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SUSTAINABILITY REPORT 2023

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COMMITMENT TO A **SUSTAINABLE** BUSINESS

Like the road through the trees, the path to sustainability is a journey of commitment and respect.
Asonext leads this path of improvement and innovation, putting people at the centre.

1.1 INTRODUCTION

GRI 2-23

Corporate strategies today are increasingly oriented towards obtaining ‘value’ not only from economic profit, but also through transparent communication to stakeholders.

Companies define new objectives that develop in tandem with the social responsibility of those who do business and the perception by the community.

In addition to economic efficiency, companies are increasingly focusing on the needs of stakeholders regarding, for example, social protection,production ethics, safety and environmental risk analysis.

By this logic, it appears that companies that are able to take note of stakeholder opinions and experiences and incorporate them into their strategy are more successful and productive.

Involvement can be achieved through different approaches, it being understood that the increasing sensitivity shown by stakeholders towards sustainability issues has led companies to review the principles on which their relationship with local communities was based.

These changes make a company’s social compatibility a goal to be shared with the community, also to build and maintain consensus towards its activities. The foundation of this consensus is, first and foremost, the company’s transparency to the outside world, which allows for a climate of trust with local communities.

Proper reporting represents a form of openness of the company towards its stakeholders and makes it possible to describe - in addition to the main material and energy flows - the activities carried out in the factories, the plants used, the mitigation measures and environmental safeguards installed, the management systems adopted, the economic value produced and employment trends.

Proper reporting, therefore, makes it possible to describe what the **social benefit** generated by the company has been and to lay the foundations for improving its performance.

This document provides an integrated view of the company’s activities, highlighting how Asonext addresses environmental and social challenges, as well as pursuing economic success.

The Sustainability Report 2023, through a pathway analysing issues deemed urgent, outlines and consciously communicates sustainability goals in the medium and long term.

This second report aims to continue the analysis of the actions introduced in the previous year, providing a detailed account of the progress made and presenting the new objectives set.

Particular emphasis will be placed on the Governance part. In addition, also in view of the outcomes of the recent COP 28 held in Dubai in December 2023, issues related to environmental transition and the reduction of climate- changing gas emissions will be discussed in depth.

ZEROING THE IMPACTS IS IMPOSSIBLE; ON THE CONTRARY, IT IS ESSENTIAL TO REDUCE THEM.

Asonext is committed to preserving the environment and following a path of continuous improvement, with a high rate of innovation and where people are central.

Change Conference COP 28, on the edge of the fifth industrial revolution linked to the emergence of artificial intelligence (to converge with the ecological transition), an agreement was reached that marks the ‘beginning of the end’ of the fossil fuel era by adopting the global stocktake, laying the foundations for a rapid, fair and equitable transition.

This decarbonisation process will be supported by more robust climate action plans (to be implemented by 2025) to accelerate, among others, zero-emission technologies including CO_2 capture and storage.

In more general terms, this report, starting from the letter to Stakeholders, provides an understanding of the impacts - positive and negative - that Asonext can have on the Company, and allows business strategies, actions and behaviours to be addressed, by means of the Sustainability Improvement Plan reported in Chapter 7.

1.2 LETTER TO STAKEHOLDERS

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

Dear Stakeholders,
It is with great pleasure that we present you with our second sustainability report, announcing the recent transformation of Asonext S.p.A. into a Benefit Corporation.

The Extraordinary General Meeting of Shareholders on 12 December 2023 adopted new bylaws in which the common benefit of environmental transition was added as part of the corporate purpose.

The need to give more concreteness and transparency to this particular type of social responsibility stemmed from a well-established attitude of respect for the environment, which has been part of Asonext's mission since the time of its founder, my father Aldo Artioli.

Commitment to sustainability, therefore, is not a new issue for Asonext, nor is it merely a matter of principle or abstract, but is integrated into our business strategy, and finds realisation in the many forms of reducing our impact on the environment and promoting virtuous behaviour.

Asonext constantly has many projects underway to reduce its environmental impact, such as the current S.P.A.C.E. (Sustainable Power And Circular Economy) experimental research and development plan for the reduction of energy consumption, the recovery and recycling of water and slag, and the use of alternative materials to fossil fuels.

The organisation put in place and the actions taken have led our Group, despite the uncertain and volatile international economic scenario, to fulfil all the commitments made in the last Industrial and Sustainability Plan, and to set new and ambitious environmental and social goals for the future.

Indeed, in all areas of governance, as well as in its normal operations, the Group has chosen to adopt an ethical attitude aimed at the utmost respect for the ecosystem, the territory and people, basing decisions on the achievement of objectives that benefit the community as well as the economy.

I will mention a few, which have already been realised:

- the activation of strategic partnerships with the best players in the supply chain or complementary in terms of products and services, in order to launch business initiatives oriented towards the circular economy;
- the development of the most innovative industry standards in order to significantly reduce the environmental footprint of production, logistics and supply chain processes, including resource extraction, use of energy sources, greenhouse gas emissions with the goal of progressive decarbonisation;
- collaboration with scientific research institutions in initiatives aimed at environmental protection and community welfare with a particular focus on improving the life cycle of materials and the performance of steels in all its aspects, including use and recycling;
- the design of operating models that rigorously put worker protection first, using materials and equipment that are less and less hazardous, and adopting;
- technology at the service of security, with an awareness of the social role of the undertaking;
- the pursuit of the well-being of our employees through constant monitoring of their health and the conditions of their working environments;
- the promotion of inclusion and work-family balance;
- maintaining the financial sustainability of stocks and investments to ensure the continuity of the business to protect investors and lenders, suppliers and customers, as well as the punctuality of payments;
- the creation of opportunities for growth and continuous training in a working environment that generates innovation and allows people to express themselves to the full through a culture based on merit, equal opportunities and a sense of belonging;
- and, lastly, supporting non-profit organisations, foundations, third sector organisations, sports clubs and local communities in projects aimed at having a positive impact on people's health, social life, the environment in which we live and cultural heritage.

It can be said, therefore, that the concept of sustainability is disseminated in many dimensions of Asonext Group's life and is always declined for the better and in the long term.

Therefore, we firmly believe that sustainability is increasingly an essential value and that business activity can be a powerful lever for the progress of civil society and a tangible contribution to the well-being of our planet.

Lastly, I would like to thank all our customers for the trust they place in us, and I trust they will appreciate our efforts in this regard.

I would also like to thank all our Stakeholders, for the incentives they provide us with to pursue sustainable development, and all employees and members of the Board of Directors and the Board of Statutory Auditors for their decisive contribution to the growth of the Group.

Enjoy the read!

Ospitaletto, 4 July 2024

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

1.3 HIGHLIGHTS 2023

52
YEARS OF HISTORY

79,529
TONNES OF STEEL PRODUCED

22,346
TONNES OF FORGED STEEL

-26%
GREENHOUSE GAS EMISSIONS vs 2021 (scope 1+2)

1.08 m^3/t
WATER INTENSITY

98%
WASTE SENT FOR RECYCLING

14.4 HOURS
OF TRAINING PER CAPITA (+10.9 hours vs 2021)

176 MILLION€
GROUP REVENUES (+€23.8 MILLION vs. 2021)

100,6 THOUSAND€
VARIABLE INTEGRATED CONTRACT PREMIUM (+€86.7 THOUSAND vs. 2021)

100%
OPERATIONAL SITES COVERED BY ISO 9001, ISO 14001 and ISO 45001

1.4 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 2023, approved by the highest governing body, represents a unique moment of communication and reporting on the sustainability performance of Asonext Spa Group[1]. 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" describing the strategy, the business model, the identified risks, the applied policies and targets, and the environmental, social and governance performance.

To enable the reader to compare data, the second edition of the sustainability report shows the situation of Asonext Spa Società Benefit and Asoforge Srl for the period from 1 January 2023 to 31 December 2023, compared to the two-year period 2021-2022. The data presented will be updated annually.

The indicators in the report are based on the best available information. The collection of data, which were processed on the basis of the findings of the general accounts and other information and/or research and analysis systems used, involved the following functions:

- Head of Human Resources
- Head of HSE
- Management Control/Administration Office
- Head of Supply chain & logistics
- Quality Manager
- Energy Manager

Stakeholder Engagement (carried out in 2022-2023) was carried out 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 derived 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 were collected and processed by Alperia Green Future, a consulting company, applying the technical standard UNI EN ISO 14064-1.

The company is consolidating the SCOPE 3 indirect emissions calculation and reporting system. The ongoing project for the current year aims to certify the organisation's carbon footprint.

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). 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 a documented, traceable and correctly conducted process, according to the above-mentioned principles (see validation letter on the following pages).

1 Please note that in this document the term "Asonext Group" may be abbreviated to "Asonext". The specific reference to the two group companies is made by means of the wordings Asonext Spa Società Benefit and Asoforge Srl.

1.5 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 Group adopted the method provided by the Global Reporting Initiative (GRI 3).

The identification of material topics[2], 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.

The company initiated a progressive process focused on context analysis and stakeholder assessment in order to define material issues. For the year 2023, the issues identified in the last report and the stakeholders involved in the analysis are still considered representative, as the context has not changed. In the following document, the issues will be re-evaluated, making explicit the impacts generated. In particular, the course was structured:

Phase 1

- Identification of relevant issues and stakeholders
- Prioritisation of issues from an internal organisational and external perspective through involvement of Stakeholders

Phase 2

Identification of positive or negative impacts associated with relevant issues

Phase 3

Prioritisation of impacts

Phase 4

Identification of material issues to be reported through the definition of a materiality threshold

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

Phase 1: Identification of relevant issues and stakeholders

Materiality analysis starting with stakeholder mapping and engagement.
It turned out that the list of relevant topics from the previous reporting year is still considered current and representative of the Asonext group.

The strategic areas identified and analysed at the time, cover the following topics: **environmental, economic and social.**

ENVIRONMENTAL TOPICS

- Waste and the circular economy
- Saving water resources
- Fight against climate change
- Energy efficiency
- Procurement of raw materials
- Qualification of suppliers

SOCIAL ISSUES

- Ability to attract and retain key resources
- Training and instruction
- Health and safety
- Equal opportunities
- Contribution to community well-being
- Privacy
- Corporate ethical responsibility
- Labour relations
- Relations with Institutions

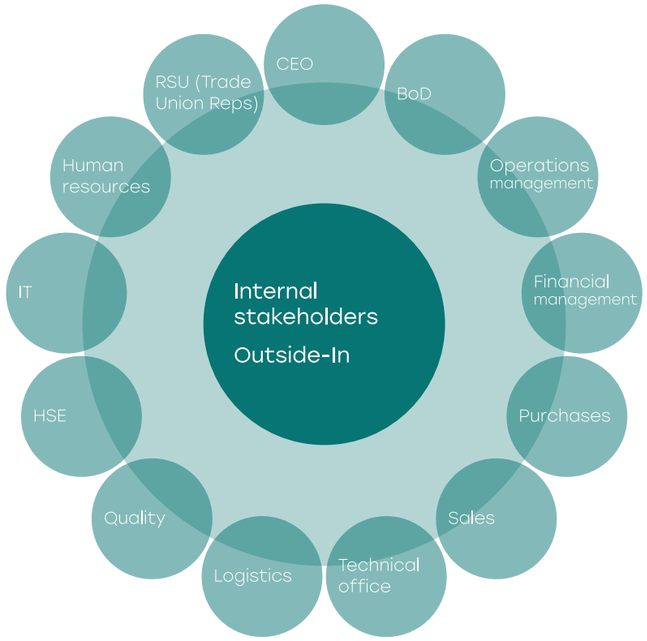
ECONOMIC TOPICS

- Economic value generated
- Fighting corruption and unfair competition
- Tax compliance
- Innovation, quality and customisation of products and services

Stakeholders are individuals or groups of individuals who influence or are influenced by an organisation and its activities.

They were divided into two macro-groups: internal and external. The **internal stakeholder** is identified as anyone within the company who has a direct relationship with it and who is interested in knowing or being subject to 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. Asonext Group employees are involved through: regular meetings, the Intelco app, social media, dialogue through the Human Resources function, training courses, corporate welfare, bargaining tables with trade unions.



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. Input from external stakeholders is gathered through various modes of involvement and dialogue, which are shown in the diagram.

Phase 1: 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.

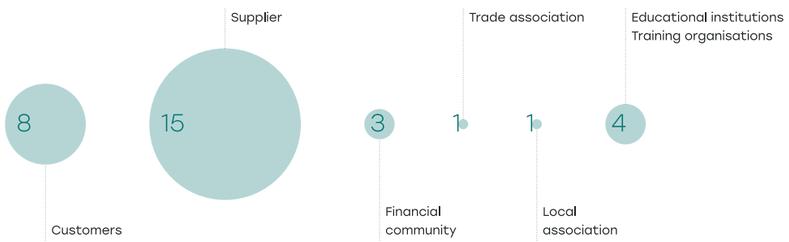
For the involvement and identification of issues to be reported, each stakeholder was asked to fill in a questionnaire. The latter mainly involved closed answers based on a Likert Scale with scores between 1 and 6 (1 not at all relevant - 6 prioritary); it was divided into four sections: demographic, environmental, economic and social. In particular, a total of 48 questionnaires were analysed as follows:

Internal stakeholders

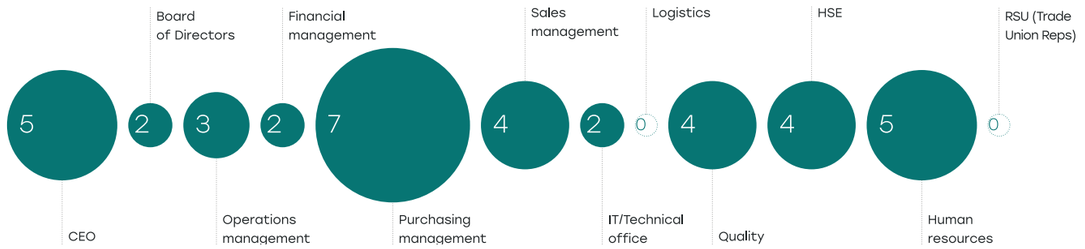
Area of membership (16 Respondents)

External stakeholders

Type of External Stakeholder (32 respondents)



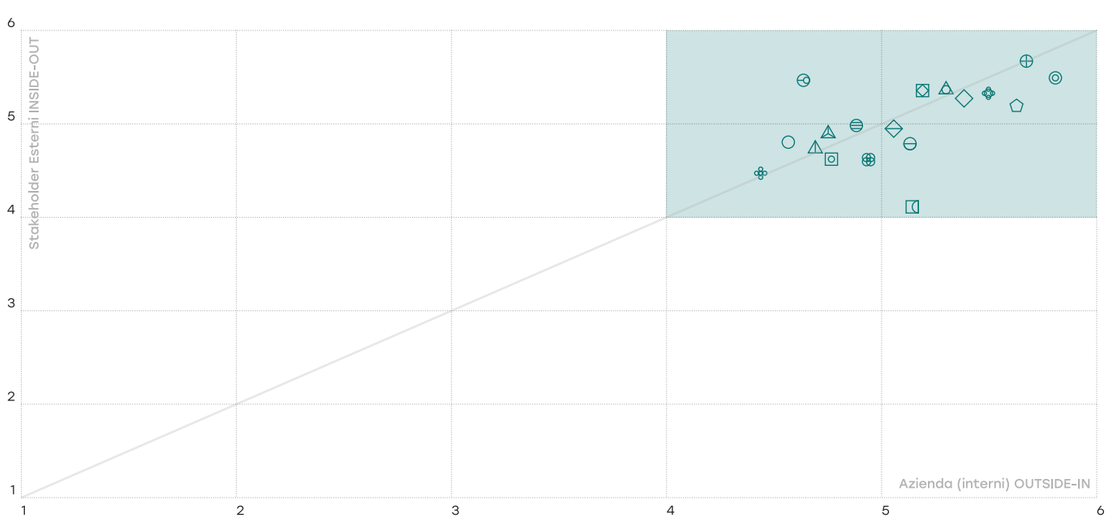
External stakeholder area (32 respondents)



From the analysis of the results obtained, the 'materiality matrix' was constructed, which graphically represents the relevance attributed to the issues analysed (taking into account the GRI guidelines and the development goals of the 2030 Agenda) by each stakeholder category.

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 graph therefore represent the most relevant issues for Asonext and its stakeholders, which will be the subject of a subsequent analysis of the related impacts.



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

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. The results of the matrix provide the basis for the calculation of impacts, their prioritisation and the subsequent definition of material topics.

Phase 2: Identification of impacts

Materiality is assessed according to the impact generated and involves prioritising the most significant impacts a company has on the economy, the environment and people.

Firstly, it is therefore necessary to associate positive or negative impacts (specific to Asonext's sector and context) with the issues deemed most urgent.

	RELEVANT TOPICS	IMPACTS
ENVIRONMENTAL TOPICS	WASTE AND THE CIRCULAR ECONOMY	WASTE PRODUCTION HAZARDOUS WASTE PRODUCTION WASTE RECYCLING
	SAVING WATER RESOURCES	WATER CONSUMPTION MANAGEMENT WATER DISCHARGE MANAGEMENT
	CLIMATE CHANGE	DIRECT GHG EMISSIONS INDIRECT GHG EMISSIONS
	ENERGY EFFICIENCY	ELECTRICITY CONSUMPTION CONSUMPTION OF FOSSIL FUELS (METHANE)
	PROCUREMENT OF RAW MATERIALS	SUPPLY CHAIN
	SUPPLIER QUALIFICATION	SUPPLIER EVALUATION AND MATERIAL ANALYSIS
ECONOMIC TOPICS	ECONOMIC VALUE GENERATED	CREATION OF PROFIT FOR REINVESTMENT
	FIGHTING CORRUPTION AND UNFAIR COMPETITION	LAWSUITS FOR ACTS OF CORRUPTION AND/OR UNFAIR COMPETITION
	TAX COMPLIANCE	EVASION LAWSUITS
	INNOVATION, QUALITY AND CUSTOMISATION OF PRODUCTS AND SERVICES	PRODUCT NON-CONFORMITY NEW PRODUCT DEVELOPMENT RESEARCHING ALTERNATIVE OUTCOMES/DEVELOPING NEW TECHNOLOGIES
SOCIAL ISSUES	ABILITY TO ATTRACT AND RETAIN KEY RESOURCES	PERSONAL LOSS EFFECTIVE INTERNAL COMMUNICATION STIMULATING AND REWARDING WORK ENVIRONMENT
	TRAINING AND INSTRUCTION	HARD AND SOFT SKILLS GROWTH OF EMPLOYEES
	HEALTH AND SAFETY	CERTIFIED MANAGEMENT SYSTEM RESPONSIBLE BEHAVIOUR AND PREVENTIVE ACTIONS ACCIDENTS
	EQUAL OPPORTUNITIES	INCIDENTS OF DISCRIMINATION
	CONTRIBUTION TO COMMUNITY WELL-BEING	CULTURAL INITIATIVES IN THE AREA
	PRIVACY	PRIVACY VIOLATION LAWSUITS
	CORPORATE ETHICAL RESPONSIBILITY	BREACH OF A LEGAL OBLIGATION TRANSPARENCY TOWARDS STAKEHOLDERS
	LABOUR RELATIONS	DIALOGUE WITH TRADE UNIONS
	RELATIONS WITH PUBLIC INSTITUTIONS	DIALOGUE WITH INSTITUTIONS

Phase 3: Prioritisation of impacts

In the process leading from the analysis of the business context to the identification of material issues, it is necessary to establish a scale of significance of impacts.

Starting from the results of the internal/external stakeholder evaluation, a significance scale from 1 to 6 (1 not at all relevant - 6 priority) was associated with the issues initially investigated.

These levels were determined through the normalisation of the stakeholders' results by means of a division into value bands. The resulting score was used for the impact calculation formula.

RELEVANT TOPICS	WEIGHT 1 to 6
HEALTH AND SAFETY	6
ABILITY TO ATTRACT AND RETAIN KEY RESOURCES	6
ENERGY EFFICIENCY	5
TRAINING AND INSTRUCTION	5
INNOVATION, QUALITY AND CUSTOMISATION OF PRODUCTS AND SERVICES	5
WASTE AND THE CIRCULAR ECONOMY	4
FIGHTING CORRUPTION AND UNFAIR COMPETITION	4
EQUAL OPPORTUNITIES	4
CLIMATE CHANGE	3
TAX COMPLIANCE	3
CORPORATE ETHICAL RESPONSIBILITY	3
SAVING WATER RESOURCES	3
SUPPLIER QUALIFICATION	2
RELATIONS WITH PUBLIC INSTITUTIONS	2
ECONOMIC VALUE GENERATED	2
PRIVACY	2
PROCUREMENT OF RAW MATERIALS	2
LABOUR RELATIONS	1
CONTRIBUTION TO COMMUNITY WELL-BEING	1

For each topic identified on the basis of the statistical surveys carried out, the positive or negative impacts previously introduced were analysed and evaluated.

In order to prioritise impacts, these were diversified on the basis of various criteria, assigning them different scores according to:

- their actual or potential manifestation;
- the duration of the impact, whether short or long term;
- the reversibility or irreversibility of the impact.

In addition, the magnitude of the impact and its probability of occurrence were considered.

The 31 impacts under assessment are presented separated into negative and positive, actual and potential, and always prioritised through a normalisation process.

RELEVANT TOPICS	IMPACTS	WEIGHT	
HEALTH AND SAFETY	CERTIFIED MANAGEMENT SYSTEM		+ ACTUAL
ENERGY EFFICIENCY	ELECTRICITY CONSUMPTION		- ACTUAL
ENERGY EFFICIENCY	CONSUMPTION OF FOSSIL FUELS (METHANE)		- ACTUAL
ABILITY TO ATTRACT AND RETAIN KEY RESOURCES	STIMULATING AND REWARDING WORK ENVIRONMENT		+ POTENTIAL
WASTE AND THE CIRCULAR ECONOMY	WASTE PRODUCTION		- ACTUAL
	WASTE RECYCLING		+ ACTUAL
SAVING WATER RESOURCES	WATER DISCHARGE MANAGEMENT		- ACTUAL
ABILITY TO ATTRACT AND RETAIN KEY RESOURCES	PERSONAL LOSS		- ACTUAL
	EFFECTIVE INTERNAL COMMUNICATION		+ POTENTIAL
	HARD AND SOFT SKILLS GROWTH OF EMPLOYEES		+ POTENTIAL
HEALTH AND SAFETY	RESPONSIBLE BEHAVIOUR AND PREVENTIVE ACTIONS		+ ACTUAL
HEALTH AND SAFETY	ACCIDENTS		- ACTUAL
SAVING WATER RESOURCES	WATER CONSUMPTION MANAGEMENT		- ACTUAL
CLIMATE CHANGE	DIRECT GHG EMISSIONS		- ACTUAL
CLIMATE CHANGE	INDIRECT GHG EMISSIONS		- ACTUAL
CORPORATE ETHICAL RESPONSIBILITY	TRANSPARENCY TOWARDS STAKEHOLDERS		+ ACTUAL
WASTE AND THE CIRCULAR ECONOMY	HAZARDOUS WASTE PRODUCTION		- ACTUAL
ECONOMIC VALUE GENERATED	CREATION OF PROFIT FOR REINVESTMENT		+ ACTUAL
INNOVATION, QUALITY AND CUST. OF PRODUCTS AND SERVICES	PRODUCT NON-CONFORMITY		- ACTUAL
INNOVATION, QUALITY AND CUST. OF PRODUCTS AND SERVICES	NEW PRODUCT DEVELOPMENT		+ POTENTIAL
INNOVATION, QUALITY AND CUST. OF PRODUCTS AND SERVICES	RESEARCHING ALTERNATIVE OUTCOMES/DEVELOPING NEW TECHNOLOGIES		+ POTENTIAL
PROCUREMENT OF RAW MATERIALS	SUPPLY CHAIN		+ ACTUAL
SUPPLIER QUALIFICATION	SUPPLIER EVALUATION AND MATERIAL ANALYSIS		+ POTENTIAL
FIGHT AGAINST CORRUPTION AND UNFAIR COMPETITION	LAWSUITS FOR ACTS OF CORRUPTION AND/OR UNFAIR COMPETITION		- ACTUAL
TAX COMPLIANCE	EVASION LAWSUITS		- ACTUAL
EQUAL OPPORTUNITIES	INCIDENTS OF DISCRIMINATION		- POTENTIAL
CONTRIBUTION TO COMMUNITY WELL-BEING	CULTURAL INITIATIVES IN THE AREA		+ ACTUAL
PRIVACY	PRIVACY VIOLATION LAWSUITS		- POTENTIAL
CORPORATE ETHICAL RESPONSIBILITY	BREACH OF A LEGAL OBLIGATION		- ACTUAL
RELATIONS WITH TRADE UNIONS	DIALOGUE WITH TRADE UNIONS		+ POTENTIAL
RELATIONS WITH INSTITUTIONS	DIALOGUE WITH INSTITUTIONS		+ POTENTIAL

Phase 4: Identification of material topics

All those topics related to **negative impacts** and all those with an **impact value greater than 3** were defined as “material”. The material topics are listed below, in order of priority. Each topic is associated with a Sustainable Development Goal as Asonext wants to make an active contribution to achieving the goals defined in the UN 2030 Agenda for Sustainable Development (Sustainable Development Goals or SDGs).

The UN agenda requires all sectors, companies and organisations to commit to contributing to the goals through their own activities. Asonext has identified **11 objectives** to contribute to, closely linked to the material topics identified, through the strategic choices that guide the company’s activities.

MATERIAL TOPIC	SDGs	GRI	WHY IS THE TOPIC MATERIAL?
HEALTH AND SAFETY	3	403-1 / 403-2 403-4 / 403-5 403-7 / 403-9	Constant attention to the prevention of occupational accidents and illnesses, both for its own staff and for any other stakeholder, is an absolute must.
ABILITY TO ATTRACT AND RETAIN KEY RESOURCES	8	401-1 / 401-2 2-7 / 2-8 / 2-16 2-26	The staff is considered the real essence of the company and to achieve the objectives it is essential to involve them in the processes and to enhance their professional skills.
ENERGY EFFICIENCY	7	302-1 / 302-3 302-4	Despite the installation of energy-efficient machinery, energy consumption for plant operation is a major issue for Asonext.
TRAINING AND INSTRUCTION	4	404-1 / 404-2	It is crucial that each worker improves his or her knowledge and skills through collaboration, coaching and continuous learning.
INNOVATION, QUALITY, CUSTOMISATION OF PRODUCTS AND SERVICES	9	416-2 / 2-6 / 2-17 2-25	Investing in innovative solutions, maintaining high quality standards and offering customised options not only satisfies customer needs, but also promotes corporate competitiveness, attracting a loyal customer base and opening up new market opportunities.
WASTE AND THE CIRCULAR ECONOMY	12	306-1 / 306-2 306-3 / 306-4 306-5	Responsible waste management plays a key role in preventing and avoiding negative impacts on the environment.
FIGHTING CORRUPTION AND UNFAIR COMPETITION	16	205-3	Legal compliance in the fight against corruption and unfair competition is vital to gaining market confidence.
EQUAL OPPORTUNITIES	5	405-1 / 406-1	Creating policies and practices that foster inclusion and equity not only reflects ethical principles, but leads to a dynamic and innovative work environment.
CLIMATE CHANGE	13	305-1 / 305-2	Asonext’s production activities generate direct and indirect greenhouse gas (GHG) emissions.
TAX COMPLIANCE	17	207-1 / 2-27	Compliance with existing tax laws and regulations is essential to avoid legal penalties and contribute to the stability of the tax system.
CORPORATE ETHICAL RESPONSIBILITY	17	2-12 / 2-13 / 2-14 2-15 / 2-23 2-29	Asonext’s commitment to operate ethically and sustainably contributes positively to society in terms of its impact on customers, employees, communities and the environment.
SAVING WATER RESOURCES	6	303-3 / 303-4	Steel production involves the considerable use of water for cooling systems and other activities. Some of the water used becomes waste water to be monitored.
ECONOMIC VALUE GENERATED	8	201-1	The generation of economic value along its chain has a positive impact on the local economy and contributes to the well-being of the communities in which it operates.
PRIVACY	8	418-1 / 207-1	The protection of sensitive data and the security of corporate information is paramount.

It emerges that the social macro-area is of predominant importance, with particular emphasis placed on the material issue of workers’ health and safety. Five of the previously identified issues were found to be non-material:

- procurement of raw materials (GRI 301-2, 204-1);
- supplier qualification (GRI 2-24);
- contribution to community well-being (GRI 413-1);
- labour relations (GRI 2-30, 2-29):
- relations with the public institutions (GRI 2-22, 2-29, 207-1).

However, they will be accounted for in the report.

2

COMPANY PROFILE

In the busy bee of the hive we find the constant commitment to excellence and collaboration. Like the bee, Asonext works with precision, dedication and innovation.

2.1 CORPORATE VALUES

GRI 2-23

1 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.

2 VISION

By ensuring a sparing use of resources in the production of our steel products, we also contribute to a sustainable world: metal recycling, waste reuse and heat recovery are part of our DNA.

In addition, our products serve to optimise energy production, safeguard supply and provide a basis for renewable energy mobility.

3 VALUES

We adopt the values of a privately owned company: assuming responsibility and adhering to a high standard of performance based on honesty and reliability. Accepting challenges is in fact our winning motivation to offer our customers the most suitable solutions.

2.2 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 Asonext 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 tonne 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 tonne press at Asoforge.

2023

Asonext Spa becomes a Benefit Corporation.

asonext

2.3 GROUP IDENTITY

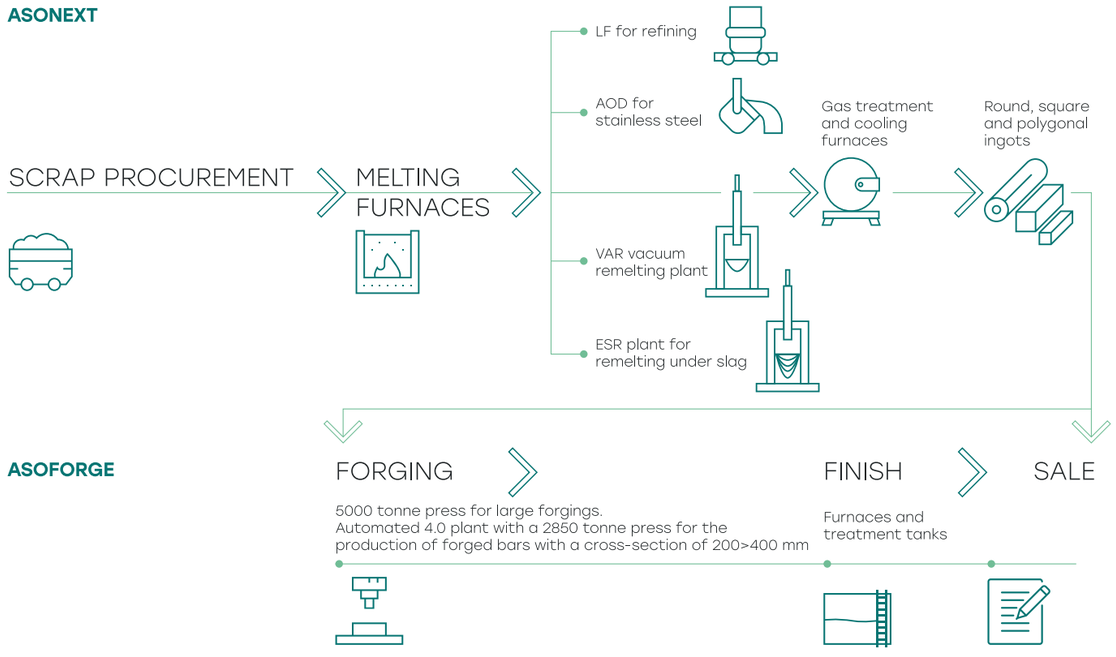
GRI 2-1, 2-2, 2-6

Since 1971 the steel mill 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 distinguished by its wide production range and specialisations in the fields of energy (wind, nuclear, traditional), aerospace, mechanical engineering and petrochemicals, with end-users of great international relevance.

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. Società Benefit is 100% controlled by the newly established holding Advanced Steel Solutions S.r.l. and, in turn, controlling 100% of the capital of Asoforge Srl.



Asonext Spa Società Benefit: is located in Ospitaletto (BS). 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 forge is located in Castegnato (BS). The production capacity is currently 30,000 tonnes/year, which can be increased with additional volumes depending on specifications and size. Asoforge Srl, in accordance with the requirements of the single environmental authorisation no. 4469 of 2018, processes the ingots produced by Asonext Spa Società Benefit.

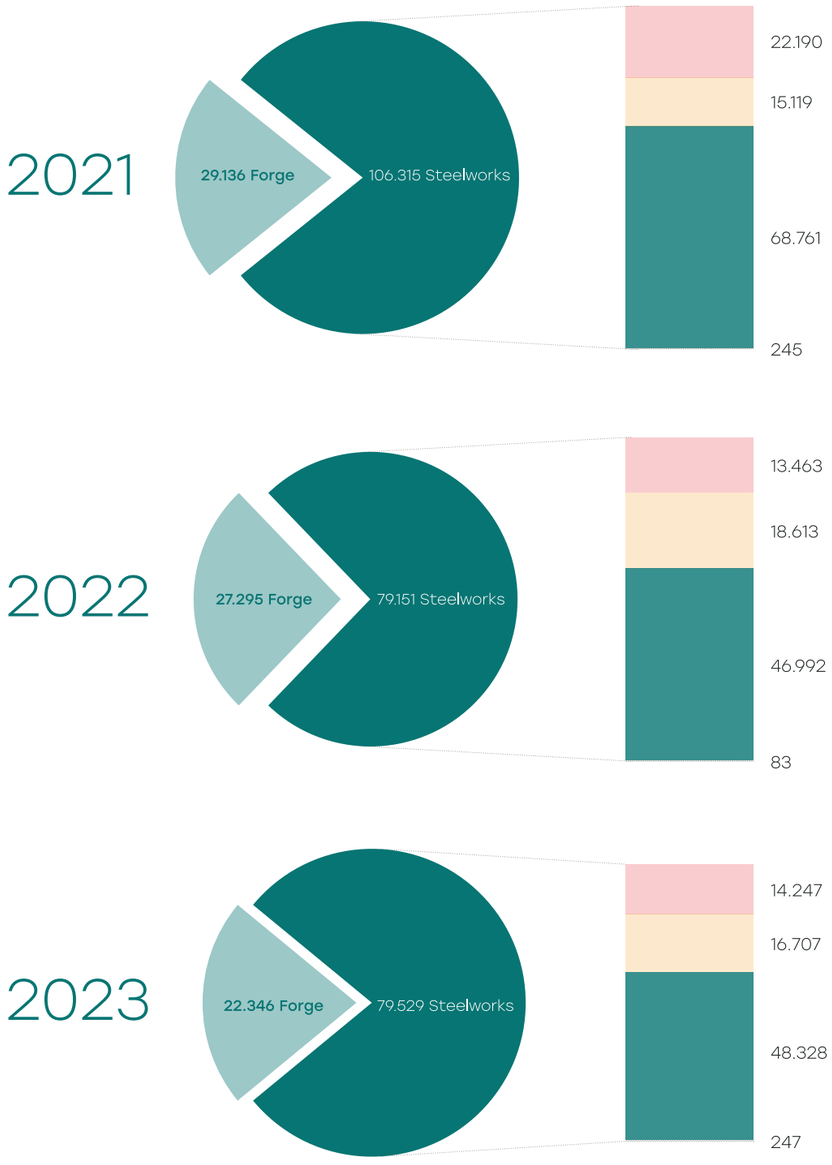
2.3.1 Activity levels

	2021		
STEEL PRODUCTION / PROCESSING	ASONEXT	ASOFORGE	TOTALE
	106,315 Tonnes	29,136[3] Tonnes	135,451 Tonnes
	2022		
	ASONEXT	ASOFORGE	TOTALE
	79,150 Tonnes	27,295[3] Tonnes	106,445 Tonnes
	2023		
	ASONEXT	ASOFORGE	TOTALE
	79,529 Tonnes	22,346[3] Tonnes	101,875 Tonnes

3 Asoforge Srl processes steel produced by Asonext Spa società benefit.

The following graphs show the breakdown by macrocategory of the steels produced/processed by Asonext Group.

Breakdown of production (TONNES)



2.3.2 Economic value generated and distributed

GRI 201-1

	CONSOLIDATED TOTAL		
	2021	2022	2023
REVENUE	152,595,788 €	191,215,077 €	176,434,028 €
OPERATING COSTS	128,642,303 €	147,328,598 €	135,081,721 €
SALARIES AND EMPLOYEE BENEFITS	15,864,042 €	16,034,639 €	16,475,491 €
PAYMENTS TO CAPITAL PROVIDERS	1,851,951 €	2,090,985 €	+270,970 €[4]
PAYMENTS TO THE PUBLIC ADMINISTRATION	152,278 €	3,118,475 €	4,304,504 €
INVESTMENTS FOR COMMUNITIES	25,699 €	52,829 €	20,440 €
ECONOMIC VALUE RETAINED	6,059,515 €	22,589,551 €	20,822,842 €

The consolidated Value of Production (VoP) in the financial year 2023 was influenced by a general normalisation of sales prices compared to the previous year, particularly in the last four months. In fact, the market in 2022 had been affected by the energy factor crisis, the costs of which were repositioned to more sustainable values during 2023.

The effects of the energy factors, coupled with the still unstable geopolitical situation and the high cost of money - resulting in a contraction of demand - led to a drop in revenue of -7.7% compared to 2022.

However, the Group was able to react well with effective strategies, product mix diversification and new business outlets, thus preserving its margins and competitiveness

Operating costs, which are mainly variable, accounted for 76.6% of VoP, in line with 77% in 2022; personnel costs rose slightly from 8.4% in 2022 to 9.3% of VoP in 2023, due to the renewal of the CCNL [National Collective Bargaining Agreement], which had an impact on the second half of 2023 and will also have an impact on 2024. Particular attention was paid to the financial structure, which was reviewed in 2023 with the aim of optimising its management and minimising its costs as a result of rising interest rates. This policy resulted in a reduction of the group's debt by a total of EUR 20.2 million, with clear savings in terms of financial charges not only in 2023 but also for future years.

It should be noted that the item "Investments for the community" only includes donations to foundations and educational institutions. However, during 2023 Asonext also actively supported the community in which it operates through sponsorships of small amateur sporting activities, events for the enhancement of the local area, detailed in more detail in chapter 5.9 and for a total of EUR 74,000.

4 During the financial year 2023, also as a result of the voluntary early repayment of the corporate loan, the group's financial management generated a profit of EUR 270,970

SUSTAINABILITY REPORT 2023
COMPANY PROFILE

2.4 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.

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

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

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.

Centro Servizi Tecnici alle Imprese - AQM Srl: non-profit company created by the Brescia area with the participation of both the public and private sector; Asonext is its main private partner and founder. Specialising in services for metallurgical companies, it offers technical training and promotes excellence in industrial materials and production processes.

Unsider: Italian Iron and Steel Unification Body, 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.

I.T.S. Foundation Lombardy: it 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.

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.

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.

3

GOVERNANCE
RESPONSIBLE MANAGEMENT

Like the petals of a daisy make up its beauty, Asonext's responsible governance is based on the unity and collaboration of all those involved.
The code of ethics guides our commitment to protect the environment, workers and communities.

3.1 GOVERNANCE SYSTEM

GRI 2-10, 2-11, 2-18, 2-19, 2-20, 405-1

The code of ethics **defines the approach adopted by Asonext Group for the responsible management of its business activities. The company identifies and implements mitigation actions to protect the environment, workers and the community in which it operates.**

The governance of Asonext Spa Società Benefit is characterised by the following corporate bodies[5]:

- Shareholders' Meeting, which in the present case is represented by Asonext Spa Società Benefit;
- Board of Directors consisting of 3 members, 2 of whom are independent;
- one Managing Director;
- Board of Auditors consisting of the chairman and 2 statutory auditors and 2 alternate auditors;
- auditing Company;
- Supervisory Board 231, collective;
- Benefit officer.

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;
- One Managing Director;
- Sole Auditor;
- Auditing Company;
- Supervisory Board 231, single member.

For both companies, representation is attributed to the Managing Director **Cav. del Lavoro Dr. Paola Artioli.**

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 Gnecchi, 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.

5 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.

3.2 ORGANISATIONAL STRUCTURE

GRI 2-9, 2-11, 2-12, 2-13, 2-24

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:

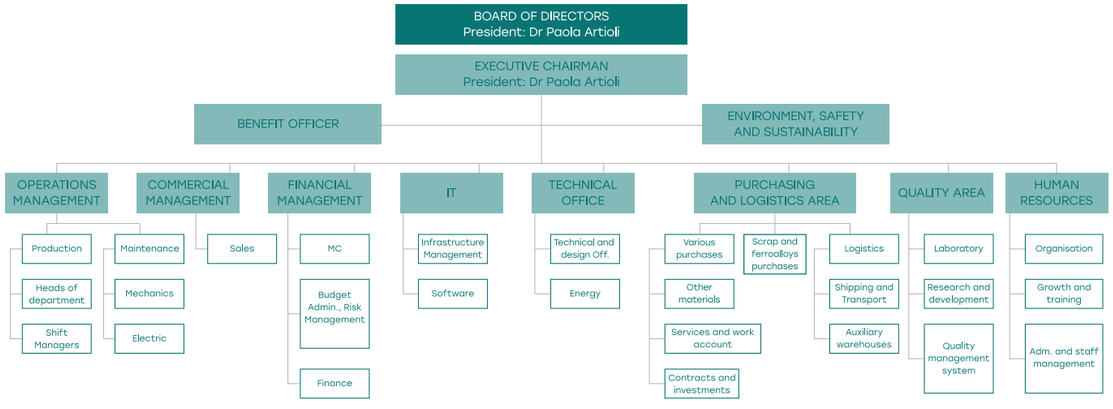
- Production and Maintenance;
- Administration, Finance, Control Risk Management;
- Sales and Marketing.

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

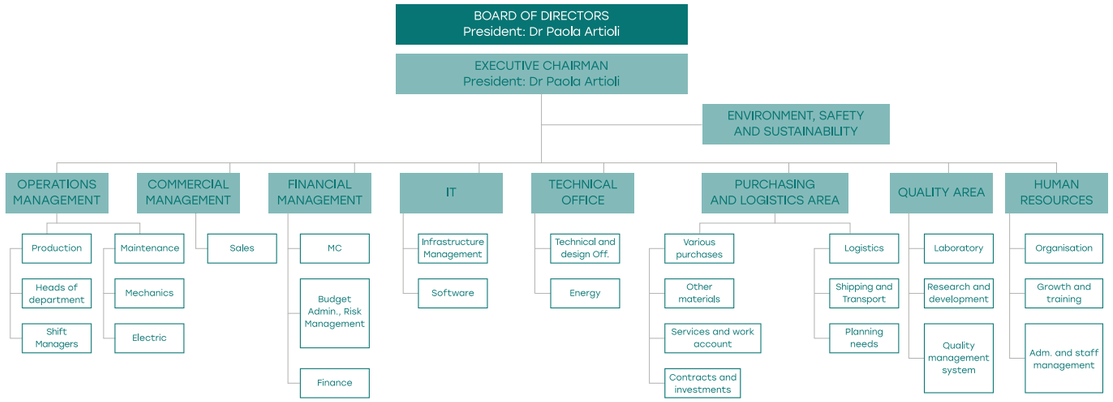
- Technical Office, Plant Engineering Development and Energy Manager;
- Human Resources and Training;
- Environment, Safety and Sustainability;
- Integrated logistics;
- Quality, Research and Development;
- Information Communication Technology;
- Purchasing Office.

The organisation charts of Asonext Spa Società Benefit and Asoforge Srl as at 31/12/2023 are shown below.

Asonext Spa Società Benefit organisation chart



Asoforge Srl Organisation Chart



In addition to the organisational structure defined in the organisation chart, Asonext has formalised several working groups made up of employees from different areas, with different skills and training, in order to be able to address important and relevant issues through constant teamwork and confrontation, in order to make the result stable and shared. In particular, it was established:

- the Safety Committee: composed of the Operations Director, the Technical Office Manager, the RSPP and the Safety, Environment and Sustainability Director. The functions and purposes will be better described in Chapter 5;
- the Credit Committee: composed of the Managing Director, the Financial Director and the Sales Director. The committee meets monthly and has the purpose of defining and reviewing the credit allocation rules and their exceptions, validating the directives for the recovery of outstanding debts and taking all necessary actions to avoid insolvencies;
- Compliance Staff 231: composed of the Deputy Finance Director, the ASPP of Asonext and the Corporate Training Coordinator. Compliance Staff 231 supports the Supervisory Board in order to assist it in the retrieval of company documentation, information and data necessary for the performance of its duties, as well as in the organisation of audits and, more generally, for all activities connected with the performance of the Supervisory Board's functions.

3.3 ASONEXT SPA SOCIETÀ BENEFIT

Benefit Officer is the person appointed by the Corporation to monitor and report on the impact generated by the latter on the different types of stakeholders in pursuit of the dual objective of profit and common benefit.

On 12 December 2023, the extraordinary shareholders' meeting of Asonext Spa[6] resolved to transform it into a Benefit Corporation. By taking on the status of a Benefit Corporation, the company demonstrates strong social involvement and concrete engagement in ESG sustainability issues.

Benefit Corporations (SB) were introduced in Italy as of 2016 with Law No. 208 of 28 December 2015 and have the peculiarity of combining a dual purpose: profit and common benefit. Common benefit is defined as the pursuit of one or more positive effects on people, communities, territory and environment, cultural and social goods and activities, bodies, associations and other stakeholders. The main purpose of an SB is to pursue, in the exercise of its economic activity, one or more purposes of common benefit and to operate in a responsible, sustainable and transparent manner by balancing the interest of its members and the interest of the community.

By law, SBs must appoint a person from management as a corporate impact officer, known as a **Benefit Officer.** In addition, they are required to produce an annual impact report setting out their achievements, including the publication of key performance indicators (KPIs) that measurably quantify progress.

Asonext has developed the need to give greater concreteness and transparency to the mission that has always characterised the group: respect for the environment.

Already in the previous Sustainability Report 2022, a number of active projects aimed at reducing the company's environmental impact were presented, such as the sustainable development project S.P.A.C.E., for the reduction of energy consumption, the recovery and recycling of water and slag, and the use of alternative materials to fossil fuels.

By becoming a Benefit Corporation, the company also has as its new object the common benefit of **environmental transition**, for the benefit of its stakeholders. Asonext will pursue a strategy of integrating environmental, social and good governance criteria in all areas of operations. In particular:

- Define a strategy of integrating environmental, social and good governance criteria in all areas of operations;
- Pursue the reduction of its impacts through the continuous improvement of environmental performance and energy efficiency, also with a view to progressive decarbonisation, prevention and reduction of pollution and mitigation of the causes of climate change;
- Operate by limiting waste production and maximising the recycling, reuse and recovery of materials used in the production cycle;
- Pursue the sustainable use of natural resources.

6 The transformation into a benefit corporation exclusively concerns Asonext Spa Unipersonale, which becomes: Asonext Spa società benefit unipersonale.

3.4 MODEL 231 AND CODE OF ETHICS

GRI 2-15, 2-26, 205-3

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 adopted the **Organisation, Management and Control Model** implemented pursuant to Legislative Decree 231/2001 (MOD 231). This Model is a set of protocols and procedures adopted by the Company, which regulate and define the corporate structure and the management of its sensitive processes.

The two Group companies (Asonext SpA Società Benefit and Asoforge 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;
- 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 Group companies consist of a general part and a special part.

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 **SupervisoryBoard (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 Spa Società Benefit, the aforementioned body is composed of 3 persons: two external professionals and one internal person. By contrast, the Supervisory Board adopted by Asoforge Srl is single-member. The Supervisory Board is also the recipient of any reports and can take action to carry out checks and investigations.

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.

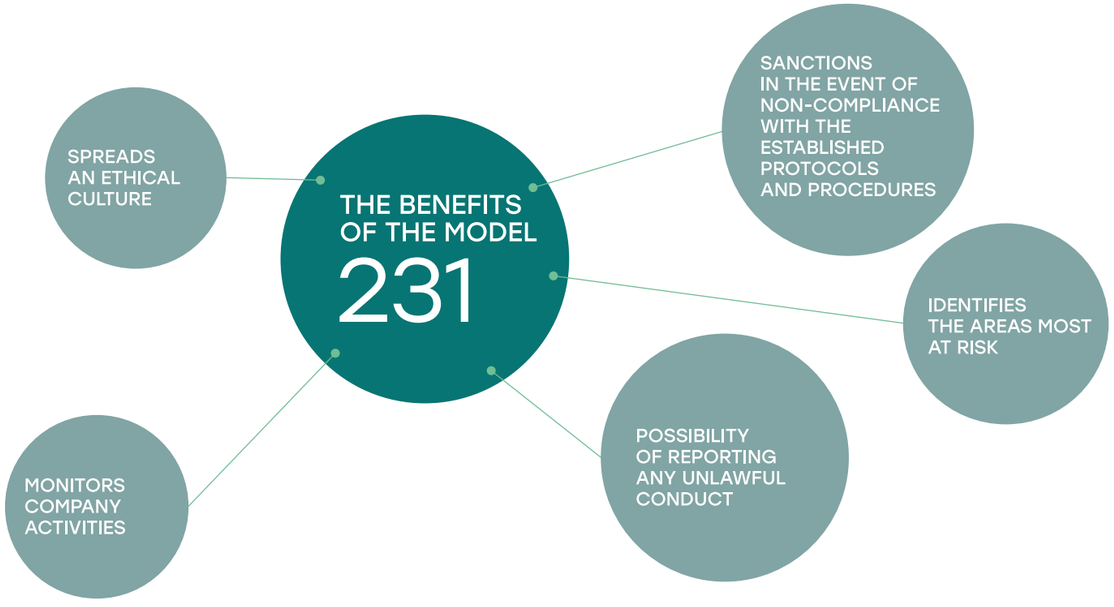
The Group adopts the **Code of Ethics** in order to ensure that all those who collaborate with the company organisation (directors, employees, collaborators, agents, procurers and external stakeholders) carry out their work and conduct themselves in a correct and straightforward manner, avoiding the commission of crimes and offences. The Code of Ethics expresses principles of 'corporate ethics' recognised as its own and on which it calls for compliance by all.

In 2023, Asonext created an internal channel for reporting wrongdoing as provided for in Italian L.D. 24/2023 (so-called Whistleblowing Decree).

Through this system, it is possible to report any unlawful conduct relevant under Italian L.D. 231/01 or violations of the Organisation, Management and Control Model adopted pursuant to Italian L.D. 231/01; violations of provisions of national or European Union regulations that harm the public interest or the integrity of the public administration or the Company, either by persons internal or external to the Company, who have become aware of the offences in the work context.

The System adopted by Asonext guarantees the confidentiality of the reporter's identity and the protection of the reporter from any retaliation.

During 2023, no reports of any 231 offence, including the offence of bribery, were received.



3.5 CERTIFIED MANAGEMENT SYSTEMS

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

Asonext Spa Società Benefit and Asoforge Srl 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. No critical issues were reported to management during 2023.

The management systems have been **certified by accredited third-party bodies.**

Quality management system

Occupational Health and Safety Management System

Environmental management system

Environmental statement available to stakeholders, published on the website

3.6 LEGAL AND DISCIPLINARY ACTIONS

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

At present, there are no legal proceedings pending in the areas of tax law, unfair competition, anti-corruption or privacy law violations. During 2023, the company did not incur any penalties or fines.

As at 31 December 2023, a judicial proceeding is pending before the Court of Appeal 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.

3.7 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 legality, prudence, responsibility, and transparency towards the Company's stakeholders, first and foremost the Public Administration.

Asonext 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.

Responsibility for tax matters and tax compliance lies with the Executive Chairman, who has a directing and coordinating role; they are carried out by the Administrative Management and external qualified professionals, who report to the Executive Chairman himself.

This management of tax obligations makes it possible to correctly identify the taxes to be paid to the Treasury and the content of all declaratory obligations, minimising the risk of litigation and, at the same time, contributing to a fair and sustainable development of the community.

4

ENVIRONMENTAL PERFORMANCE

GRI 3-3

In order for the turtle to continue to dig its nest on dry land,
Asonext is committed to giving new life
to steel production residues.
Our commitment to circular steel preserves resources
and fuels renaissance.

4.1 WASTE AND THE CIRCULAR ECONOMY

The group has embarked on a process of profound transformation in which environmental transition, a common benefit of the Benefit Corporation, is at the centre of its actions and investments.

4.1.1 Materials used that originate from recycling

GRI 301-2

The steelmaking activity carried out by Asonext Group is by nature **circular**, as steel is a material that can be 100% recycled countless times without losing any of its original properties.

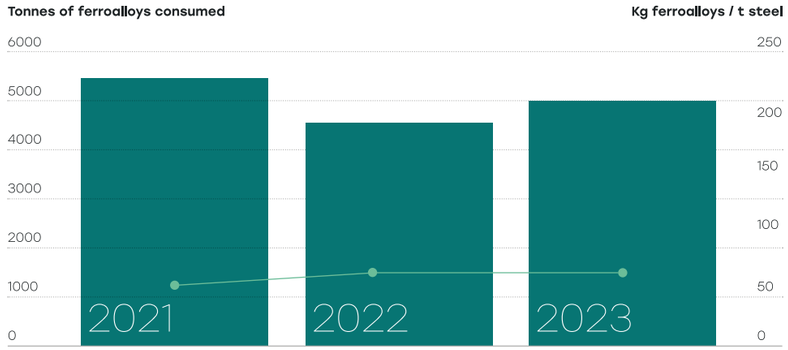
The production cycle starts with the melting/re-melting of ferrous scrap from recovery operations or simply byproduct. The melting furnaces installed at the steel mill are of the electric arc furnace or induction furnace type and, compared to full-cycle technology (BF/BOF), use recycled material, thus minimising the use of virgin, non-renewable natural resources. Other refining treatments (VAR/ESR) start from the 'unfinished ingot' which, following remelting, achieves higher quality characteristics.

Ferrous scrap, checked and monitored, arrives at the steelworks for recycling

Ingots produced using scrap leave the steel mill to find new applications. At the end of their life cycle they will become scrap again.

Steel is produced by using ferrous scrap and adding other auxiliary materials such as coal, slag and ferroalloys. The latter are added to the liquid steel to add the chemical elements required in the predetermined recipes. The ferroalloys purchased and their consumption during the three-year period are shown in the graph below.

Consumption of ferroalloys

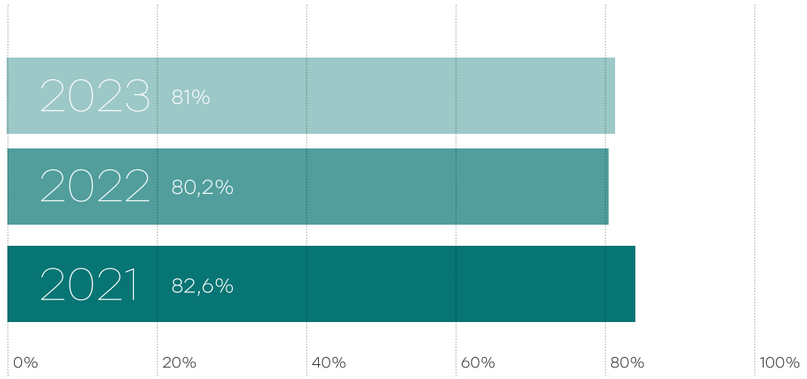


	2021	2022	2023
Total consumption	5486,0	4742,0	4991,1
Specific consumption	51,6	59,9	62,8

The amount of ferroalloys consumed shows appreciable stability in the period between 2021 and 2023, although there has been a slight change in the type of steels produced. Although Asonext has oriented its production towards steels with increasingly higher properties, obtained through the optimised use of specific ferroalloys, the specific consumption of the latter has increased modestly. This was achieved by purchasing scrap that was titrated and verified for compliance with specific chemical characteristics.

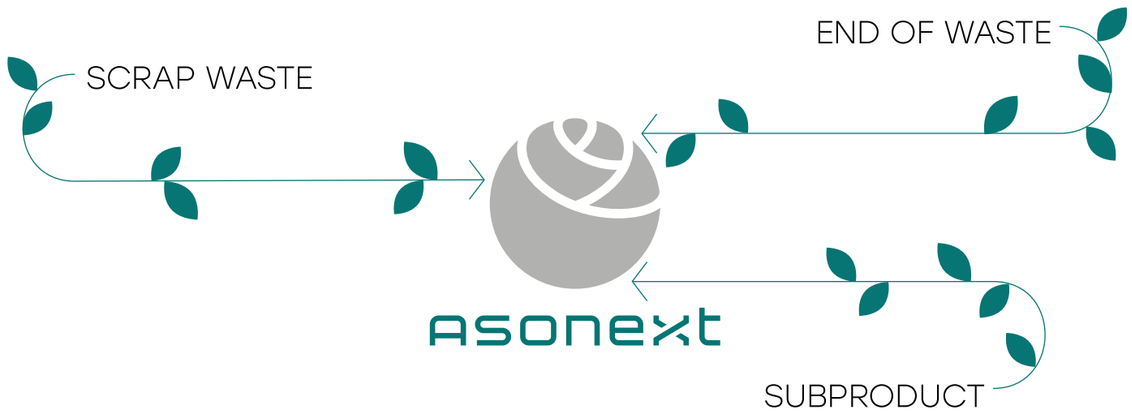
The following graph shows the percentage of purchased recycling materials over the two-year period 2021-2023.

Percentage of purchased recycling materials[7]



Through the management control/supply chain office, the company monitors and manages data on the purchase and consumption of materials used in the production process.
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 società benefit. 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 (§ 6). Asonext Spa società benefit performs strict controls on scrap entering the plant by carrying out documentary, visual, chemical and radiometric checks in accordance with the regulations in force.

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.



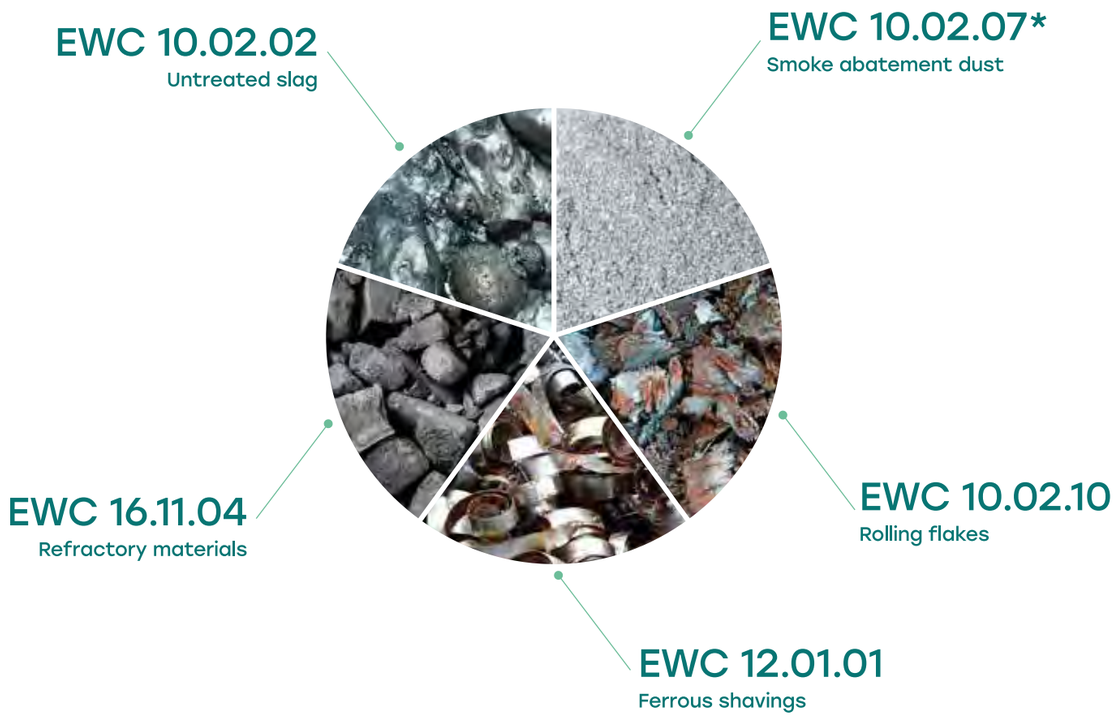
7 the percentage of purchased recycling materials is calculated as the ratio of purchased recycling materials for the production process (scrap) and total purchased materials.

4.1.2 Waste types and management of significant related impacts

GRI 306-1, 306-2

Steel production is accompanied by the generation of certain residues that the company is committed to reintroduce into other production processes - after recovery operations - feeding the value chain of other circular economies. Five main types of waste fall out of Asonext Group's production cycle:

- steel mill slag 10.02.02: is non-hazardous waste from the electric furnace melting cycle or steel refining processes. They are materials rich in silicon, iron and calcium oxides that can be recycled at authorised recycling plants;
- smoke abatement dust 10.02.07*: is hazardous waste and decays from the filtration of the fumes produced ("*" hazardous waste);
- rolling flakes 10.02.10: are iron oxides that originate from the forging of ingots;
- shavings 12.01.01: titled ferrous scrap, removed from the surface processing on the forged ingot;
- refractories from furnace and ladle refurbishment activities 16.11.04.



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 (EWC/LoW, MUD, O.R.SO., AIDA).

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.

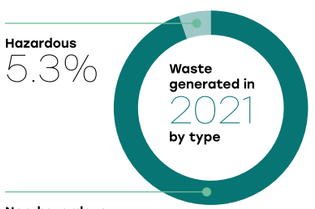
4.1.3 Waste generated

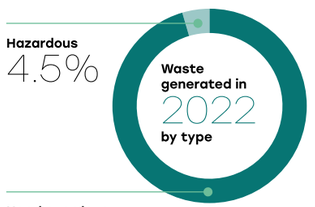
GRI 306-3

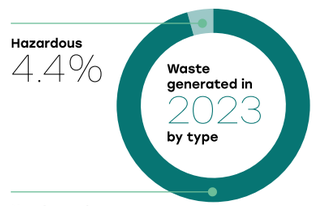
The waste generated and delivered during the two-year period 2021-2023 is listed below. The table shows the aggregated data of Asonext Group, separated by EWC/ LoW and hazard.

EWC	PRODUCT CATEGORY	U.M.	2021	2022	2023
TOTALE RIFIUTI NON PERICOLOSI		TONNES	29,115.29	22,630.26	23,572.09
10.02.02	Steel mill slag	Tonnes	23,755.60	17,523.58	19,028.23
10.02.10	Rolling flakes	Tonnes	1,232.54	858.35	863.82
12.01.01	Ferrous shavings	Tonnes	1,289.65	1,561.75	1,246.65
12.01.21	Tool bodies	Tonnes	2.19	2.49	0.00
15.01.01	Paper packaging	Tonnes	29.84	16.61	28.06
15.01.02	Plastic packaging	Tonnes	6.15	7.08	6.19
15.01.03	Wooden packaging	Tonnes	121.52	93.99	101.33
15.01.06	Mixed material packaging	Tonnes	37.21	28.99	31.08
16.02.14	Non-hazardous equipment	Tonnes	0.54	16.19	16.22
16.02.16	Electrical components	Tonnes	1.14	7.04	0.00
16.10.02	Aqueous liquid waste	Tonnes	0.00	0.00	2.00
16.11.02	Carbon-based refractories	Tonnes	14.35	0.00	0.00
16.11.04	Refractories	Tonnes	1,103.07	1,129.82	969.15
17.04.01	Copper and bronze	Tonnes	5.47	0.32	0.36
17.04.02	Aluminium	Tonnes	0.43	0.00	0.20
17.04.05	Iron and steel	Tonnes	1,514.59	1,147.92	1,177.78
17.05.04	Excavated earth and rocks	Tonnes	0.00	46.35	0.00
17.06.04	Insulating polyurethane	Tonnes	0.00	0.07	0.00
17.09.04	Demolition material	Tonnes	0.00	186.01	101.02
19.09.05	Softener resins	Tonnes	1.00	0.00	0.00
20.03.04	Septic tank sludge	Tonnes	0.00	3.70	0.00

EWC	PRODUCT CATEGORY	U.M.	2021	2022	2023
TOTAL HAZARDOUS WASTE		TONNES	1,640.54	1,077.40	1,074.14
10.02.07*	Dust abatement	Tonnes	1,460.79	892.82	989.97
12.01.09*	Oily emulsions	Tonnes	3.76	0.00	22.63
12.01.12*	Waxes and grease	Tonnes	2.30	3.38	0.95
12.01.18*	Rectification sludge	Tonnes	2.34	10.89	6.06
13.01.10*	Mineral oils	Tonnes	10.64	6.44	6.68
13.08.02*	Oily emulsions	Tonnes	16.89	9.72	0.00
15.01.10*	Contaminated packaging	Tonnes	0.00	0.18	0.06
15.02.02*	Absorbents/filtering sleeves	Tonnes	6.74	3.21	5.56
16.01.04*	End-of-life vehicles	Tonnes	105.59	137.22	5.78
16.01.07*	Oil filters	Tonnes	0.12	0.25	0.13
16.01.21*	Hazardous components	Tonnes	0.96	0.45	0.37
16.02.11*	Equipment with CFCs	Tonnes	0.00	1.01	0.00
16.02.13*	Hazardous equipment	Tonnes	0.34	1.11	0.10
16.03.03*	Inorganic hazardous waste	Tonnes	11.86	0.00	15.37
16.05.06*	Laboratory reagents	Tonnes	0.25	0.00	0.00
16.06.01*	Lead-acid batteries	Tonnes	1.21	0.00	0.41
16.07.08*	Waste containing oil	Tonnes	0.00	0.00	3.24
17.06.03*	Ceramic fibres	Tonnes	16.75	10.65	16.83
20.01.21*	Fluorescent tubes and other mercury-containing waste	Tonnes	0.00	0.07	0.00
TOTAL		TONNES	30.755,83	23.707,66	24.646,23
SPECIFIC PRODUCTION		WASTE TONNES/ STEEL TONNES	0,227	0,223	0,242







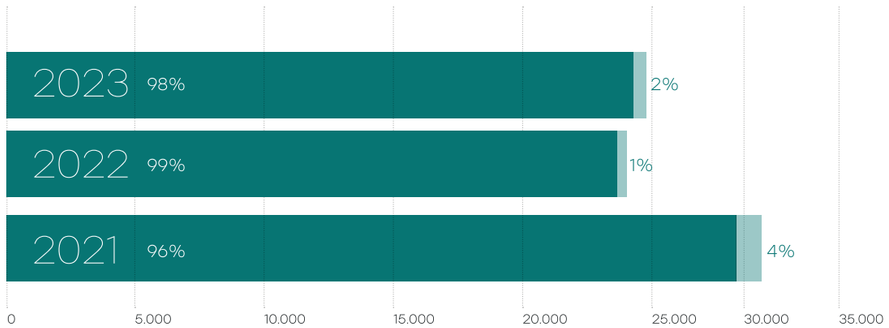
4.1.4 Destination of generated waste

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..

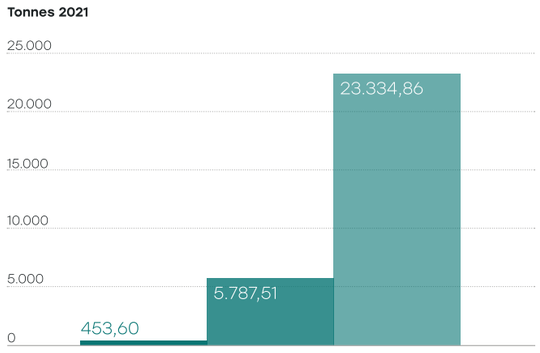
Waste management

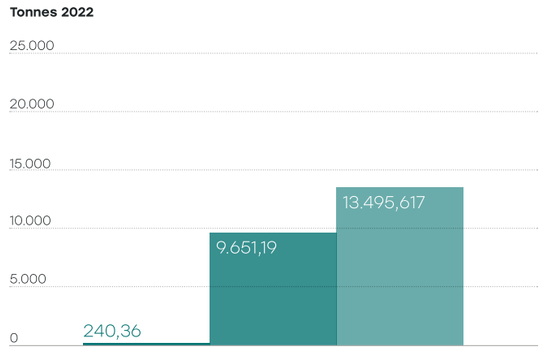


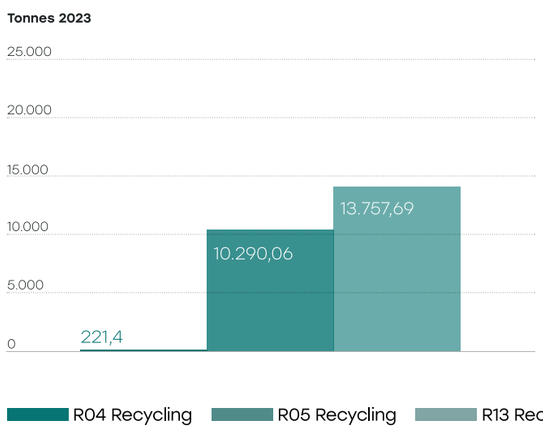
Tonnes	2021	2022	2023
RECOVERY	29,575.8	23,387.2	24,269.2
DISPOSAL	1,180.0	320.5	377.1

Recovery operation

The following graph shows the main operations carried out on waste sent for recovery during the two-year period 2021-2023.



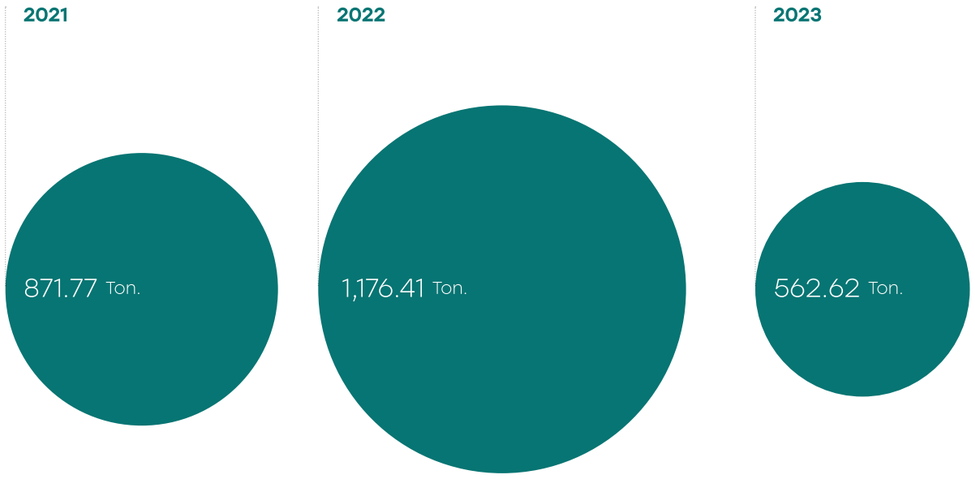




The EWC code 120101 produced by Asoforge, lapses from the surface treatment operations performed on the ingot delivered by the parent company Asonext Spa Società benefit.

With a view to optimisation and intra-group circularity, the above waste - constituted by titled steel - is returned with a form to the Asonext steelworks and re-melted, with operation R13 for R4.

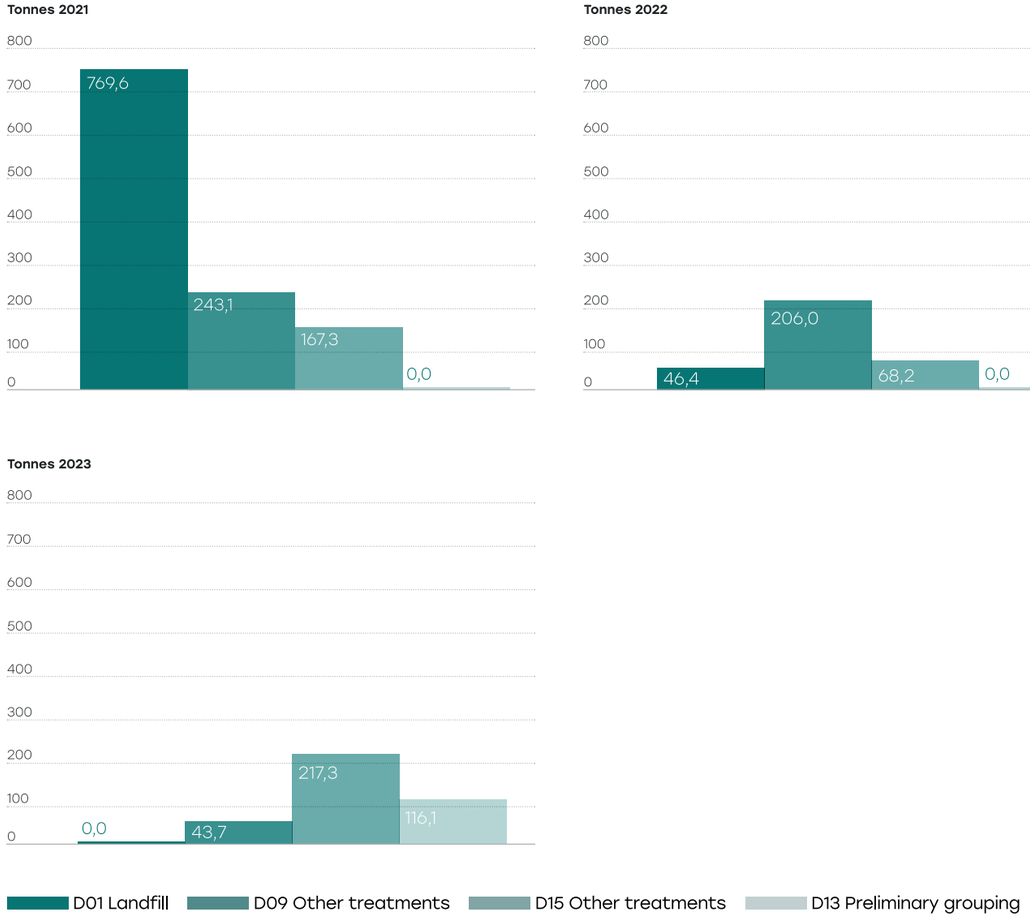
Manufacturer Asoforge Srl: EWC/LoW 120101 remelted in Steel mill (tonnes)



During 2023, 490.12 tonnes of waste 120101 were collected by a specialised external company (authorised to recycle with an R13 to R4 operation), which processed the material, transforming it into End of Waste, and then returned it to the Asonext Spa società benefit steelworks.

Disposal operation

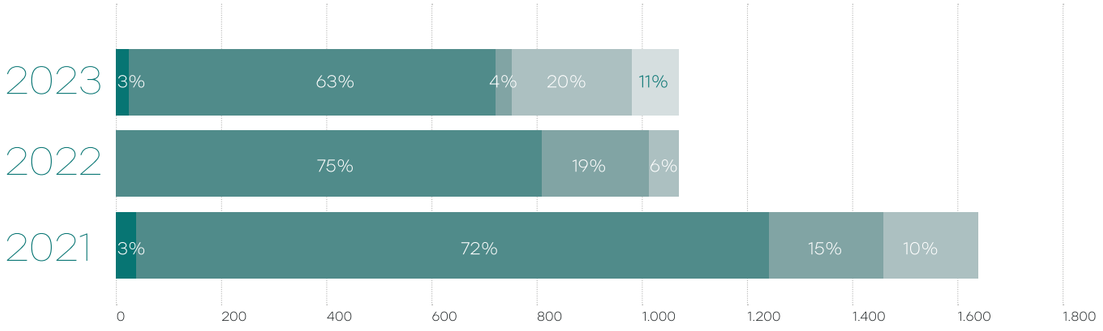
The remaining waste produced by the Group was sent for disposal. It should be noted that for some types of waste (e.g. some smoke abatement dusts from the stainless steel area), there are currently no environmentally safe recovery options.



As far as hazardous waste is concerned, management over the three-year period is as follows:

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

La gestione dei rifiuti pericolosi



Tonnes	2021	2022	2023
R04	52,0	0,0	27,5
R13	1.180,0	809,5	671,5
D09	243,1	202,3	43,7
D15	164,2	65,7	215,3
D13	0,00	0,00	116,1

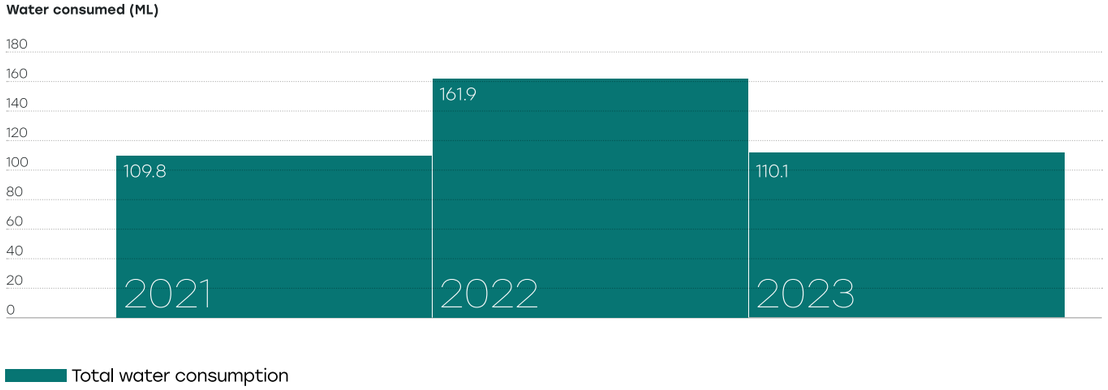
4.2 WATER RESOURCE MANAGEMENT

4.2.1 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 water- stressed areas[8]- water comes both from groundwater and from the public water supply. The following graph shows the aggregate data for 2021-2023.



SPECIFIC CONSUMPTION	U.M.	2021	2022	2023
	ML/t steel	0,0008	0,0015	0,0011

The graph also shows the specific consumption of the resource (ML H2o/tonne steel). It is noted that there was an increase in 2022, mainly due to two difficult-to-resolve water leaks, while in 2023, values return to normal.

8 Source: “Lo stato di severità idrica a scala nazionale”, ISPRA

4.2.2 Water discharges

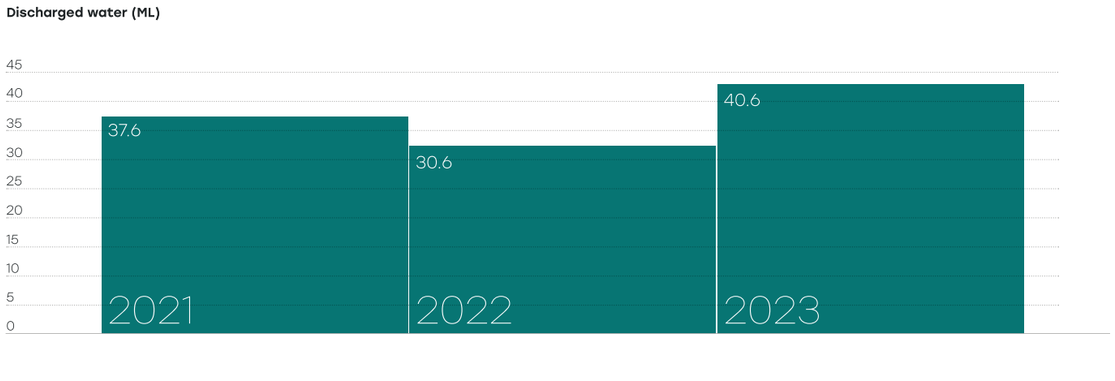
GRI 303-4

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	S1	Civil and stormwater	Public sewers
	S2	Civil and stormwater	Public sewers
	S3	Cooling / overflow	CIS
	S4a	Rainwaters after the first flush	CIS
	S4b	Rainwaters after the first flush	CIS
	S5	Rainwaters after the first flush	CIS
Asoforge	S1	Storm water	CIS

The volume of water discharged is monitored monthly by the maintenance staff through meter readings. The graph represents the total volumes of wastewater discharged into public sewers or surface water bodies, expressed in absolute ML and related to tonnes of steel produced and processed.



INDICATOR	U.M.	2021	2022	2023
	ML/t steel	0,00028	0,00029	0,00040

There is an increase in the quantities entering water bodies. Between 2021 and 2023, the indicator increased by +30%, mainly due to the S3[9] discharge and the decrease in total production of Asonext plants.

If necessary, 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 parameters comply with the limits imposed by the regulations in force.

9 The S3 exhaust is directly connected to the cooling circuit of the VAR (vacuum recirculation) system, which was used much more in 2023 than in previous years.

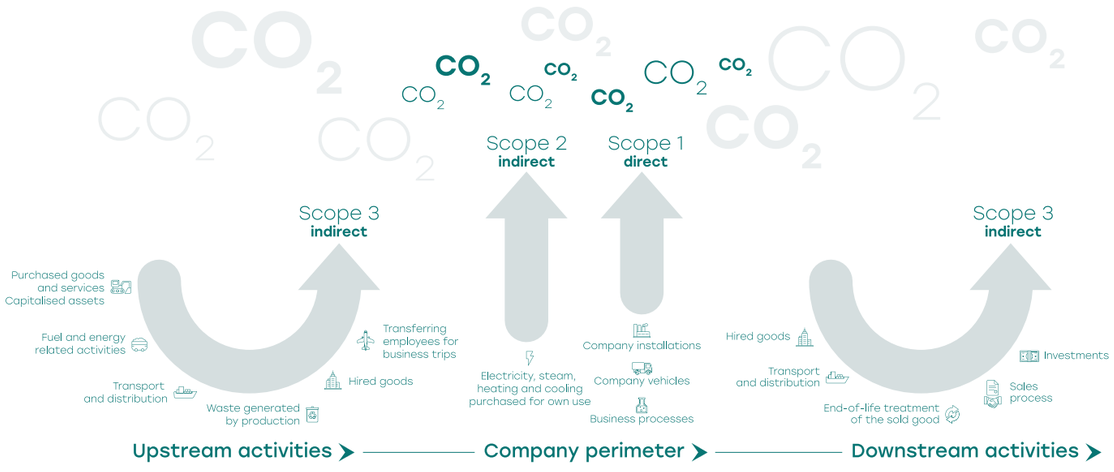
4.3 FIGHT AGAINST CLIMATE CHANGE

Promoting actions, at all levels, to combat climate change is goal number 13 out of 17 in the UN 2030 Agenda. This increasingly important challenge is integrated into European action programmes and involves several economic and production sectors, including the steel industry.

Asonext participates in the fight against climate change with a decarbonisation strategy and an investment plan to optimise -among others- the energy efficiency of its plants. This path, which is already underway, translates into concrete actions to protect the environment and the territory, with a redefinition of the production system oriented towards a low-carbon economy, in accordance with the principles recently enunciated by COP28. As a Benefit Corporation, Asonext confirms its commitment to the environmental transition, sharing a common goal to combat climate change.

The company's policy is focused on achieving carbon neutrality through actions involving every aspect of the business, from optimisation of production facilities to fleet management. With regard to the latter, a gradual replacement of endothermic-engined cars with hybrid and electric vehicles is underway.

Furthermore, as already presented in the Sustainability Report 2022, the company continues to measure its carbon footprint and direct and indirect emissions according to ISO 14064-1, monitoring the improvements achieved over the years. In this document, direct emissions (SCOPE 1) and indirect emissions (SCOPE 2) will be reported, using the operational control approach. Emissions are calculated using emission factors from the Ecoinvent/Ispra database. The group is refining the calculation methodology for indirect SCOPE 3 emissions, which are estimated to account for about 70% of CO_2 equivalent emissions.



4.3.1 Scope 1 - Direct GHG Emissions

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 stipulates, depending on the production capacity of the company, a certain annual amount of CO_2 that can be emitted and, once the predetermined threshold is exceeded, the company must enter the allowance trading market and purchase the missing allowances (tonnes) of CO_2.

Direct emissions, expressed in tonnes of CO_2 equivalent[10], include:

- 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.

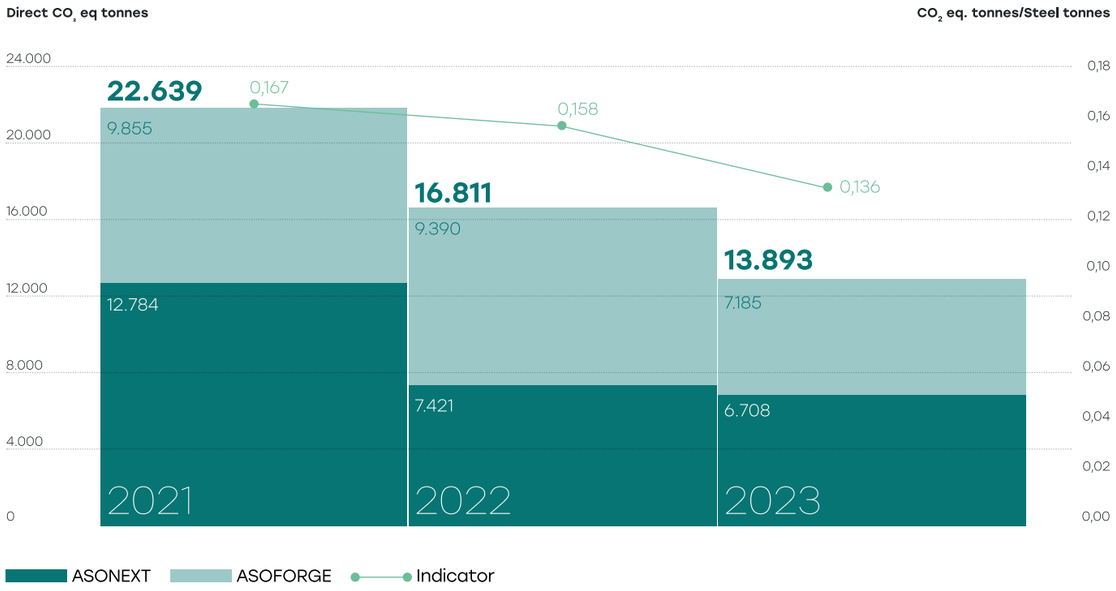
FLOW DESCRIPTION	CONTRIBUTION
STEEL SCRAP	POSITIVE
CAST IRON/CAST IRON SCRAP	POSITIVE
COMPONENTS FOR ALLOYS (E.G. FESI, FEMN)	POSITIVE
DUST	NEGATIVE
LIME (DOLOMITIC AND CALCITIC)	POSITIVE
SLAG	NEGATIVE
HOT-FILL STEEL	NEGATIVE
ELECTRODE	POSITIVE
GRAPHITE	POSITIVE
ANTHRACITE	POSITIVE
NATURAL GAS (CH_4)	POSITIVE

10 The 100-year Global Warming Potential (GWP) values defined by the IPCC were used to convert emissions into CO_2 equivalents.

In the 2021-2023 two-year period, there was a significant decrease in direct CO_2 emissions (Scope 1). There are no biogenic CO_2 emissions from the combustion or degradation of biomass or other sources of equivalent CO_2 emissions. Specifically, it went from 22,639 tonnes in 2021 to 13,893 tonnes of CO_2 in 2023, a decrease of 38.6%, which was achieved thanks to the following measures:

- 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.

Direct CO_2 eq emissions (Scope 1)



The indicator tCO_2 eq direct/t steel improved markedly, recording a decrease in the specific factors for both Group companies.

Project completed in 2023: Replacement of the existing methane boiler in the changing rooms and canteen with a heat pump heating plant capable of supplying both DHW and heating the rooms with low-temperature radiant systems.
The project represents the completion of the existing system for recovering and transferring excess heat from the furnace and exploits surface geothermal energy combined with energy recovery from the land. The energy source, therefore, will be water from the existing cold district heating.

The project stems from a synergy between Asonext Spa and Cogeme SpA (Cogeme Nuove Energie Srl) and is part of the European project 'LIFE4HEATRE-COVERY -Low Temperature Urban Waste Heat into District Heating and Cooling Networks as a Clean Source of Thermal Energy'. Once fully deployed, the technology will avoid the use of methane gas and eliminate direct CO_2 emissions from its combustion.
The system was installed in 2023 and will be fully commissioned in 2024.

Gaseous emissions generated by production plants are controlled by means of 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.

Among the 25 installed atmospheric emissions, the most significant are the E1:, E3:, E13: emissions of the steel mill, respectively related to the ladle furnace reheating, the EAF section and the induction and AOD furnaces. The emission E3 is also 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 2021-2023 are given below.

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

EMISSION E1 LADLE FURNACES LF1-2, FERROALLOY SILOS

CHEMICAL PARAMETERS	MEASUREMENT UNITS	AIA LIMIT 2017	2021	2022	2023
DUST (pts)	mg/Nm³	10	<0,3	<0,3	<0,3
NOX (EXPRESSED AS NO2)	mg/Nm³	300	17	9	<5
HF	mg/Nm³	2	<0,2	<0,2	<0,2
PCDD/PCDF (AVERAGE)	ng I-TEQ/ Nm³	0,1	0,0167	0,0009	0,0013

EMISSION E3 ELECTRIC ARC FURNACE EAF

CHEMICAL PARAMETERS	MEASUREMENT UNITS	AIA LIMIT 2017	2021	2022	2023
DUST (pts)	mg/Nm³	5	<0,3	<0,3	<0,3
NOX (EXPRESSED AS NO2)	mg/Nm³	300	105	14	20
HF	mg/Nm³	2	0,2	<0,2	<0,2
PCDD/PCDF (AVERAGE)	ng I-TEQ/ Nm³	0,1	0,0021	0,0022	0,0012

EMISSION E13 INDUCTION OVEN 1 AND 2, LADLE OVEN LF3

CHEMICAL PARAMETERS	MEASUREMENT UNITS	AIA LIMIT 2017	2021	2022	2023
DUST (pts)	mg/Nm³	5	<0,3	<0,3	0,5
NOX (EXPRESSED AS NO2)	mg/Nm³	300	<5	<5	6
HF	mg/Nm³	2	<0,2	<0,2	<0,2
PCDD/PCDF (AVERAGE)	ng I-TEQ/ Nm³	0,1	0,0077	0,0679	0,00795

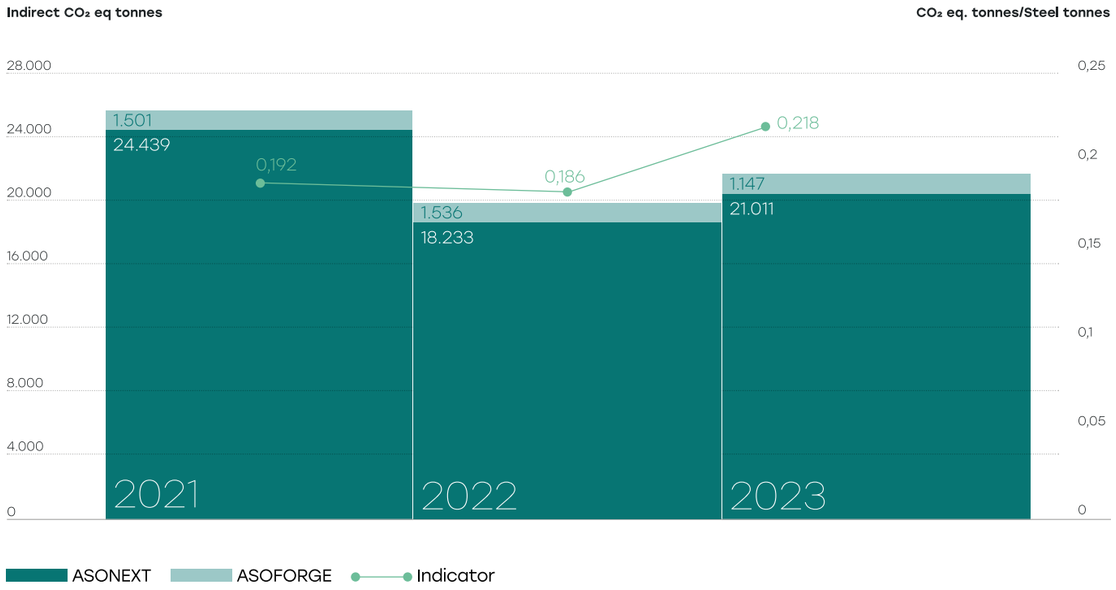
4.3.2 Scope 2 - Indirect GHG emissions from energy consumption

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[11] and market-based[12] approaches.
The following graph shows the indirect CO_2 emissions from electricity purchase (location-based approach[13]).

Indirect CO_2 eq. emissions (Scope 2)



In the three-year period 2021-2023, the quantities of indirect CO_2 equivalent emitted decreased from 25,940 t to 22,158 t (- 14.6%). During 2023, the specific emission indicator increased, mainly attributable to the increase in specific electricity consumption (see 4.4.1).

However, it should be noted that this increase is also influenced by the increase in the location-based conversion factor from 0.255 Kg CO_2/ Kwh to 0.293 Kg CO_2/Kwh for 2023 (+14.9%).

11 The location-based conversion factor is 0.255 Kg CO_2/Kwh for 2021 and 2022 (as per GHG Accounting report 2021-2022) while it is 0.293 Kg CO_2/Kwh for 2023 (as per the GHG Accounting report 2023)

12 The market-based conversion factor is 0.459 Kg CO_2/Kwh for 2021 and 2022 (as per GHG Accounting report 2021-2022) and 0.501 Kg CO_2/Kwh for 2023 (as per GHG Accounting report 2023)

13 The market-based approach yields the following results:
- indirect CO_2 emitted in 2021: 46,488 t
- indirect CO_2 emitted in 2022: 35,428 t
- indirect CO_2 emitted in 2023: 37,856 t

4.4 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 main machinery used in production is equipped with meters/software for real-time monitoring of consumption. The plants' consumption of electricity and methane gas is monitored monthly and then verified through the supplier's invoices.

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.

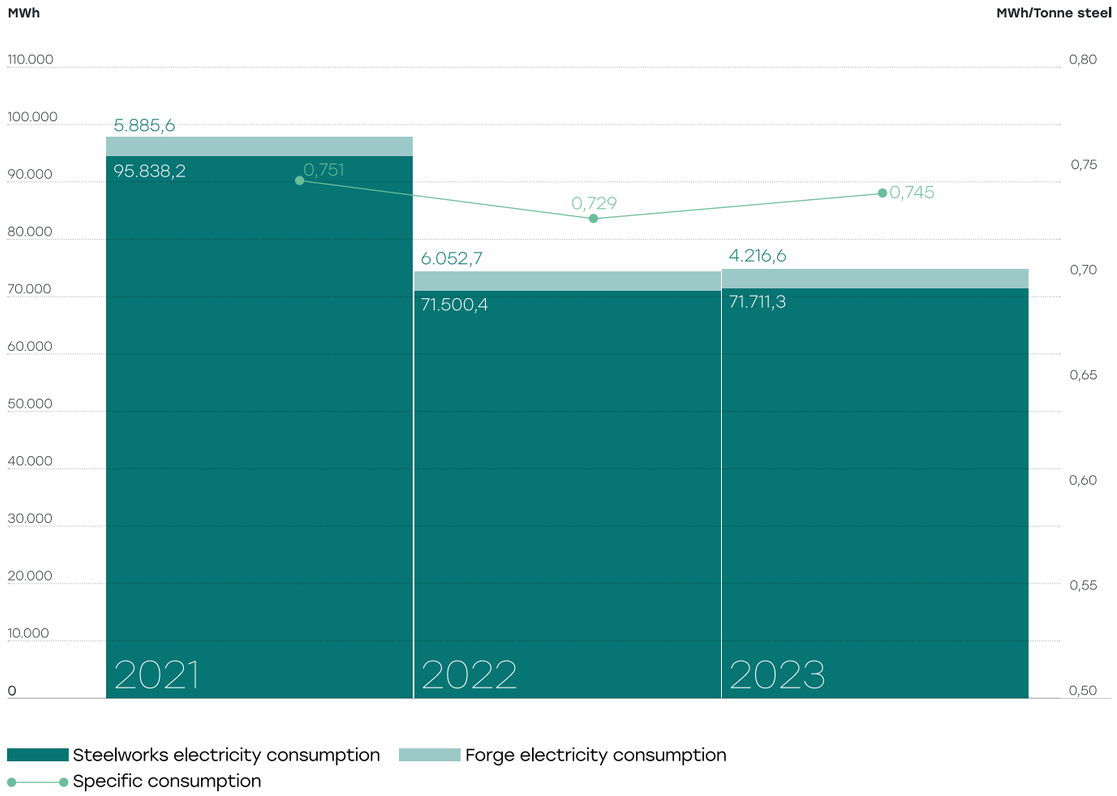
Asonext has implemented and is maintaining improvement programmes to limit the environmental impact of its products, especially from an energy perspective. In particular:

- 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;
- 'Green Metal' project, 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;
- S.P.A.C.E for Steel project (introduced in Budget 2022);
- transport of hot ingots to the customers with insulated semi-trailers. These exceptional transports are organised to save natural gas consumption. Due to the high masses and temperatures of the ingots transported, shipments take place under the ADR transport regime and, therefore, according to specific safety standards dictated by the Ministry of Infrastructure and Transport.

4.4.1 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.

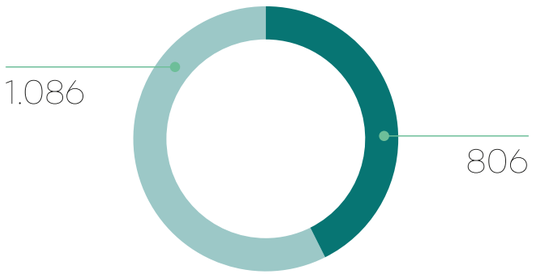
Electricity consumption



It is noted that, over the three-year period 2021-2023, absolute consumption of electricity inside the organisation has been steadily decreasing, in particular by 25.36% (from 366,205.9 GJ to 273,340.38 GJ). The biggest contribution is made by Asoforge Srl, which sees a significant decrease in consumption, also due to the drop in production.

The group currently produces a total of 525,537.6 KWh (1891.9 GJ) of renewable energy through the photovoltaic plant of Asoforge Srl. During 2023, approximately 223,910 KWh (806.1 GJ) were returned to the grid, representing 42.6% of the renewable energy produced by the photovoltaic system. Self-consumption from renewable sources (1085.9 GJ) covered 7.15% of the forging plant's energy requirements.

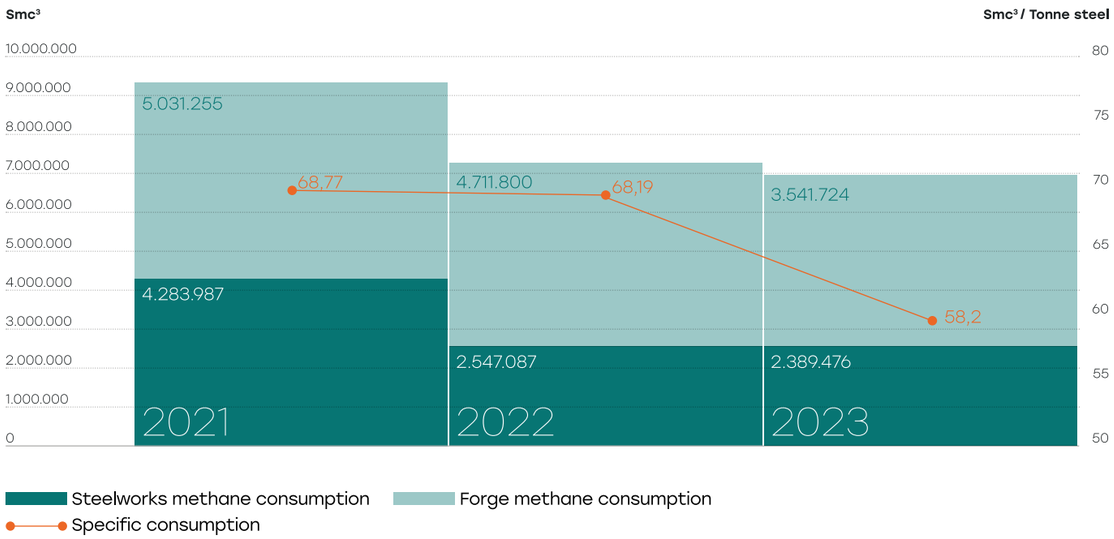
Year 2023 Photovoltaic Asoforge Srl



4.4.2 Natural gas consumption

An evaluation of the data shows that absolute natural gas consumption fell by 34.8% (from 325,120 GJ to 212,140 GJ) over the three-year period 2021-2023.

Natural gas consumption



The decrease in consumption is mainly related to the increased efficiency of the plants introducing energysaving measures in both the steel mill and the forge.

The sum of the energy sources used by the two plants and the energy intensity are shown in the table below:

	U.M.	2021	2022	2023
TOTAL ENERGY CONSUMPTION	GJ	691.326	535.898	485.481
ENERGY INTENSITY	GJ/t steel	5,10	5,03	4,77

The group's energy intensity decreased by 6.6% thanks to the energy efficiency measures implemented over the three-year period, in particular:

- replacement of ladle heating burners;
- AOD vat maintainer replacement;
- improvement of management practices.

4.5 ENVIRONMENTAL PRACTICES ALONG THE SUPPLY CHAIN

GRI 2-24

The supply chain assessment is guided by a thorough qualification process for identifying the best suppliers of products and services. Suppliers and contractors are selected considering both their technical-economic competitiveness and compliance with Asonext's ethical principles. These principles emphasise the importance of working conditions that respect human rights, as well as minimising environmental impact in the development of activities.

The procedures for selecting suppliers are designed to ensure capacity and reliability in the supply of products and services in line with contractual and quality requirements. This implies the verification of the technical-professional suitability and contributory regularity of contractors and workers (through the mandatory transmission of the DURC [single insurance contribution payment certificate]). In addition, the capabilities, quality and conformity of products and services are assessed, with the aim of ranking suppliers also considering cost reduction.

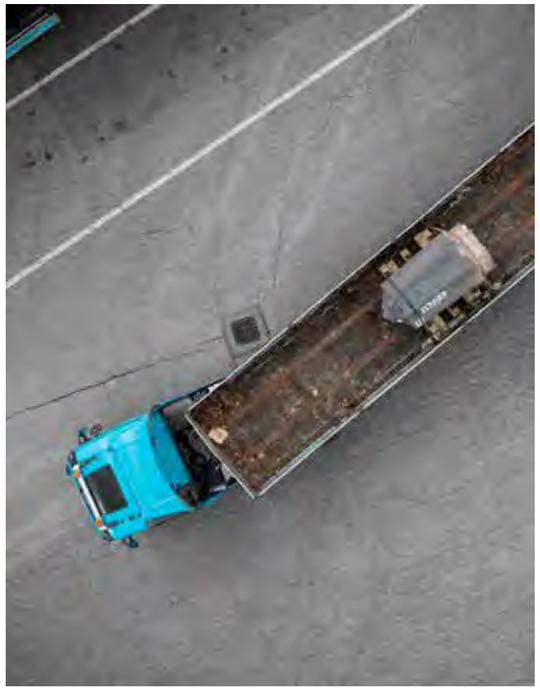
The Quality Office updates the Qualified Vendor List, with the aim of sharing with buyers of goods and services the list of those suppliers who meet the criteria of quality, environmental protection and workers' health.

4.5.1 Proportion of spending towards local suppliers

GRI 204-1

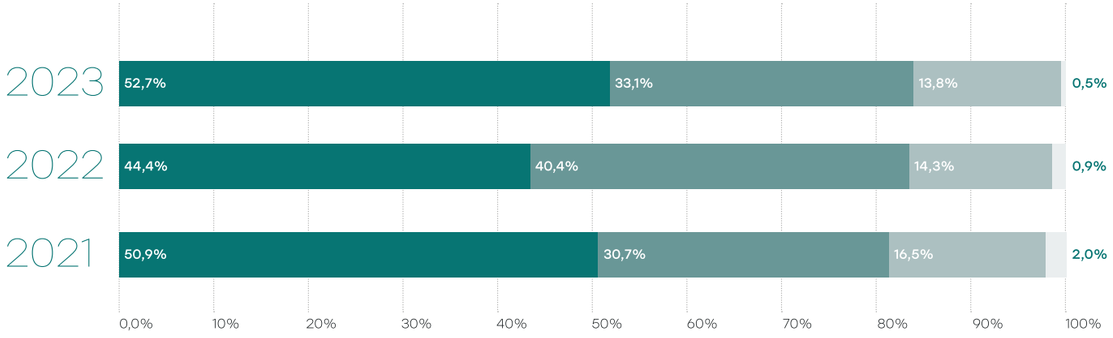
In this second edition of the sustainability report, Asonext continues to focus on the 'proportion of spending towards local suppliers[14]" aimed at the purchase of ferrous scrap, the company's strategic raw material that represents the source of the highest production cost. From the application of the following formula, the graphs below can be derived.

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



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

Local supplier spending



	2021	2022	2023
Brescia	50,9%	44,4%	52,7%
Rest of Lombardy	30,7%	40,4%	33,1%
Rest of Italy	16,5%	14,3%	13,8%
Europe	2,0%	0,9%	0,5%

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, 44.37% in 2022 and 52.66% in 2023);
- the proportion of expenditure for suppliers of the Lombardy Region is continuously increasing 2021 to 2023 from 81.55% to 85.77%.

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

4.6 ENVIRONMENTAL MITIGATION

Following the conclusion of a town planning agreement in 2018 between the municipality of Ospitaletto and Asonext, the latter launched an environmental mitigation project. This agreement is the result of close cooperation between the company and the local authorities, demonstrating Asonext's ability to work in synergy with institutions to promote business development, without inconveniencing the surrounding communities and with full respect for the environment.

The ratification of the agreement took place following the municipality's approval of a change of urban destination for an area of approximately 53 thousand square metres.

Subsequently, the company designed the area, allocating part of the surface (about 20 thousand square metres) to the creation of a green lung.

This project envisages the creation of a real forest within the urbanised area, through the planting of native species.

This initiative will not only help mitigate the visual impact of the building, but will also have a positive impact on local biodiversity, improving air quality and potentially providing a space for company personnel to relax in the future.

5

SOCIAL PERFORMANCE

GRI 3-3

In the joined hands that hold our path,
we find the distinctive profile of Asonext:
a firm commitment to enhancing human capital.

5.1 THE STAFF AT ASONEXT

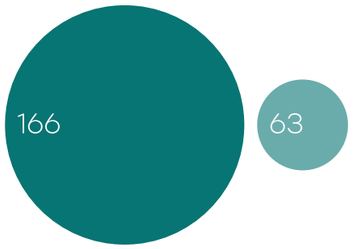
The company's human capital is the main source of business success. Development and valorisation paths are crucial for the optimisation of production activities and the dissemination of ethical values.

5.1.1 Onboarding and turnover

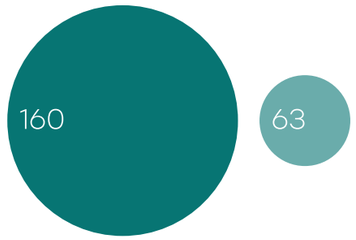
GRI 2-7, 2-8, 401-1, 405-1

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 2023, Asonext Group consisted of 225 employees, an increase of 2 employees compared to 2022.

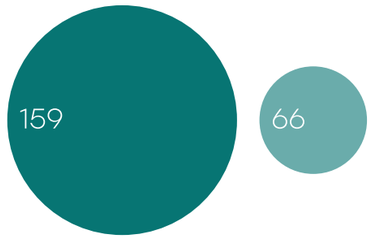
Workforce per Company 2021



Workforce per Company 2022



Workforce per Company 2023



ASONEXT SPA SOCIETÀ BENEFIT ASOFORGE SRL

Asonext enhances the group's Human Resources by providing the stability and continuity of people's work, also guaranteeing the company the experience and reliability required by the high complexity of production processes.

For the above-mentioned reasons, almost all employees of the Asonext Group (with the exception of one employee) are employed on permanent, full-time and part-time contracts.

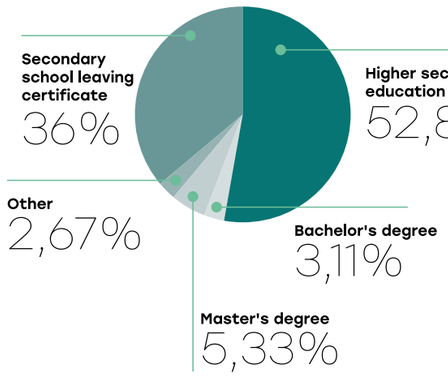
Workforce as at 31/12/2023

BLUE COLLAR WORKERS	FULL TIME	PART TIME	DEFINITE CONTRACT	INDEFINITE CONTRACT
Women	0	1	0	1
Men	146	1	0	147
WHITE COLLAR WORKERS	**FULL TIME**	**PART TIME**	**DEFINITE CONTRACT**	**INDEFINITE CONTRACT**
Women	16	2	1	17
Men	48	1	0	49
MIDDLE MANAGEMENT	**FULL TIME**	**PART TIME**	**DEFINITE CONTRACT**	**INDEFINITE CONTRACT**
Women	1	0	0	1
Men	6	0	0	6
EXECUTIVES	**FULL TIME**	**PART TIME**	**DEFINITE CONTRACT**	**INDEFINITE CONTRACT**
Men	3	0	0	3

A statistical survey was conducted to study the distribution of educational qualifications of Asonext employees.

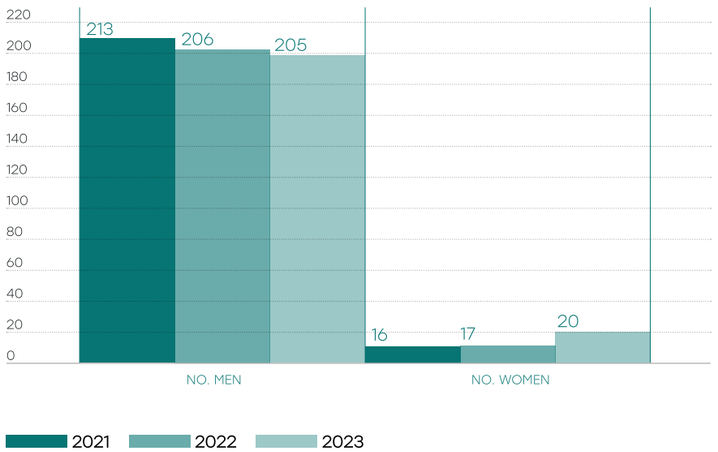
It was found that the majority of Asonext employees have a high school diploma.

Employee qualification Asonext 2023



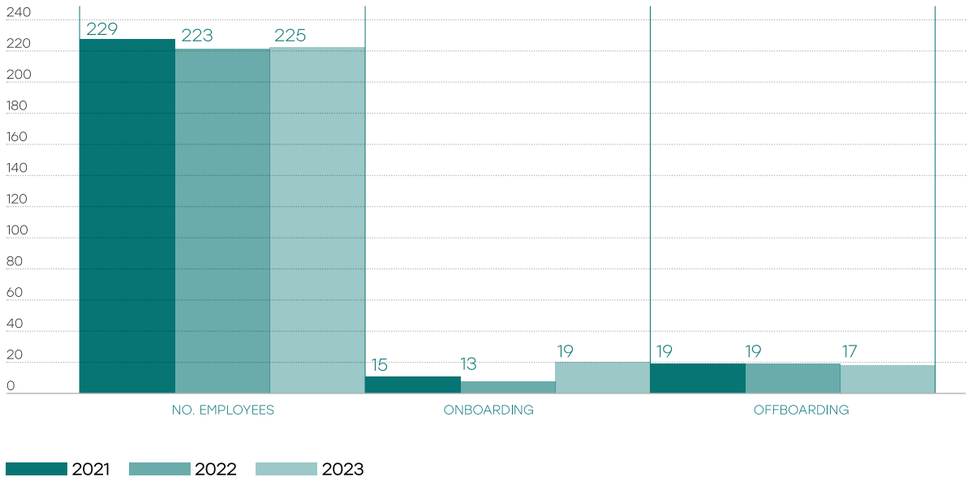
Although a significant male presence can be found within the categories mentioned above (typical of the steel sector), during the three-year period under examination a constant increase in the number of female employees was observed (+25% compared to 2022), even in purely technical and production-related roles, with career paths that value skills and merit.

Gender 2021 -2022 - 2023



The three-year period 2021-2023 saw a total number of 55 outboardings, against a total of 47 onboardings. After the company reorganisation in 2021- 2022, recruitment increased in 2023 and terminations decreased.

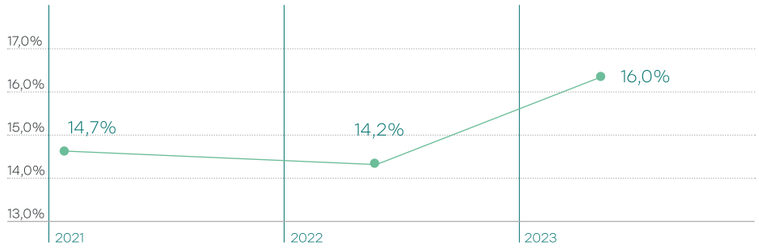
Onboarding / Offboarding 2021 - 2022- 2023



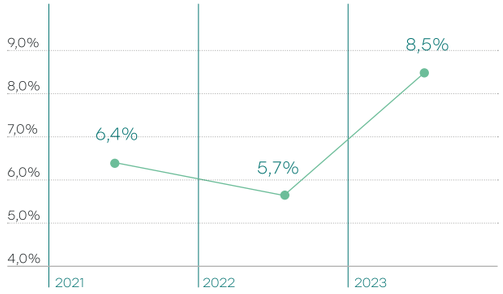
The turnover rate for the three-year period went from 14.7% to 16%. It is fair to specify that, during 2023, turnover increased mainly due to an increase in recruitment and, therefore, to a positive turnover increase.

TURNOVER 2023		GENDER		AGE BAND			GEOGRAPHICAL AREA	
		M	W	under 30	30 ≤ X >50	over 50	BRESCIA	OTHER PROVINCES
Hired	19	13	6	10	8	1	19	0
Resigned	17	14	3	4	9	4	17	0
Sum (recruited+dismissed)	36	27	9	14	17	5	36	0
TURNOVER RATE 2023	**16%**	**12%**	**4%**	**6%**	**8%**	**2%**	**16%**	**0%**

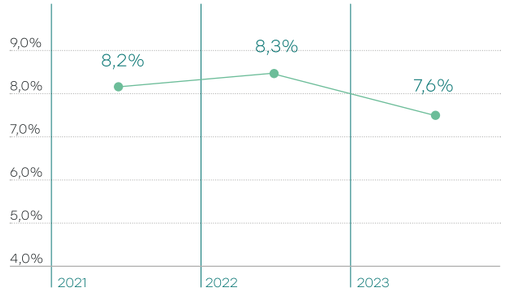
Turnover rate



Positive turnover rate

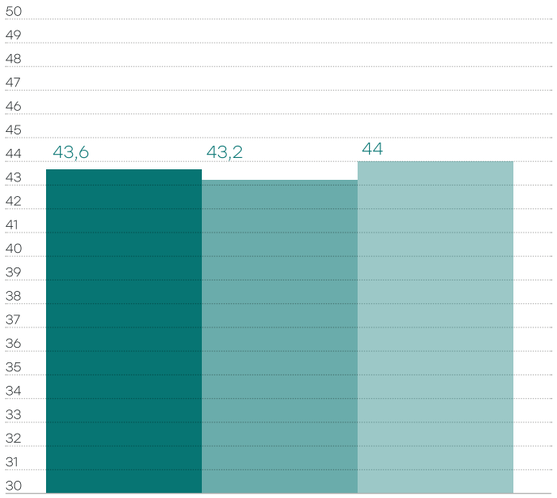


Negative turnover rate

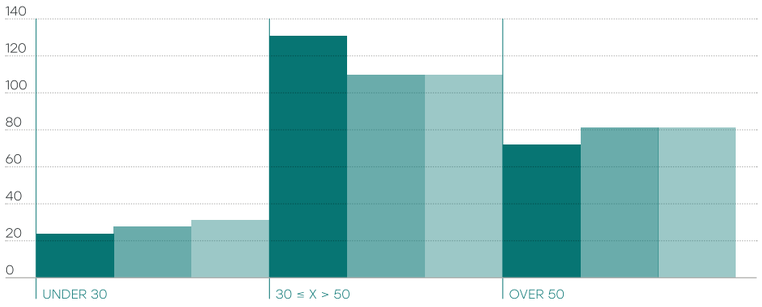


The company reorganisation that took place in 2021-2022 significantly lowered the average age of the company, thus guaranteeing continuity and ensuring an important investment for the future, given by the inclusion of younger staff with new skills oriented towards innovation, technological/IT development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

Average age of employees



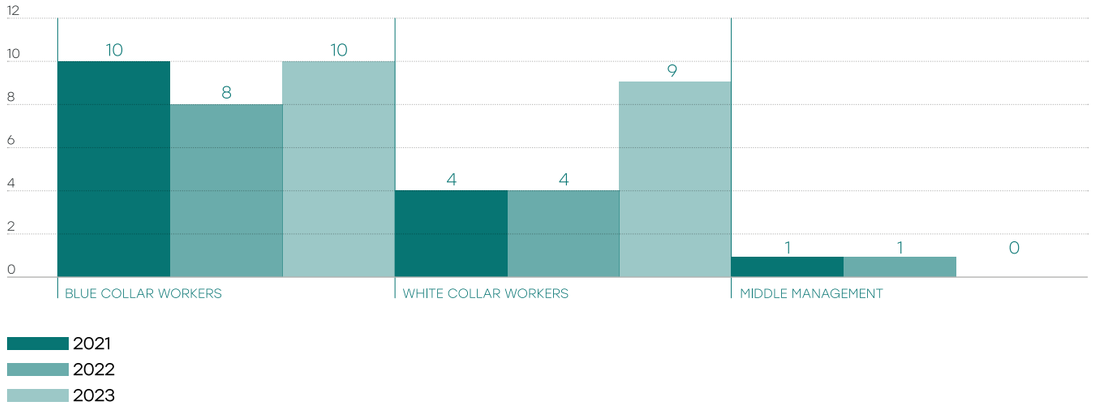
Staff age 2021-2022-2023



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.

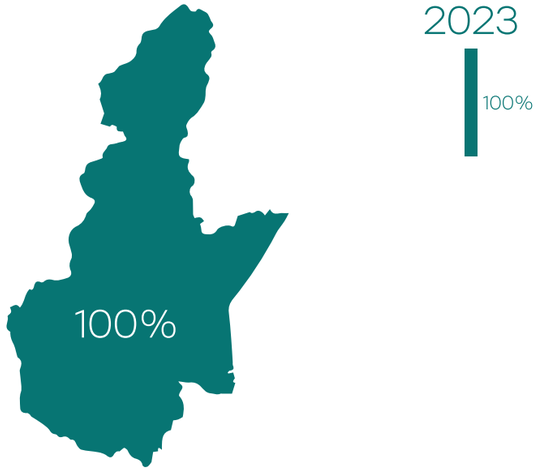
During 2023, 19 people were employed with different qualifications and roles according to skills and business needs. Details by gender, age and geographical area are shown in the following graphs:

Qualification of new recruits 2021-2022-2023



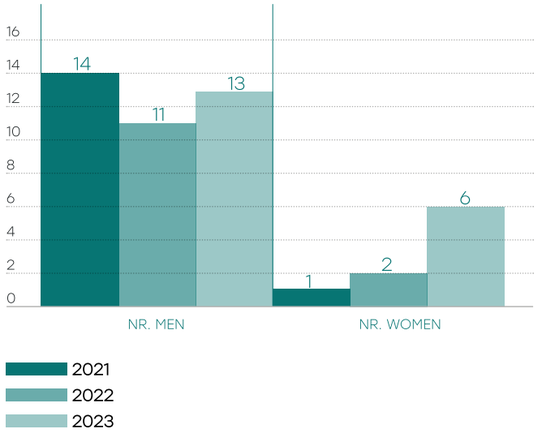
Geographical area of residence of new recruits 2023

99.5 % of the employees are resident in the region of Lombardy (with the exception of one full-time employee resident in Trentino Alto Adige). All new recruits during the year 2023 are residents of Brescia and its Province, demonstrating how much the Company contributes to the development of talent in the area in which it operates.

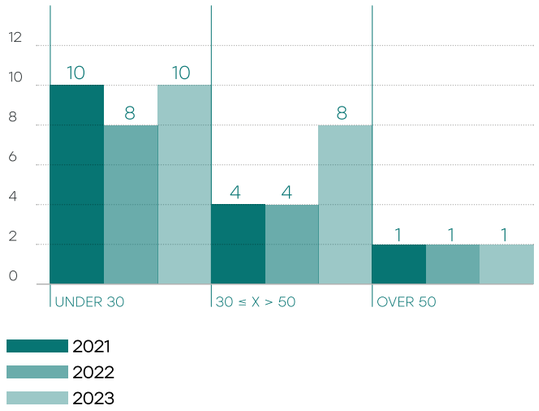


In the three-year period under examination, female onboarding increased (+500%) and, confirming the continuous investment in rejuvenating the Group's staff, the majority of those hired were under 30, with a strong increase compared to the previous two-year period in the age group between 30 and 50 (+100%).

Gender of new recruits 2021-2022-2023



Newly recruited age group 2021-2022-2023



In addition to the directly hired employees, 17 workers were employed in 2023 under staff leasing contracts, 7 of whom were subsequently stabilised during 2023.

TYPE OF CONTRACT	2021	2022	2023
Stage	2	2	1
Temporary workers	0	9	17

In 2023, Asonext implemented the **INTELCO I.R.I.S.** software for personnel management and administration. The new software has facilitated and improved internal communication with staff, allowing - thanks to the company notice board - the timely transmission of updates, computerising and simplifying the request for justifications, and facilitating the management and analysis of administrative aspects.

5.1.2 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 all employees, as set forth by the CCNL, a Supplementary Insurance Plan through the 'Metasalute' fund. In addition, on a voluntary basis, the Group guarantees 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 that came into force in May 2023.

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.

5.2 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:

- production and maintenance area;
- administration, human resources and services area;
- purchasing sales and marketing area.

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.
Remuneration at Asonext is composed as follows:

- **Fixed Contractual Remuneration:** includes the remuneration set by the National Collective Bargaining 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.

5.3 STAFF TRAINING

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

5.3.1 Average hours of training per employee per year

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.

During the three-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.

Since 2021, Asonext has been promoting individual coaching courses for managers and executives. **Coaching is a process of developing and training a person's potential.**
The coaching course structured by Asonext consists of 7 one-to-one, one-hour meetings. During meetings, the coach helps the coachee (manager) to set a goal correctly, find the best way to achieve it and reveal his or her inner potential.
The learning process, which could be described as maieutic, takes place through a close partnership based on a relationship of trust, experimenting with new actions and translating what has been learnt about oneself into new behaviours, aimed at getting closer to achieving the objectives.
Since 2021, already 7 executives and managers of Asonext have taken this path and, since 2023, a group coaching path has also been introduced for two salesmen, in order to support them in their role growth within the sales area and the company.

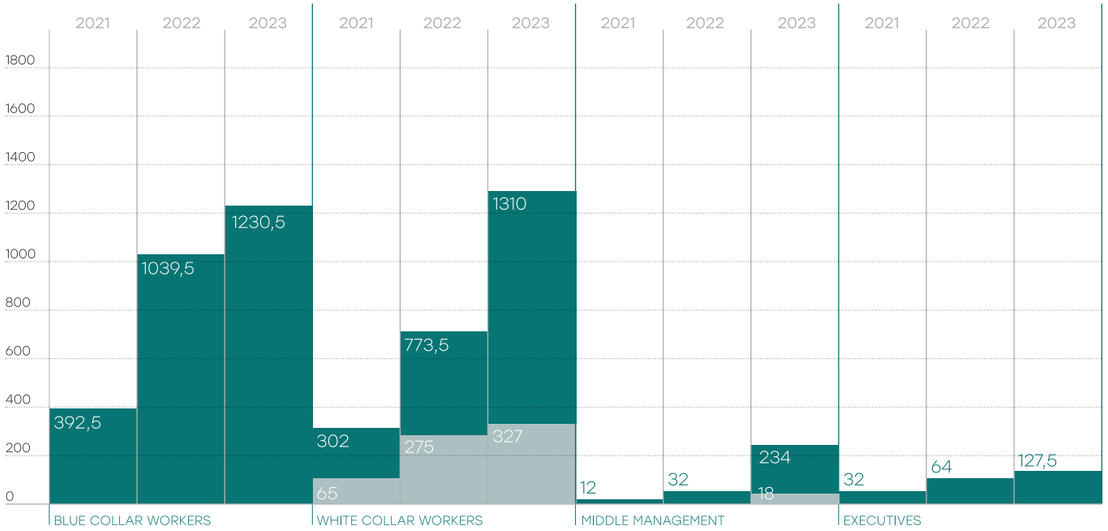
In addition to soft skills, Asonext also aims to strengthen the technical skills of its staff through the training of hard skills, partly acquired through education and partly increased through specialisation and experience in specific sectors.

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 deals with occupational safety training, explained in Chapter 5.3.2.

In the year 2023, 3,247 hours of training were provided (of which 1,384 hours were non-compulsory training), a sharp increase (+ 304%) compared to the 803.5 hours provided in 2021 and 2,184 in 2022. All categories of employees benefited from more training hours than in 2022, particularly white-collar and blue-collar workers, also for obvious reasons of the number of employees in these categories.

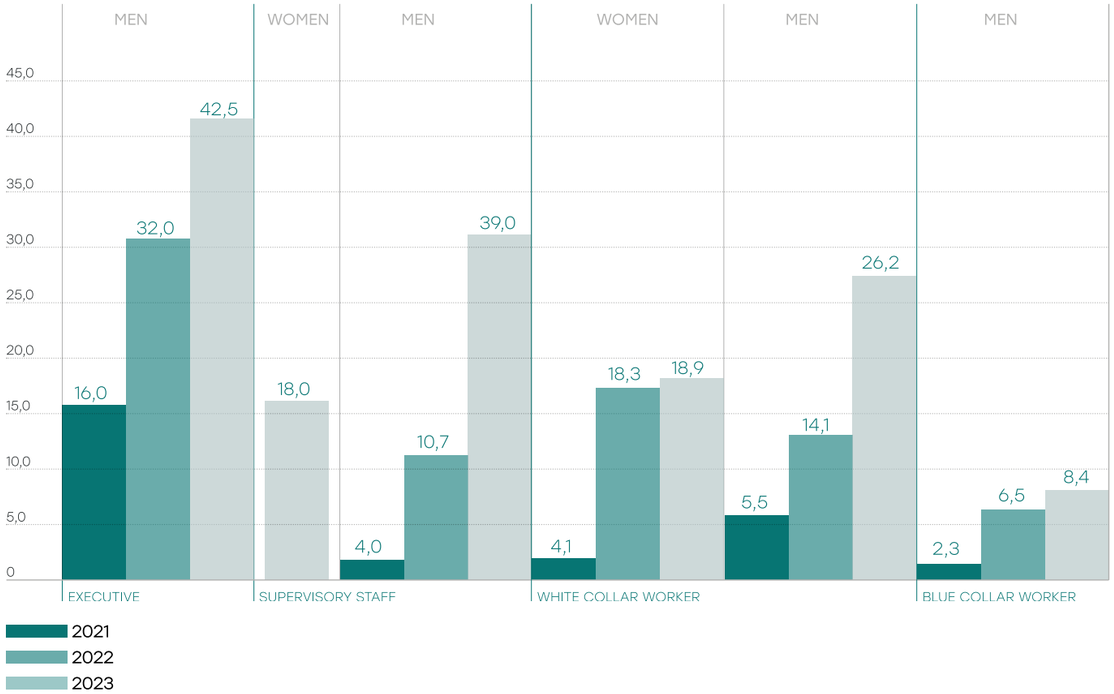
Training hours 2021-2022-2023



Also with regard to the average number of hours worked in 2023, we see a clear increase for each category and each type of employee compared to 2022, with white collar workers having the highest average hours. Below is a summary table and graph showing average training hours.

AVERAGE HOURS OF TRAINING BY QUALIFICATION AND GENDER	GENDER	2021	2022	2023
EXECUTIVE	Men	16,0	32,0	42,5
AVERAGE HOURS EXECUTIVE TRAINING		**16,0**	**32,0**	**42,5**
SUPERVISORY STAFF	Women	0,0	0,0	18,0
	Men	4,0	10,7	39,0
AVERAGE HOURS OF MIDDLE MANAGEMENT TRAINING		**4,0**	**10,7**	**28,5**
WHITE COLLAR WORKER	Women	4,1	18,3	18,9
	Men	5,5	14,1	26,2
AVERAGE HOURS OF WHITE COLLAR TRAINING		**4,8**	**16,2**	**22,5**
BLUE COLLAR WORKER	Women	0,0	0,0	0,0
	Men	2,3	6,5	8,4
AVERAGE HOURS OF BLUE COLLAR TRAINING		**1,2**	**3,2**	**4,2**

Average training hours 2021 - 2022 -2023



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.

5.3.2 Information and training

GRI 2-24, 403-5

Asonext recognises the importance of training on health and safety requirements for workers. To this end, the most effective tool at the company's disposal is to plan and provide punctual training courses (training breaks), capable of increasing the awareness of risks 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. In 2023, 1899 hours of training on workers' health and safety were provided, constituting 58.5% of the total training hours in 2023.

Asonext regards 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.

5.3.3 The Team Building project

On 26 and 27 January 2023, Asonext initiated the “Asonextgeneration days”, a team-building project that actively involved all area managers and some corporate staff functions. During these days, knowledge sharing and comparison sessions were held through dedicated moments, as well as stimulating playful activities that fostered the strengthening of professional bonds between colleagues. This project had 'change' as its guiding thread, understood as a strategic path for growth and development. Founded on five key pillars - research and innovation, training, security, sustainability and digitalisation - the aim was to create a solid and shared basis for company growth. The intention is to harmonise and coordinate the actions of all members of the Asonext Group in order to outline a structure ready to face new challenges and achieve significant results.

This approach aims to consolidate team cohesion while promoting a corporate culture of innovation, continuous training, operational safety, environmental sustainability and full integration of digital technologies.

5.3.4 Employee skills upgrading and transition assistance programmes

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.

Asonext undertakes to accompany the employee also towards retirement, assigning suitable tasks taking into account suitability for work and recognising a severance payment as regulated by national legislation.

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, developed in collaboration with Officina Pittini per la Formazione and ISFOR Formazione e Ricerca, concluded its third edition in 2023 and envisages 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 in order 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 launched 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 developed between theoretical lessons (400 hours at the CNOS -FAP Istituto Salesiani Don Bosco in Brescia) and practical exercises directly in the field - at the plants of the companies involved - and ended in June 2023.
All participants obtained a professional qualification as expert in installation and maintenance techniques for civil and industrial systems and were directly employed by the Asonext Group as of July 2023.

In view of the success of the first edition, the course has started again in the year 2023 with three new participants.

Similarly, in May 2023, the **MetalUniversity training course was completed, a technology school** created in cooperation between AQM, ISFOR and Rincon-versider, which was attended by the Steelworks Production Manager and the Forge Production Manager from Asonext. Metal University is a 750-hour training course over a three-year period, characterised by three training areas: technical/ metallurgical, digital, and managerial/ transversal. At the end of the course, the participants received the formal qualification of 'Technologist in Metallurgy 4.0', as well as the improvement of both technical, metallurgy-related and transversal skills.

Photographs show Future4Steel participants recruited directly into Asonext Group.

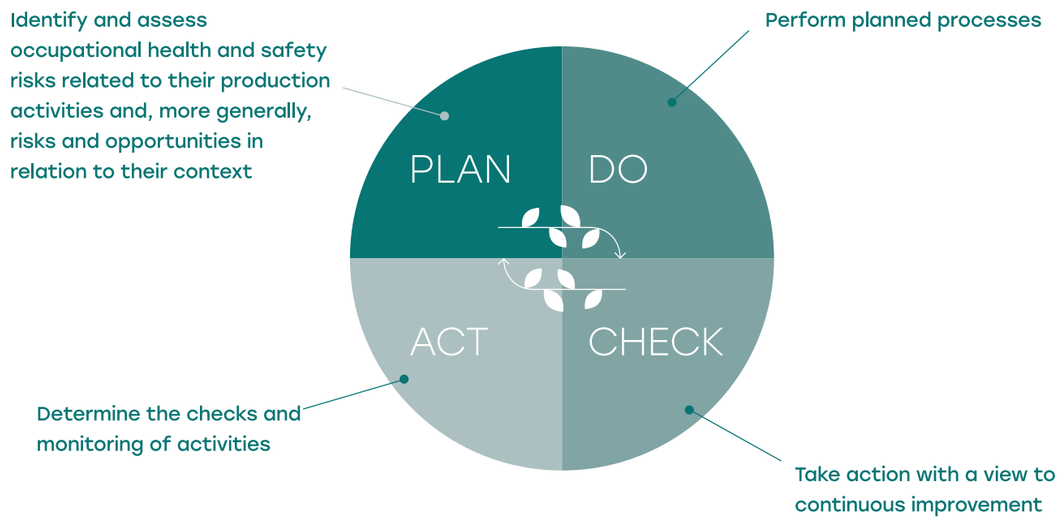
5.4 OCCUPATIONAL HEALTH AND SAFETY

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

Asonext gives great importance to the physical and moral integrity of its employees and collaborators, to working conditions that respect individual dignity, and to a safe and healthy working environment, taking care of the dissemination and consolidation of a Culture of safety and health of workers in the workplace, developing risk awareness and promoting responsible behaviour by all personnel.

This also takes place through the introduction of forms of dialogue with employees: on the one hand with an increasing dissemination of information, thanks to internal communication tools, and on the other hand with the introduction of periodic meetings between the various functions and with training breaks organised by the Prevention and Protection Service.
In general, Asonext's Safety Management model complies with the UNI ISO 45001 standard, is applied to all company processes, is based on the PDCA (plan-do-check-act) scheme and is certified by an accredited third party.

In addition to the Environment and Safety Policy, which encompasses the principles and guidelines for safety management, a Safety Working Group was set up, chaired by the Managing Director (see §5.7).



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.

The system is reviewed annually: based on the results of the analysis and monitoring of safety indicators and KPIs, appropriate corrective and preventive actions are planned and subsequently implemented with a view to improvement.

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.

5.5 ACCIDENTS

GRI 403-9

Asonext adopts policies aimed at reducing the number of accidents, injuries and occupational diseases. The following table shows the accident trends of Asonext Group employees:

DESCRIPTION	2021	2022	2023
TOTAL NUMBER OF ACCIDENTS	6	6	3
TOTAL NUMBER OF SERIOUS INJURIES[15] (STD. GRI)	0	0	0
TOTAL NUMBER OF DEATHS ON THE JOB	0	0	0
TOTAL NUMBER OF HOURS WORKED	365.322	326.112	350.556
AVERAGE DURATION OF INJURIES (DAYS)	40,5	33,3	19,3
RATE OF RECORDABLE ACCIDENTS[16]	16,4	18,4	8,6

At present, cases of occupational diseases are excluded.

15 As defined by the GRI standard, an injury is serious when it results in an absence of more than 180 days
16 The index is calculated as the ratio of the number of recordable accidents to the number of hours worked, multiplied by 1,000,000

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

DESCRIPTION	2021	2022	2023
TOTAL NUMBER OF ACCIDENTS	1	2	3
TOTAL NUMBER OF SERIOUS ACCIDENTS	0	0	0
TOTAL NUMBER OF DEATHS ON THE JOB	0	0	0
TOTAL NUMBER OF HOURS WORKED	33.164	31.121	50.287
AVERAGE DURATION OF INJURIES (DAYS)	9,0	31,5	12,3
RATE OF RECORDABLE ACCIDENTS[17]	30,2	64,3	59,7

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 2021-2023 are listed:

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

Asonext actively participates in Federacciai's 'Safety Observatory' project, providing data on accidents during the year. Through this collaboration with companies in the sector, Federacciai develops an industry benchmark and deepens the understanding of accident phenomena, also providing a statistical analysis of the data and the main causes of the events. The working group also includes an analysis of those accidents caused by non-compliance with internal company operating procedures/instructions and/or failure to use PPE.

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

5.6 WORKER PARTICIPATION

GRI 2-24, 403-4, 403-2

Asonext considers it indispensable, in order to successfully pursue its health and safety objectives, that all parties involved actively contribute, each within their own sphere of competence. The aim is to increasingly increase the degree of involvement of all workers, so that all internal and external staff can (and should) 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.

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 and to submit reports relating to hazardous situations at the workplace. In this way, safety, starting with clarity of roles and effective corporate communication, aims to become a shared and participatory process at all levels.

5.7 MANAGEMENT INVOLVEMENT

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

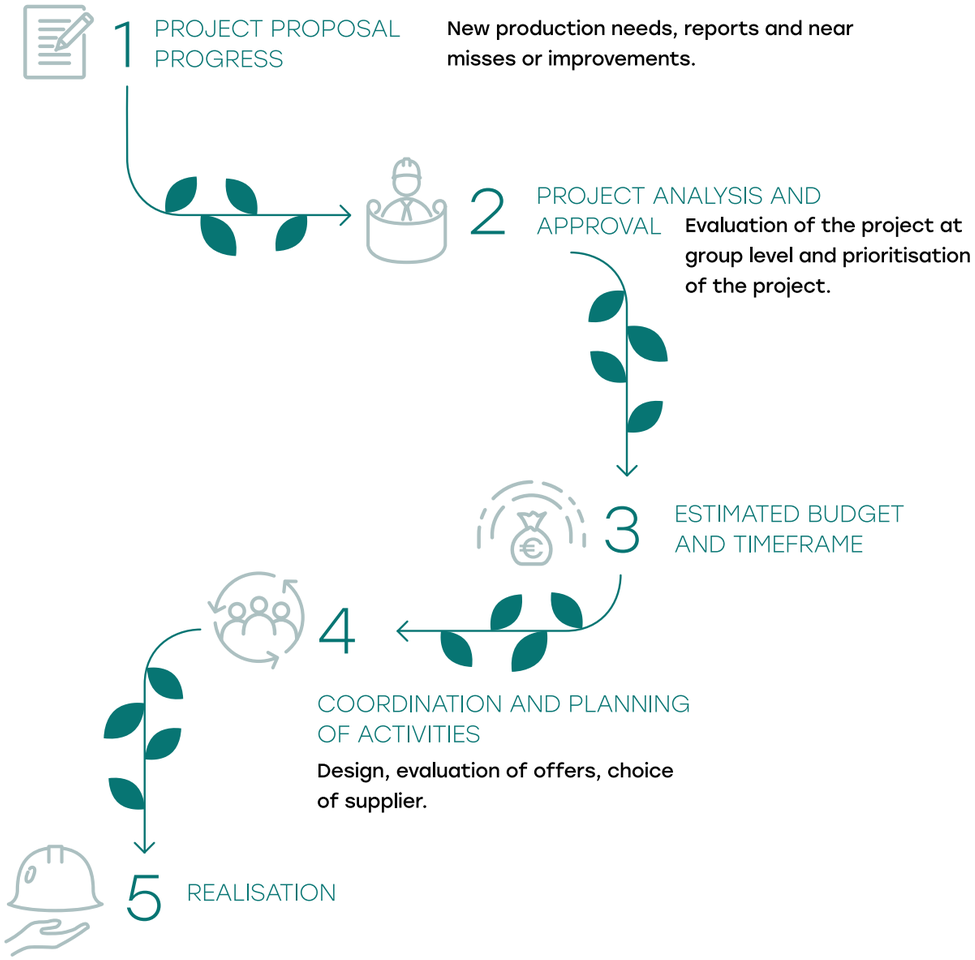
In 2021, a Safety Work Group was set up to address health and safety issues for workers. The work group consists of:

GENERAL MANAGEMENT	EMPLOYER
SECURITY AREA	RSPP (health and safety officer)
AREA HSE & SUSTAINABILITY	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. During 2023, 35 meetings were held for the steelworks and 13 for the forge. The work method applied can be schematised in the following image:



The improvement projects drawn up by the work group feed into the 'Safety and Environment Improvement Plan'. Some of the interventions carried out in the two-year period 2022-2023 and included in the above-mentioned plan are:

- tracking and signalling pedestrian traffic;
- installation of lifelines, runways and sea ladders to allow access and maintenance activities to be carried out on overhead cranes in complete safety;
- installation of optical-acoustic signalling devices, anti-collision devices and anti-shearing guards on the wheels of transfer wagons to reduce the risks of investment and crushing;
- refurbishment of electrical cabinets with installation of new doors, panic bars and locks;
- implementations aimed at the health and safety of workers, including the installation of an industrial vacuum system to prevent the dispersion of harmful dust, floor sanding and optimised lighting in the hall;
- confinement and securing of the AOD-ABP furnace area through the segregation of the area with the installation of barriers, access control with interlocked gates and safe passage to the command post.

5.8 EQUAL OPPORTUNITIES AND ANTI-DISCRIMINATION

GRI 2-23, 406-1

5.8.1 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 reporting period.

5.8.2 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;
- dedicated changing rooms for female staff working in the plant.

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 three-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.).

5.9 COMMUNITY RELATIONS

GRI 413-1

The Asonext Group believes in the importance of establishing strong relationships and partnerships with the communities in which it operates in order to build shared and lasting value. This translates concretely into actions to reduce and/or mitigate environmental impacts and initiatives to engage and collaborate on social and governance aspects. Corporate choices, investments and the development of activities in the territories where the Asonext Group operates are geared towards promoting business growth, generating shared value among the various stakeholders and contributing tangibly to local development. Attention to surrounding communities translates to mutual benefits, based on coexistence and mutual recognition.

The focus is on the population living in the municipalities of Ospitaletto and Castegnato.

Since 2019, as part of an **urban sustainability project of the Municipality of Ospitaletto**, a system has been set up to share the surplus heat present in the cooling circuits of the melting furnaces. This excess thermal energy is supplied free of charge to the city's cold district heating network and used to power the heat pumps in Ospitaletto's school buildings. This initiative has allowed the Ospitaletto community a carbon-free source of energy production, and continues to do so. In addition, it allowed the elimination of all existing methane boilers, providing monetary savings to the citizens. In 2023, approximately 500 MWh of thermal energy was sold.

Cultural, medical and social projects are supported, such as:

- donations to foundations: Brescia Musei, AIRC for ETS Cancer Research and UNICEF to protect children's rights;
- donations to non-profit organisations such as Amici di Francesco.

In addition, Asonext considers it essential to **enhance new talent in the area** through collaborations with colleges and universities. In addition, the funding of scholarships for students participating in the Summer School organised by the Institute of Economic and Employment Studies (I.S.E.O.) is now well established: 2 scholarships were disbursed for the year 2023. Alongside social and cultural initiatives, there are also sponsorships of events to promote the Franciacorta region and of amateur sports associations in activities such as football and rugby. The amount of sponsorships came to EUR 74,000, plus the aforementioned EUR 20,440 in donations.

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. The Foundation is an autonomous entity that acts as an intermediary between donors and beneficiaries for socially useful projects, promoting modern philanthropy, territorial development and collaboration between organisations and associations to achieve major goals.

Within FCB, a fund named after the memory of Aldo and Mara Artioli has been set up to "support the various needs of the Province of Brescia, with particular attention to the development and social, cultural, artistic and scientific development".

5.10 LABOUR RELATIONS

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.

5.10.1 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 **quality**, as well as **safety** at work, also through a more intense involvement of workers. In fact, the parties stipulated an agreement that, through the participation of the workers themselves in the pursuit of objectives to improve product quality levels and the involvement of all employees in the dissemination of the company's safety 'culture', could be a determining factor in the company's improvement.

In particular, the parameters to be assessed are:

- reducing waste;
- improving the quality of the product manufactured and stocked;
- the inefficiency of the process and the so-called 'dilutions and deviations';
- annual participation in training;
- understanding training;
- participation in health assessment sessions By 2022, the quality parameters had reached a very good level, as had the safety parameters.

By 2022, the quality parameters had reached a very good level, as had the safety parameters.

In 2023, there was a significant improvement in safety parameters, with values close to 100%; in particular, participation and understanding of safety training improved.

With regard to quality parameters, there was a slight decrease in the premium paid, mainly due to the worsening of the 'non-conformity' parameter, despite the improvement in the 'production waste' parameter.

In addition to the variable bonus, the new supplementary contract signed in 2022, 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.

6

INTEGRATED EXCELLENCE: **INNOVATION, QUALITY** AND TAILOR-MADE SOLUTIONS

GRI 2-6, 2-12, 2-17, 2-22, 2-24,2-25, 3-3

Looking at the future in the sand,
we realise that the land is a loan from our children.
Asonext is committed to preserving it by building a company
profile that takes on this responsibility.

Aldo Artioli, founder of Asonext, established the vision that has made the company a leader in the production of special steels, stainless steels and super alloys. This vision is based on a commitment to continuous training, process improvement and investments aimed at excellence, while respecting the environment and safety.

The company philosophy combines advanced technologies with processes that reduce waste and maximise efficiency, promoting a sustainable future.

The business is based on customisation, transparency and traceability, responding to customer needs and promoting responsible use of resources.

This reflects the company's role as a leader committed to responsible practices, delivering on its promise to excel not only in quality, but in innovation and respect for the environment.

Faced with global challenges such as climate change, Asonext places sustainability at the heart of its strategy, measuring excellence also through social and environmental impact. Innovation and customisation drive the development of efficient and sustainable products, while the integration of sustainability into processes and collaboration for sustainable growth demonstrate that technology and sustainability can be mutually reinforcing.

Looking to the future, Asonext is dedicated to innovation, operational efficiency and the development of solutions that enable doing business in a more responsible way. Addressing environmental challenges requires a bold vision and commitment to change, aiming to improve the health of the planet and the well-being of future generations.

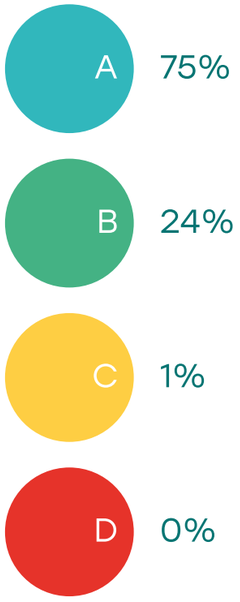
6.1 STRATEGIC PARTNERSHIPS WITH SUPPLIERS

Asonext believes that realising its goals of sustainability and quality of products and services starts with a careful choice and constant monitoring of supplier partnerships. This process includes the implementation of rigorous procedures for assessing suppliers in terms of quality, environment and health and safety, ensuring that dedication to excellence is reflected throughout the production chain.

The partnership between Asonext Spa Società benefit, Asoforge Srl and its suppliers is founded on a shared commitment to excellence and ESG issues. To ensure that each component of the supply chain meets the predefined high standards, an evaluation approach was introduced to measure the impact of their products, services or processes on the ability to meet customer requirements.

The process starts with a preliminary analysis carried out by the purchasing department, focusing on their suitability to meet production requirements. If this initial assessment is positive, a series of steps are taken to confirm their qualification. These include the verification of quality certificates conforming to international standards such as ISO 9001:2015, quality management system audits and test orders to ensure material conformity.

In addition, periodic evaluations are conducted based on criteria such as quality, value and delivery reliability to ensure that previously qualified suppliers maintain high standards.



TARGET
OVER 85%
of suppliers in A/B ratings

2023
AVERAGE SUPPLIER ASSESSMENT: 93%
99% in rating A/B
Distribution of suppliers by rating

6.2 THE PRODUCT

6.2.1 Customisation

Asonext Group stands out by adapting steel grades to their customers' specifications, ensuring customised solutions that perfectly meet their needs. This approach makes it possible to provide products that meet the customer's expectations in every detail.

6.2.2 Full traceability

The company's dedication to quality is supported by a commitment to total traceability. All steps in the production chain (from raw materials to final processing) are documented and archived to guarantee customers a product traced at every stage. This form of transparency gives customers the security of receiving products made with the utmost attention to quality.

6.2.3 After-sales support and continuous quality

The commitment to the customer continues even after the sale. A proven after-sales service, supported by a highly qualified and constantly trained team, together with an inhouse workshop for detailed analyses, guarantees reliable support in all circumstances. Any feedback, complaints or non-conformities are rigorously documented and analysed in order to continuously improve the quality level of products and services.

These core principles - customisation, traceability and solid after-sales support - define the approach and demonstrate Asonext's commitment to excellence and customer satisfaction at every stage of the process. In order to ensure effective process control, the group uses **Stain software**, which is an effective solution for material management and consumption monitoring, allowing accurate traceability of each stage of the production chain.

The traceability offered by Stain allows Asonext to optimise purchases and reduce waste, identifying potential areas for improvement and taking timely action to maximise production efficiency. In addition, the system was improved to be integrated with **the new Business Central management software**, recently implemented following a study and design period that covered the entire year 2023, representing a major investment aimed at optimising all production phases. Two-way communication between the two systems enables the exchange of production and accounting data, facilitating management control and ensuring an efficient flow of information within the company.

6.3 HOLISTIC VIEW OF QUALITY IN ASONEXT

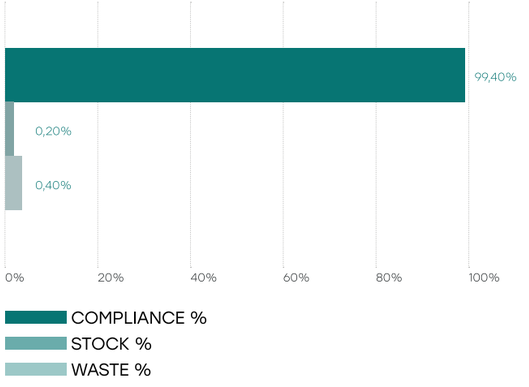
GRI 416-2

In Asonext Group's DNA, quality is not just a metric of success but a fundamental principle that permeates every aspect of daily work. The company philosophy goes beyond mere conformity to parameters; a holistic vision is pursued where quality means creating lasting value for stakeholders.

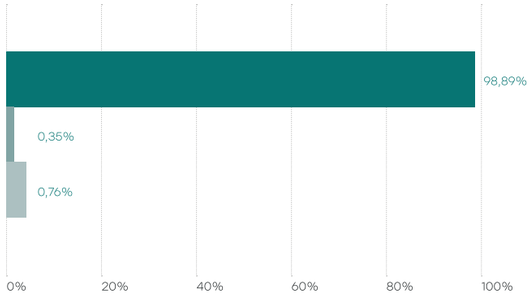
6.3.1 Quality indicators: beyond the figures

Key indicators are defined and used, not only to measure the effectiveness of business processes, but to deeply understand the dynamics that drive operational excellence. These indicators are windows through which the influence of operational practices on the product, the environment and the community can be measured.
The aim is to turn every challenge into an opportunity to innovate, reduce waste and improve the sustainability of production processes.

ASONEXT SPA SOCIETÀ BENEFIT



ASOFORGE SRL



Waste (weight of waste material/total product): piece produced, or part of it, that does not meet the required specifications or has defects that make it impossible to reuse.

Stock (material put into stock due to incorrect production/ total product): piece produced, or part of it, not conforming to the original manufacturing specifications, but which can be reused for other applications conforming to other specifications.

No reports of 'non-compliance' with regulations and/or selfregulatory codes concerning health and safety impacts of products and services were received during the reporting period.

6.3.2 Continuous improvement: a philosophy of growth

The continuous improvement at the Group does not follow a linear path but is rather an endless cycle of learning, innovation and adaptation. Through methodologies such as 8D, 5W and tools such as FMEA analysis, it is not only possible to tackle problems at their root, but potential challenges can be anticipated, allowing uncertainty to be managed proactively.

6.3.3 Excellence and responsibility: two sides of the same coin

For Asonext, quality also means responsibility. Every decision made, from product design to the choice of materials, considers environmental and social impact. The dedication to excellence does not stop at the factory threshold but extends to the global community, driven by an uncompromising commitment to ethical and sustainable practices.

6.3.4 Qualifications and certifications: catalysts of intangible value

At Asonext, product and process qualifications are more than just statements of conformity; they are tangible expressions of a deep commitment to excellence.

However, the beating heart of business success lies in the intangibles that these qualifications represent: constant innovation, brand integrity, customer trust and, above all, the ability to anticipate and exceed market expectations.

Adherence to the highest standards goes beyond improving the supply of goods and services. It instils confidence in partners and customers, reinforcing the perception of value that Asonext brings to the global market.

It is a demonstration of how intangible values - such as thought leadership, commitment to sustainability and business ethics - become an integral part of Asonext's identity.

In conclusion, qualifications and certifications are the tip of the iceberg of a deeper path towards excellence. They represent Asonext's relentless commitment to cultivating and enhancing the intangible aspects that, over the years, have become the most important added value. In this experience, each certification acquired is a step towards the realisation of Asonext's vision: to be a leader not only in measurable product quality but in social benefit towards stakeholders.

6.3.5 Strategic collaborations for research and development

The Group's innovative vision is fuelled by strategic partnerships with academic institutions, research centres and specialised consultancies. Partners such as AQM, FONDAZIONE AIB, LENOVYS, RINA consulting and the University of Brescia, among others, contribute significantly to the group's commitment to research and development.

These collaborations allow the exploration of new frontiers in business organisation, materials technology, improved production processes and sustainability, keeping us at the forefront of the industry. By participating in industry events and initiating research projects with universities and institutions, Asonext promotes innovation that respects its commitment to ESG issues.

7

PLAN TO IMPROVE **SUSTAINABILITY**

GRI 2-17, 2-25

A glimmer of sky to always look up.
Even in the most ambitious challenges, Asonext finds the perspective to grow, keeping an eye on the sky, aiming towards new goals of innovation and sustainability.

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, topics 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).

In this edition of the sustainability report, emphasis will be placed on ongoing projects following the change of Asonext Spa's corporate purpose to a Benefit Corporation.

7.1 THE COMMON BENEFIT

The sustainable development strategy, as defined by the material topics and the 2030 Agenda, guides Asonext Group towards a low-emission, high-innovation development model in which technology and people are central. With continuous improvemnt in mind, Asonext changed its corporate purpose to become a Benefit Corporation, thus setting fixed targets to reduce its environmental impact and remain competitive in the current steel industry scenario. Being a benefit corporation implies an explicit commitment to sustainable development as a pillar of fundamental importance to ensure economic, environmental, and social improvement. Asonext focuses in particular on environmental transition, the common benefit, aware of the inevitable impacts of steel production.

The planned actions 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 behaviours that encourage a strong use of circularity of resources and minimise waste. It is in this direction that the S.P.A.C.E.[18] project, already introduced in the last annual report, is moving. Integrated with the principles of the Benefit Corporation, it implements a production system with minimal environmental impact through technologically innovative solutions oriented towards the principles of circular economy and energy efficiency.

In fact, the aim of the S.P.A.C.E. for steel project is to implement the following technologies:

- black slag recycling system;
- replacement of raw materials from fossil sources with recycled materials;
- projects aimed at reducing electricity consumption;
- construction of methane gas abatement facilities;
- implementation of water-saving technologies.

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 has designed 5 plant interventions, some of which are already being completed.

18 S.P.A.C.E. stands for sustainable power and circular economy for steel

	PROJECT	ADHERENCE TO SDGs	STATE OF PROGRESS
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.	12, 13	30%
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 CO_2 emissions.	7, 9, 13	30%
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: ⦸ 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.	12, 9, 13	10%

	PROJECT	ADHERENCE TO SDGs	STATE OF PROGRESS
4	Development of technological solutions for **natural gas consumption efficiency** through: ⦸ 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.	7, 13, 9, 12	90%
5	Development of technological solutions to achieve **circular use of water resources** with: ⦸ 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 discharge.	12	70%

asonext

2023-2025 - Sustainability improvement plan

ENVIRONMENTAL TOPICS	DESCRIPTION	ACTION/OBJECTIVE	LEVEL OF ACHIEVEMENT AS AT 31/12/2023
WASTE MANAGEMENT	Implementing initiatives to increase waste recycling	Construction of a system for steel mill slag self-recycling	30%
ENERGY EFFICIENCY	Implementing initiatives to increase energy efficiency	Introducing additional systems to decrease specific electricity and natural gas consumption	80%
DECARBONISATION	Implementing initiatives to decarbonise the production cycle	Construction of an EAF injection system of recycled materials (biochar or SRA) instead of hard coal	30%
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	60%
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	25%
SOCIAL ISSUES	**DESCRIPTION**	**ACTION/OBJECTIVE**	**LEVEL OF ACHIEVEMENT AS AT 31/12/2023**
HEALTH AND SAFETY	Maintaining ISO 45001 to improve OSH-related performance	Reducing the number of accidents through technological improvements and worker training	100%
FORMAZIONE	Raising the educational level of employees	Planning and consolidating interventions aimed at the growth of employees' hard and soft skills	90%
INIZIATIVE PER I LAVORATORI	Support for corporate welfare	Modernisation and renovation of the canteen, changing rooms and office area. Consolidation of the corporate welfare portal	70%
INIZIATIVE PER LA COMUNITÀ	Supporting Communities	Strengthening the relationship with local communities through dialogue, cultural initiatives and donations	90%
COLLABORAZIONE CON ENTI DI FORMAZIONE	Building quality education	Consolidating the relationship with the 'Academy siderurgica (Steelwork Academy)' for 'ad hoc' designed training courses for each category and profession	90%
GOVERNANCE THEMES	**DESCRIPTION**	**ACTION/OBJECTIVE**	**LEVEL OF ACHIEVEMENT AS AT 31/12/2023**
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	90%
ECONOMIC GROWTH	Generating economic value	Constant growth of the organisation	90%
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	80%
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	70%

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GRI CONTENT **INDEX**

Within the embrace of the sea lies a world of wonders.
Here we find the synthesis of all our information,
ready to be explored and discovered.

GRI content index

Declaration of use	Asonext Group reported the information mentioned in this GRI content index for the period from 1 January 2023 to 31 December 2023, with reference to the GRI Standards
USED GRI 1	GRI 1 - Fundamental Principles - version 2021

GRI STANDARD	GRI DESCRIPTION (DISCLOSURE)	CHAPTER (LOCATION)
GRI 2: General Information 2021	2-1 Organisational details	2.3
	2-2 Entities included in the organisation's sustainability reporting	1.4, 2.3
	2-3 Reporting period, frequency and point of contact	1.4
	2-4 Review of information	1.4
	2-5 External assurance	1.4
	2-6 Activities, value chain and other business relationships	2.3, 6
	2-7 Employees	5.1.1
	2-8 Non-employees	5.1.1
	2-9 Governance structure and composition	3.2
	2-10 Appointment and selection of the highest governing body	3.1
	2-11 President of the highest governing body	3.1, 3.2
	2-12 Role of the highest governing body in impact management control	3.2, 6
	2-13 Delegation of responsibility for impact management	3.2, 5.7
	2-14 Role of the highest governing body in sustainability reporting	1.4
	2-15 Conflicts of interest	3.4
	2-16 Communication of critical issues	3.5, 3.6, 5.4, 5.7
	2-17 Collective knowledge of the highest governing body	1.4, 3.5, 5.7, 6, 7
	2-18 Performance evaluation of the highest governing body	3.5, 3.1
	2-19 Remuneration rules	3.1
	2-20 Remuneration determination procedure	3.1, 5.2
	2-22 Sustainable development strategy statement	1.2, 6
	2-23 Policy commitment	1.1, 2.1, 3.5, 5.4, 5.8
	2-24 Integration of policy commitments	3.2, 3.5, 4.5, 5.3, 5.3.2, 5.4, 5.6, 6
	2-25 Processes to remedy negative impacts	1.2, 6,7
	2-26 Mechanisms for requesting clarifications and raising concerns	3.5, 3.4
	2-27 Compliance with laws and regulations	3.6
	2-28 Membership in associations	2.4
	2-29 Approach to stakeholder engagement	1.4
	2-30 Collective agreements	5.10.1
GRI 3: Material Topics 2021	3-1 Process for determining material topics	1.4
	3-2 List of material topics	1.4
	3-3 Management of material topics	1.2, 1.4, 4, 5, 6
GRI 201: Economic Performance 2016	201-1 Economic value directly generated and distributed	2.3.2
GRI 204: Procurement Practices 2016	204-1 Proportion of spending towards local suppliers	4.5.1
GRI 205: Anticorruption	205-3 Proven incidents of corruption and actions taken	3.4, 3.6
GRI 207: Taxes 2019	207-1 Approach to taxation	3.7
GRI 301: Materials 2016	301-2 Materials used that originate from recycling	4.1.1
GRI 302: Energy 2016	302-1 Energy consumed within the organisation	4.4
	302-3 Energy intensity	4.4
	302-4 Reduction in energy consumption	4.4
GRI 303: Water and Water discharges 2018	303-3 Water withdrawal	4.2.1
	303-4 Water discharge	4.2.2
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope1)	4.3.1
	305-2 Indirect GHG emissions from energy consumption (SCOPE 2)	4.3.2
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.1.2
	306-2 Management of significant waste-related impacts	4.1.2
	306-3 Waste generated	4.1.3
	306-4 Waste not intended for disposal	4.1.4
	306-5 Waste intended for disposal	4.1.4
GRI 401: Employment 2016	401-1 Onboarding and turnover	5.1.1
	401-2 Benefits provided for full-time employees, but not for part-time or fixed-term employees	5.1.2
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	5.4, 5.7
	403-2 Hazard identification, risk assessment and accident investigation	5.4, 5.6, 5.7
	403-4 Worker participation and consultation and communication on occupational health and safety	5.6, 5.7

GRI 403: Occupational health and safety 2018	403-5 Occupational health and safety training for workers	5.3, 5.3.2
	403-7 Prevention and mitigation of occupational health and safety impacts within business relationships	5.4
	403-9 Accidents at work	5.5
GRI 404: Training and instruction 2016	404-1 Average hours of training per employee per year	5.3
	404-2 Employee skills upgrading and transition assistance programmes	5.3
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governing bodies and among employees	3.1, 5.1.1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	5.8
GRI 413: Local communities 2016	413-1 Activities involving local community involvement, impact assessments and development programmes	2.4, 5.9
GRI 416: Customer health and safety 2016	416-2 Incidents of non-conformity concerning impacts on the health and safety of products and services	6.3
GRI 418: Customer Privacy 2016	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data	3.6

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GLOSSARY

In the fire of wisdom,
our lexicon is an explosion of knowledge.

ADR:	*Accord Dangereux Routier, European agreement on the transport of dangerous goods by road.*
AOD:	*Argon Oxygen Decarburization.*
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.
D13:	Preliminary grouping of waste.
D15:	Preliminary storage of waste (storage).
Dog-house:	Structure where the EAF electric furnace is installed and segregated.
EAF:	*Electric Arc Furnace.*
EER:	European List of Waste.
ESG:	*Environment, Social and Governance.*
ESR:	*Electic 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.*
Portale AIDA-Vispo:	Integrated Self-Control Application, ARPA Lombardia Audit Management System.
R13 per R4:	Storage of waste (R13) for recycling/recovery of metals or metal compounds (R4).
R13 per R5:	Storage of waste (R13) for recycling/recovery of other inorganic substances (R5).
Regolamento ETS:	*Emission Trading System.*
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.

asonext

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BUREAU VERITAS ASSURANCE STATEMENT

Some steps leave an imprint that goes beyond words.
With the Assurance Statement, we ensure transparency and accountability towards our stakeholders.

Assurance statement addressed to the stakeholders of ASONEXT Group

1. INTRODUCTION

Bureau Veritas Italy S.p.A. ("Bureau Veritas") has been commissioned by ASONEXT S.P.A. SOCIETÀ BENEFIT UNIPERSONALE ("ASONEXT Group") to conduct an independent audit (assurance) of its 2023 Sustainability Report, with the aim of providing conclusions regarding:

- *Accuracy and quality of the information made public on its sustainability performance;*
- *Degree of adherence to the reporting standards of the Global Reporting Initiative according to the level of application "with reference to the GRI Standards" provided for by the 2021 version of the GRI Universal Standards.*

2. RESPONSIBILITY, METHODOLOGY AND LIMITATIONS

The responsibility for collecting, analyzing, consolidating and presenting the information and data of the Report was exclusively of the ASONEXT Group. Bureau Veritas' responsibility was to conduct an independent audit against the identified objectives and to formulate the conclusions contained in this report.

The audit was conducted as a Limited Assurance under ISAE 3000, through sample application of audit techniques, including:

- *Review of policies, missions, values, commitments;*
- *Review of documents, data, procedures and methods of information collection;*
- *Interviews with members of the working group for the drafting of the Report;*
- *Interviews with company representatives from various functions and services, as well as members of Top Management;*
- *Overall verification of the information and in general review of the contents of the 2023 Sustainability Report.*

The assurance activities have been performed at the company's headquarters in Via Seriola nr.12 in Ospitaletto (BS) and partly remotely. We believe that we have obtained sufficient and adequate evidence to support our conclusions.

The assurance has covered the entire 2023 Sustainability Report of the ASONEXT Group with the following limitations: for economic and financial information, Bureau Veritas only verified their consistency with the company's annual Financial Statements; for activities carried out outside the reference period (January 1st 2023 – December 31st 2023) and for statements of policy, intent and objective, it was limited to verifying their consistency with the methodological assumptions of reference.

SUSTAINABILITY REPORT 2023
BUREAU VERITAS ASSURANCE STATEMENT

3. CONCLUSIONS

As a result of the assurance activities described above, nothing has come to our attention to indicate that the sampled information and data in the 2023 Sustainability Report are inaccurate, incorrect or unreliable. In our opinion, the document provides a reliable representation of the activities conducted by the ASONEXT Group during 2023 and the main results achieved. The information is generally reported in a clear, understandable and balanced manner; all data and indicators were collected and analyzed with precision and reported in a transparent manner. In illustrating activities and results, in particular, the ASONEXT Group has paid attention to adopting neutral language, avoiding self-referentiality as much as possible.

With regard to reporting principles, in our opinion, the GRI 2021 Standard principles such as: Balance, Clarity, Accuracy, Timeliness, Comparability, Completeness, Sustainability Context and Verifiability have been observed. It is also confirmed that the Report has been prepared "with reference" to the GRI Standard.

ASONEXT reported in its Report the sustainability material topics identified as a result of an impact materiality process reviewed and recontextualized during 2023, taking into account the complete process carried out in 2022. The recontextualization clearly explains the topics identified and considered relevant for the Group. For the future, it is recommended that the ASONEXT Group start an assessment process related to the upcoming requirements of the CSRD.

4. DECLARATION OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

Bureau Veritas is an organization specialized in independent verification, inspection and certification activities, with over 190 years of history, 82,000 employees and a turnover of over 5.9 billion euros (2023 revenues).

Bureau Veritas applies an internal Code of Ethics and we believe that there is no conflict of interest between the members of the verification group and the ASONEXT Group.

Bureau Veritas Italy S.p.A.
Milan, 12 July 2024

Gloria Focetola
Local Technical Manager

SUSTAINABILITY REPORT 2023 BUREAU VERITAS ASSURANCE STATEMENT

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Steeled for the future

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