCE STATEMENT





Assurance Statement addressed to the stakeholders of ASONEXT SPA Group

1. INTRODUCTION

Asonext SpA Group has commissioned Bureau Veritas Italia S.p.A. (“Bureau Veritas”) an independent assurance of its 2022 Sustainability Report (“Report”), for the purpose of providing findings over.

- *the accuracy and quality of published information concerning its sustainability performance;*
- *the correct application of those reporting principles outlined in the Report’s methodology, in particular Global Reporting Initiative (GRI) Reporting Standards version 2021.*

2. RESPONSIBILITY, METHODOLOGY AND LIMITATIONS

Asonext SpA Group alone had the responsibility of collecting, analyzing, collating and presenting information and data included in its Report. Bureau Veritas responsibility has been to perform an independent assurance against defined objectives and to reach the conclusions reported in this Statement.

The assurance performed has been a Limited Assurance in accordance to the ISAE 3000 standard, through sample application of audit techniques, including:

- *review of Asonext SpA Group’s policy, mission, values, commitments;*
- *review of records, data, procedures and information-gathering systems;*
- *interviews to members of the working group responsible for drafting the 2022 Report;*
- *interviews to company representatives from various functions and levels, including top management;*
- *overall verification of information and general content of the 2022 Sustainability Report.*

The assurance activities have been performed at the company’s site in Ospitaletto (BS) and we believe we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the whole 2022 Sustainability Report, both for the part concerning Asonext Spa and for Asoforge Srl with the following limitations: for economic and financial information, Bureau Veritas only verified their consistency with the company’s annual reports and accounts; for activities carried out outside the reference period (January 1st 2022 – December 31st 2022) and for statements of policy, intent and



objective, it was limited to verifying their consistency with the methodological assumptions of reference.

3. CONCLUSIONS

Following the assurance activities described above, nothing has come to our attention to indicate that information and data in the 2022 Sustainability Report are inaccurate, incorrect or unreliable. In our opinion, the Report provides a trustworthy representation of Asonext SpA Group activities conducted by during the year 2022 and of main results achieved. Information is reported generally in a clear, comprehensible and balanced manner. In illustrating activities and results Asonext Spa Group has paid attention to adopting a neutral language, avoiding self-referentiality as much as possible.

We also confirm that the Report complies with GRI requirements and the principles of the GRI 2021 Standard (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, verifiability) have been observed.

Asonext Spa Group has disclosed in its Report a list that clearly explains the topics identified and considered material.

4. DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is a global organization specialized in independent assurance, inspection and certification activities, with over 190 years history, 82.000 employees and an annual turnover of more than 5,6 billion euro in 2022.

Bureau Veritas applies internally a Code of Ethics and we believe there were no conflicts of interest between members of the assurance team and Asonext SpA Group at the time of the assurance.

Bureau Veritas Italia S.p.A.
Milan, May 17th, 2023

Giorgio Lanzafame
Local Technical Manager



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2023

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