Annual and Sustainability Report

2024

Duferco

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2024

Duferco

Annual Report

Sustainability Report

Appendix

Annual Report

Dear Stakeholders

We are pleased to present the Annual & Sustainability Report of Duferco Participations Holding S.A. for the financial year 2024 (FY24).

This year has been marked by significant achievements and challenges, reflecting the resilience of the Group's business model and its expertise in navigating operations with tighter margins, increasingly complex and regulated markets, and rising geopolitical tensions. Despite a notable decrease in net profit to 152.4 million USD from the exceptional 450 million USD in the previous year, our performance remains robust. The Group's revenue totalled 18.4 billion USD (27.6 billion USD as of September 30, 2023), a decrease primarily due to lower energy and steel prices. Our consolidated balance sheet remains strong, with a net working capital of over 1,060 million USD, healthy liquidity levels, with a volume of cash reserves of almost 695 million USD (867 million USD as of September 30, 2023), and a Group total equity amounting to 1,843 million USD (1,836 million USD as of September 30, 2023).

These financial results are underpinned by a business model that increasingly integrates sustainability across all four divisions: Steel, Energy, Shipping, and Innovation.

The Energy Division is at the forefront of the Group's commitment to the energy transition. This year, the Division achieved a commendable net profit of approximately 186 million USD. Throughout the year, the Division successfully continued its wholesale and retail activities in energy products, particularly electricity and natural gas, and made significant investments in renewable energy capacity generating over 140 GWh in FY24. Moreover, the Division advanced sustainable mobility initiatives, reaching over 2100 charging points and overseeing a full-electric car-sharing fleet. Although energy trading activities did not replicate the extraordinary performance of the past two years, due to the stabilisation of gas and electricity prices in the 2024 financial year, they still delivered robust results. The stability and strength provided by the trading business enabled the Group to seize opportunities even in unstable market conditions with an ever-growing focus on instruments that incentivise the energy transition and decarbonisation.

The historical core of the Duferco Group, the Steel Division, is set in the context of the European steel sector which is a pioneer of sustainable production. In fact, the economical strains faced in the post-war era led the industry to develop more efficient production systems. By leveraging electric furnaces and connections to the hydroelectric plants of the pre-Alpine valleys, and using the abundant post-war steel waste as raw material, the European electro-siderurgy sector became a beacon of creative invention for decarbonisation and circular economy. This year, the Division experienced a 44.8 million USD loss due to challenging macroeconomic conditions that emerged in 2023. Despite successful monetary policies controlling inflation, ongoing geopolitical crises in Europe and in the Middle East, high energy and raw material costs in Europe, and elevated interest rates hindered investments and global economic growth. Additionally, burdensome sustainability regulations stemming from the Green Deal, such as the ETS and CBAM, pose challenges for the steel sector to meet European decarbonisation targets while maintaining competitiveness against non-EU countries with less strict standards. Nonetheless, our European-based steel production and distribution activities have shown resilience, continually adapting and innovating thanks to considerable investments in new technologies and processes. Notably, the new green SBM rolling mill, which required an investment of 250 million euros and was inaugurated in October 2023, represents a significant milestone in the Italian steel industry landscape, strengthening Duferco's market-leading position by verticalising production at the San Zeno Naviglio site.

Following a ramp-up phase in FY24, the company proceeded with the production while the plant's efficiency continued to be optimised. This investment is aimed at enhancing the Group's industrial capacity and supporting the energy transition and decarbonisation through the development of innovative technologies and use renewable energy sources. It marks a long-term strategic move toward strengthening the company's position as the best cost producer in Europe for long steel products. Located in a logistically strategic area at the heart of the European market and close to major road and rail networks, the new facility overcomes past logistical bottlenecks, enabling faster and more sustainable distribution. Fully integrated with the existing steel plant, the rolling mill leverages cutting-edge technologies and artificial intelligence to maximize production efficiency, minimize waste, and optimize resource use. This investment not only enhances the group's industrial competitiveness but also represents a decisive step toward a more circular, digital, and resilient industrial future.

In the current globalised market, in which maritime transportations hold a critical importance in meeting the logistic needs caused by a constantly growing demand for products while offering one of the most viable transport solutions to limit GHG emissions, the Shipping Division enables the Group to operate as a leader in a niche market by offering flexible and customised services, and to leverage its key position for observing international macroeconomic dynamics. The Division contributed 25.2 million USD to the consolidated result which, despite geopolitical challenges, confirms a stable performance. Since January 2024, the EU ETS also includes CO_2 emissions from all large ships entering EU ports. This provides additional motivation to the Division, which has been designing and implementing multiple cutting-edge solutions to reduce ship-related emissions for several years already. In 2024, the construction of what is expected to be the world's largest cement carrier started. This 38,000-ton ship will feature technologies which significantly reduce CO_2 emissions, including a propulsion system compatible with diesel and methanol, and a power generation turbine directly supplied by the engine's exhaust gases.

The diverse business sectors and operations in which Duferco is engaged are closely linked to technological advancements and innovation. Over the years, the Group set up a dedicated Innovation Division to address these emerging challenges, leading projects which improve operational efficiencies and advance energy transition and decarbonisation efforts. In 2024, the Division supported the Group in the installation and completion of the new rolling mill, thereby leveraging the skills of its expert professionals to implement more sustainable and optimised production systems. Furthermore, the Group is actively investing in research and development initiatives aimed at reducing CO_2 emissions. These initiatives encompass projects related to green hydrogen production, carbon capture in industrial processes, methanol production, low-emission portal vehicles, as well as agri/photovoltaic and wind power generation.

We extend our sincere gratitude to all our stakeholders for their unwavering support and trust. As we navigate the complexities of the global markets, we remain committed to our core values of excellence, innovation and sustainability. Guided by these principles, we will continue to expand our Energy Division business, with a focus on increasing our renewable capacity and enhancing our services related to energy and carbon markets. Simultaneously, our aim for the Steel Division is to reinforce Duferco's market-leading position by exemplifying innovative and sustainable steel manufacturing, achieving both decarbonisation and circular economy objectives. Together, we look forward to achieving these new milestones while fostering positive change in the years ahead.

BRUNO BOLFO

Business and financial highlights FY2024

BUSINESS HIGHLIGHTS

STEEL

11
Industrial plants

535,000 Tons
Steel produced

608,000 Tons
Steel processed

793,000 Tons
Steel sold

of which

370,000 Tons
Steel beams and angle profiles

123,000 Tons
Steel merchant bars

ENERGY

Over **500,000**
Electricity and gas retail customers

5,203 GWh
Electricity supplied to retail customers

415 million Sm^3
Gas supplied to retail customers

885 TWh
Energy traded

of which

734 TWh
of gas

151 TWh
of power

Almost **140** GWh
Energy produced by renewable sources

206 GWh
Energy generated by business partners from biomass sold by the Group

Over **1,900**
Total Charging Points

SHIPPING

27 million Tons
Commodities moved

Over **200**
Owned and managed vessels
of which

- **2** over 40,000 DWT
- **16** under 40,000 DWT
- **14** under 15,000 DWT
- **3** under 7,000 DWT
- **31** cement carriers

INNOVATION

25,842
Working hours dedicated to R&D and innovation

Over **1** million USD
Investment in R&D

FINANCIAL HIGHLIGHTS

1.8 billion USD
Total equity

152.4 million USD
Profit for the period

18.4 billion USD
Revenues

1. Duferco Group

1.1 The Group

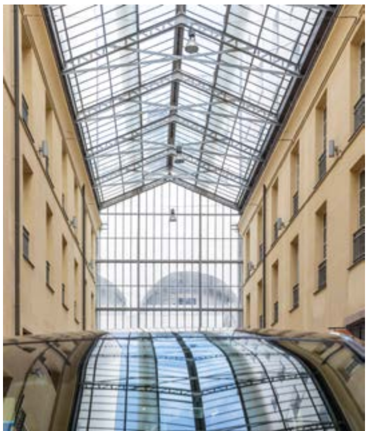
The Duferco Group (Duferco or the Group) was founded in 1979 by Bruno Bolfo and initially operated as a steel trading company. With an expertise built over many years, the company then expanded the range of its activities and branched out into various industries; a strategic choice that reinforced its steady growth and allowed for continuous state-of-the-art development. This has led the Group to diversify its activities into 4 business divisions: Energy, Steel, Shipping and Innovation.

4
business divisions: Energy, Steel, Shipping and Innovation

The Steel Division, Duferco's original core business, plays a major role in maintaining the Group's stature and leadership in the global market, in particular as a manufacturer, processer and seller of steel products. The Energy Division is a key player in the energy transition along the value chain of the Group and its partners, with activities ranging from power and gas trading to carbon capture and carbon market development, through to spearheading renewable energies. The Shipping Division ensures efficient global marine transportation of commodities through its specialised fleets, thereby reinforcing Duferco's international reach. Lastly, the Innovation Division focuses on research and development (R&D) with a strong emphasis on decarbonisation, asset enhancement and production process optimisation, and fosters a culture of continuous technological advancement.

Altogether, the Four Divisions stimulate and strengthen the resilience and dynamic nature of the Group, furthering its status as a versatile global leader. In fact, Duferco's DNA is deeply imbued with its adaptability to market trends and transformations, the assimilation and understanding of modern advancements, as well as its ability to seize new business opportunities, all fundamental elements of its success in the context of our ever-changing world and economies.

Throughout its 45 years, the Group has always handled business believing that sustainability and innovation were key drivers that would shape the future of global businesses. For this reason, Duferco conducts its activities in congruence with its mission and vision, paying close attention to compliance through its long-standing principles of ethics, and including best practices into its day-to-day operations and processes. Moreover, strong attention is given to employees, especially to their professional development and wellbeing, as well as to the comprehension and thorough assessment of environmental impacts.



Mission

Maintain balanced assets, steady focus on business profit, and shared value creation through cyclical and other non-cyclical operations across the four Divisions, fostering energy transition within and outside the Group and pursuing progressive decarbonisation of operations.

Vision

Become a conglomerate Group with four Divisions: Energy, Steel, Shipping and Innovation, where residual risks are increasingly managed from a strategic standpoint and where opportunities are seized thanks to the Group's natural adaptiveness and focus on human capital.

1.2 The Duferco journey

1979

Duferco was founded in **1979** by Bruno Bolfo, Chairman of the Board, to take advantage of the expansion of **"developing markets" in the steel industry**.

Originally established in São Paulo (Brazil) as a steel trading company, Duferco expanded its operations in other South American countries, particularly in Argentina, Venezuela and Mexico, before moving to New York and Europe.

1980s

In 1981, Duferco opened its **first European office** in London.

In 1982, Duferco located its **headquarters in Lugano**. In the following years, operations also expanded to Thailand, Taiwan, the Philippines, Singapore, Hong Kong, China, and South Korea, achieving a global presence in the steel trading sector.

1990s

Duferco grew internationally during the 90s, becoming a well-known **commodity dealer** and entering the shipping industry.

To maximise its connections with steel manufacturers around the world, Duferco began diversifying and expanding its activities to include raw materials for the steel industry, such as coke, coal, iron ore, pig iron, sponge iron, etc.

Duferco entered the **steel manufacturing** industry in 1996 after buying the Italian Ferdofin Siderurgica (now known as Duferco Travi e Profilati), with subsequent steel mill acquisitions in Italy, Belgium, Eastern Europe and USA.

2000s

During the 2000s, Duferco became an international industrial player and began to integrate **energy services** into its business operations.

Strategic business decisions in the new millennium brought Duferco into the Energy market. With the aim of satisfying the Group's energy needs internationally, **DufEnergy** was established in 2005.

Over the years, the Energy Division quickly expanded its presence in Europe thanks to the activities of **DXT** (formerly DufEnergy and rebranded in 2018) and **Duferco Energia**.

Duferco Biomasse joined the Division as an affiliate of Duferco Energia, therefore integrating biomass production and trading into the business.

2010s

In 2015, Duferco decided to **sell the majority of its steel trading arm** - Duferco International Trading Holding SA (DITH) - to the Hebsteel Group (formerly named Hebei Iron & Steel Group), one of the largest steel producer in China.

In 2018, Duferco was restructured into **four business Divisions**: Energy, Steel, Shipping and Innovation. Embracing innovation and digitalisation, Duferco invested in R&D and new advanced tools (machine learning, AI, IoT, etc.) developed by a growing digital task force, taking advantage of cross-fertilisation and synergies between business areas and joint-venture alliances.

In October 2019, Duferco celebrated its **40th birthday**.

2020s

On October 16th, 2023, the Steel Division inaugurated the **Smart Beam Manufacturing** (SBM) which became the first rolling mill in Europe to rely exclusively on renewable energy. With an investment of over **250 million euros**, the new rolling mill is fully integrated with the steelworks thanks to innovative and sustainable technologies.

In September 2024, the Group launched its first continuous training centre, **Duferco Academy**. For the first time in the Group's history, all employees, managers and executives from each Division have the chance to benefit from a shared learning platform which offers common learning opportunities and in-depth hard and soft skill development aligned with business needs.

1.3 Global Locations

Denmark
Frederiksvaerk

Switzerland
Geneva, Lugano

Principality of Monaco
Principauté de Monaco

United Kingdom
London

France
L'Horme, Saint-Denis, St. Jean D`Ardières, Yutz

Canada
St. Catharines

USA
Fort Lauderdale-FL, Stamford-CT

Colombia
Bogotà

Spain
Madrid

Luxembourg
Luxembourg

Brazil
Sao Paulo

Italy
Genova (GE), San Zeno Naviglio (BS), Pallanzeno (VB), Giammoro (ME),
San Giovanni Valdarno (AR), Brescia (BS), Chiavari (GE), Berzo Inferiore (BS),
Monte di Procida (NA), Massa (MS), Nave (BS), Pace del Mela (ME), Roma (RM),
Salerno (SA), Trieste (TS), Venezia Marghera (VE).

Duferco Group is currently active globally with more than 100 operative offices and industrial sites worldwide.

Belgium
Marcinelle

The Netherlands
Rotterdam

Czech Republic
Praha

Albania
Tirana

North Macedonia
Skopje

Ukraine
Kiev

Philippines
Manila

New Zealand
Waverley

Singapore
Singapore

U.A.E.
Dubai

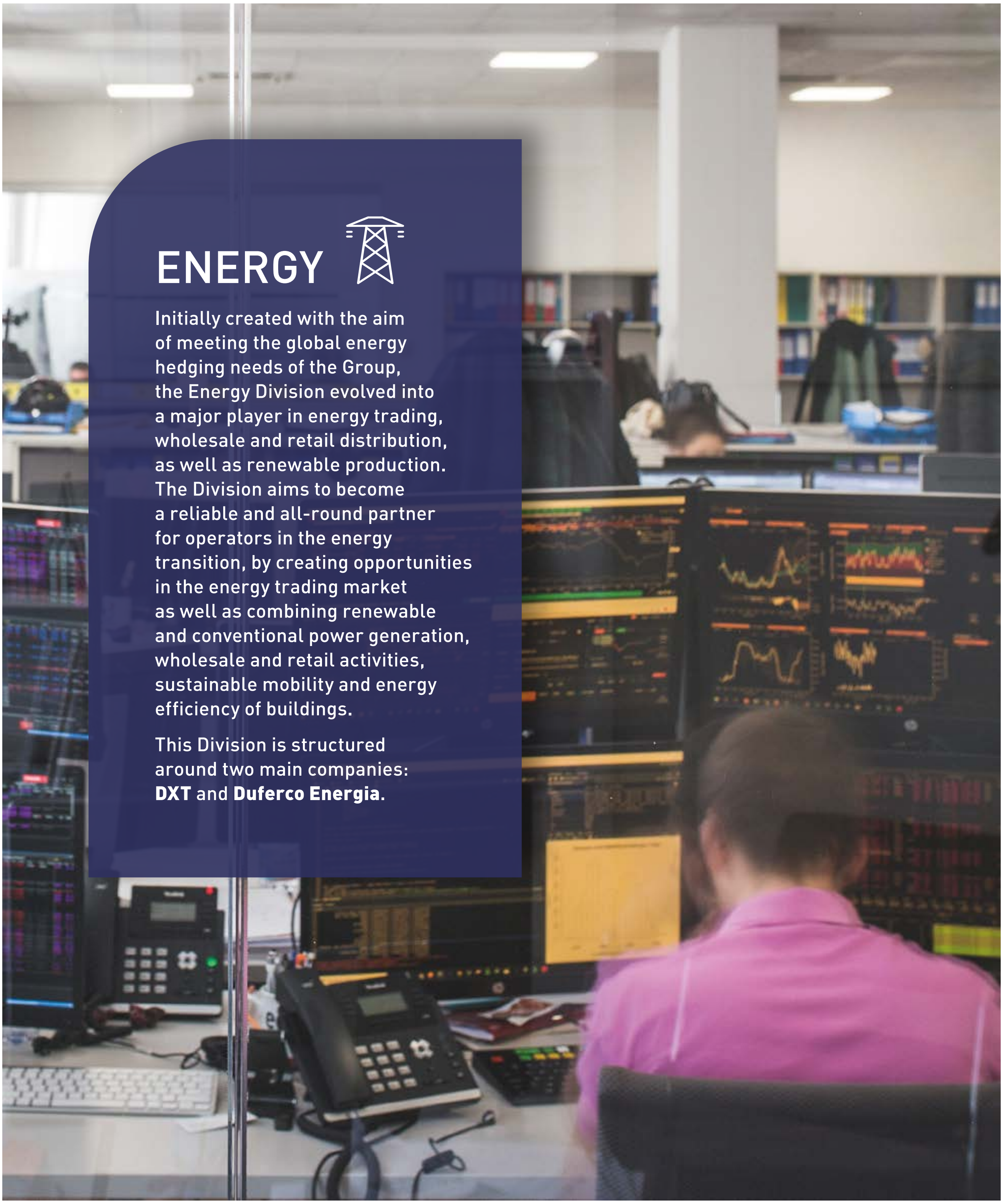
Bulgaria
Sofia

Greece
Athens, Moschato

Germany
Hamburg

Algeria
Hydra

1.4 THE FOUR DIVISIONS: Energy, Steel, Shipping and Innovation



ENERGY

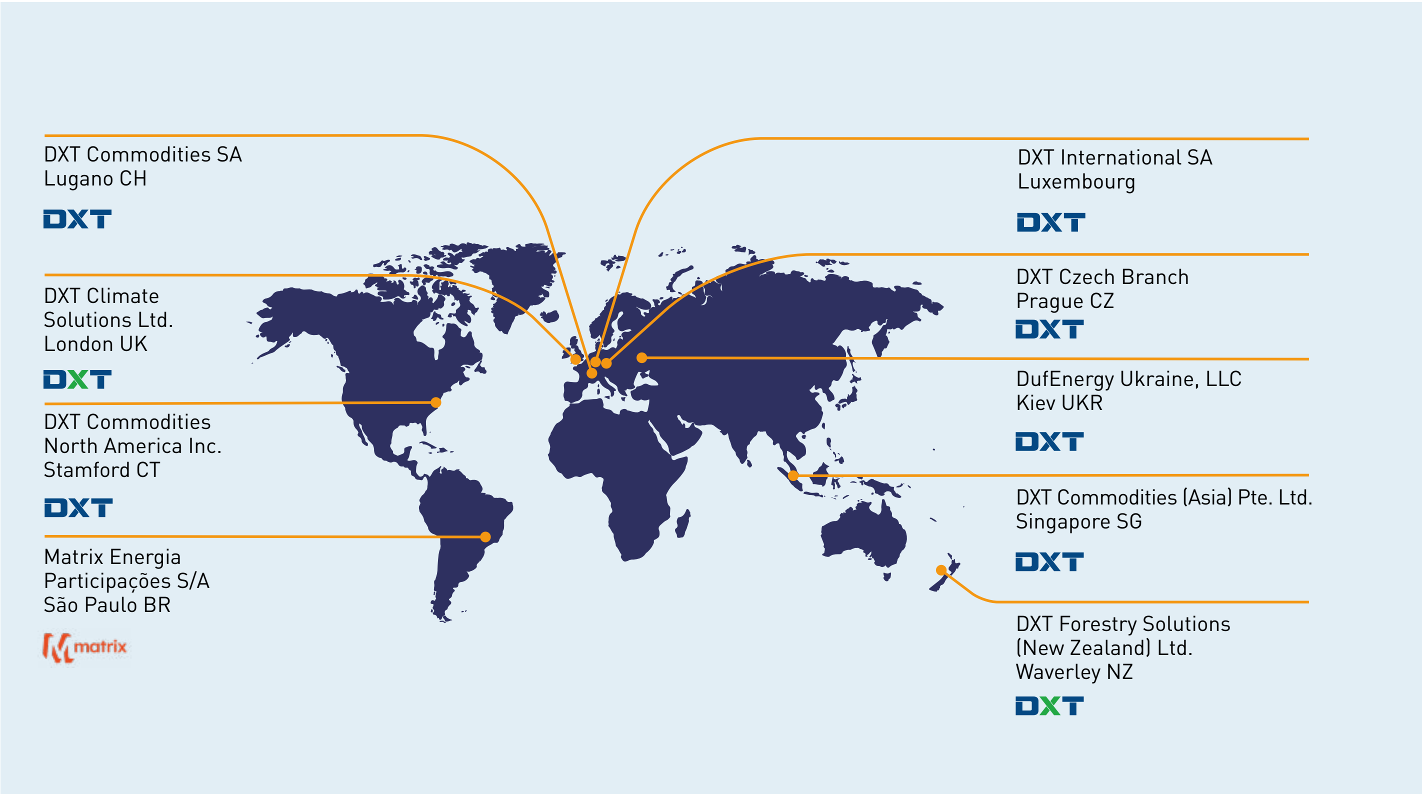
Initially created with the aim of meeting the global energy hedging needs of the Group, the Energy Division evolved into a major player in energy trading, wholesale and retail distribution, as well as renewable production. The Division aims to become a reliable and all-round partner for operators in the energy transition, by creating opportunities in the energy trading market as well as combining renewable and conventional power generation, wholesale and retail activities, sustainable mobility and energy efficiency of buildings.

This Division is structured around two main companies: **DXT** and **Duferco Energia**.

DXT

Founded in 2005, the leading international commodity trading house operates globally through **DXT International S.A.** (DXT) and its affiliates. Rooted in the Group's expertise in the management of energy-intensive industrial entities and originally aimed at exploring trading opportunities in the European power markets, the company quickly expanded its scope and intensified its presence in multiple sectors. DXT now aims to consolidate and grow its commodities portfolio in order for its shareholders to benefit from a return on equity above the industry average.
To further this ambition, the company commits to providing excellent performance and facilitating the progression towards a sustainable economy through its affiliates around the globe.

Given the successful results seen in the trading and wholesale of electricity, natural gas and LNG, energy and carbon certificates generation and trading, and its investments in the implementation of important renewable projects and energy storage systems, DXT now benefits from a solid track record and operations across 14 countries.



Over recent years, the company has consolidated this international market presence and aims to expand further by transforming its traditional trading configuration into a global and integrated trading platform, a shift which involves a strong focus on renewable energy sources and innovative technological solutions.

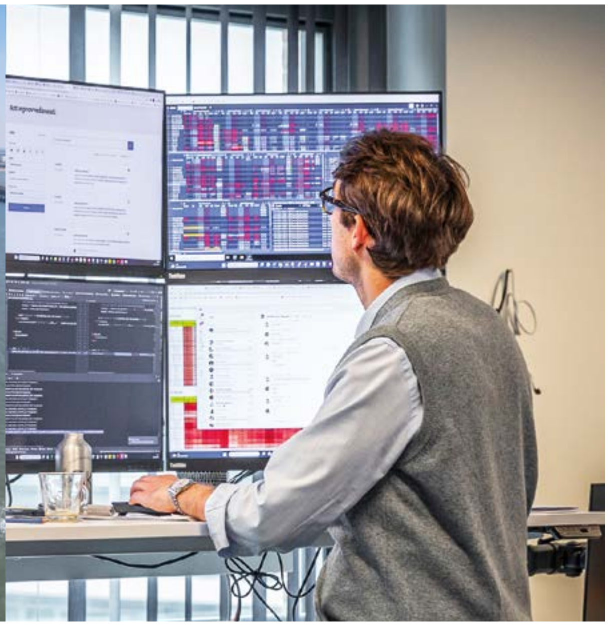
By adapting its business model to modern concerns, the company is able to seize opportunities offered by the energy transition, while exploring possibilities in all sectors of commodity trading. This ambition is further empowered and enabled by DXT's high-profile personnel, large investments in information technology, robust risk management and the ability to leverage key logistic assets including transportation, storage and regasification capacity.

During FY2024, **DXT Commodities SA** and its subsidiaries traded over 703 TWh of energy volumes. Thanks to its agility in forecasting market evolutions and capturing opportunities, and its dedicated teams of traders, analysts, meteorologists and originators, DXT Commodities SA stands at the epicenter of DXT.

The experienced power trading teams supported by sophisticated internal analysis and forecasting models, optimise physical power flows in Europe, through operations which are carried out on the intraday market as well as on the prompt and forward markets. As a well-established renewable power off-taker in the Italian market, the company managed approximately 3.5 GWh of installed capacity from renewable sources in FY2024, and it supported cleaner energy solutions by setting up competitive Power Purchase Agreements (PPAs), minimising market and counterparty risks for providers, and contributing to increased market liquidity. In fact, by the end of FY2024 the company had optimised market access for ca. 1,000 renewable plants.

Moreover, DXT Commodities recently opened a dedicated desk, to trade all the main energy certificates across Europe. These certificates play an essential role in guaranteeing the origin of renewable energy, enabling consumers to meet their sustainability goals, and the market for these certificates generates revenues which can be reinvested by green energy providers. The company is also operative on the major ETS markets, helping to meet reduction targets and to generate revenues that can be recycled into further investments in new sustainable technologies.

As one of the top gas wholesalers in Europe with dedicated offices in Lugano, Prague and Kiev, DXT Commodities offers attractive pricing, tailored flexibility and structured solutions to its wide network of partners. The company is an active participant in the LNG spot trading market and acts as a dependable supplier, leveraging its logistic and regasification assets in Europe and beyond. With ca. 40 vessels delivered across the world, the company is invested in building long-lasting partnerships with its counterparties.



The company is also involved in various other projects that aim at enabling and offering optimised solutions for the energy transition, such as the extension of its BESS (Battery Energy Storage Systems) capacity.

In FY2023, the company launched **DXT Commodities (Asia) Pte. Ltd**. Since then, the new office in Singapore has provided essential support to LNG origination and trading operations while initiating access to the promising Asian market. Singapore offers a strategic location in which the company intends to strengthen its presence and develop further projects. As an example, the branch delivered its first MedMax LNG cargo - the first vessel of its size to be received by the port - to a Chinese terminal in FY2024, ensuring the transport from North Africa and North America through close collaboration with international partners. The ship had already been commissioned by DXT for another consignment last year and several other deliveries within the Mediterranean Sea have been performed since then.

In the United Kingdom, the new subsidiary **DXT Climate Solutions Ltd.** (DXTCS) positions itself as an enabler of the energy transition through the trading of energy certificates and carbon credits, along with the development of carbon capture solutions and innovative technology.

In FY2024, DXTCS acquired one area of forest land located in New Zealand's North Island and got the award for the acquisition of a second one to be perfected in the course of the next financial year. These ca. 500 hectares of fast-growing pine tree plantation and native bush will be managed through **DXT Forestry Solutions (New Zealand) Ltd**. with the intention of generating between 10,000-15,000 tCO_2e of carbon credits on a yearly basis through carbon sequestration via sustainable forest management. DXTCS plans to expand its sustainable forest portfolio and explore other opportunities to support nature-based solutions for climate change mitigation and adaptation. The company also intends to leverage its digital capabilities to monitor and report on the environmental and social impacts of its forestry activities.

DXT Commodities North America Inc. (DXTNA) has been an active participant in the US Gas & Power markets since 2015. The company implements disciplined risk management in physical and financial gas and power trading to foster value creation, replicating and adapting the successful business model matured in Europe. Considering the ever-growing need to reduce greenhouse gas emissions worldwide, emission trading and carbon allowances are influential tools that help governments reach their net-zero targets and generate revenues for further investments on new technologies. In FY2024, DXTNA has consolidated its presence on the Californian ETS (Emission Trading Systems) market and is now working towards joining markets in other States.

As a part of its internationalisation process, DXT is present in the power sector in Brazil through its JV **Matrix Energia Participações S/A** (Matrix or Matrix Energia), a digital energy platform that provides a complete ecosystem of tailored solutions through a customer-centric business model. Its main business units encompass energy commercialisation, renewable energy generation assets (spanning both Distributed Generation and Centralized Generation), a digital platform for Distributed Generation distribution, large-scale energy storage systems (BESS) - also known as Digital Power - and micro-cogeneration. Additionally, in August 2024, Matrix launched a new business unit, MTX Natural Gas Trading, to commercialise natural gas. This unit began operations with imports from Bolivia and Argentina, focusing on diversification and developing tailored solutions for end customer.

Matrix is the largest independent energy commercialisation platform in Brazil, serving high and medium-voltage clients in the Free Energy Market and ranking as the third-largest retail energy commercialisation platform by volume consumed, according to CCEE (Sep/24). By FY2024, Matrix managed over 1,200 counterparties and 1,950 consumption units, with a strong focus on long-term PPAs, averaging agreements of more than 7 years.

In distributed generation, Matrix oversees 500 MWp in solar assets, with 20% proprietary plants and 80% leased assets under long-term contracts, spanning 20 Brazilian states. By FY2024, 17 of its proprietary plants were operational, totaling 70 MWp of capacity, with the full portfolio projected to reach 120 MWp by early 2025. This asset-light model, supported by R$165 million in green bonds, enables Matrix to serve over 35,000 low-voltage clients and supports the democratisation of clean and renewable energy.

Matrix also maintains a robust centralised renewable energy portfolio, with over 1.3 GW of projects ready to build. Construction began in FY2024 on Grande Sertão Solar II (80 MWac/103 MWp) and is set to become one of Brazil's largest solar complexes, enhancing its capacity to serve clients in the Free Energy Market with diversified and scalable energy solutions.

The Digital Power unit, launched in 2023, focuses on behind-the-meter battery solutions. By FY2024, it secured 63 MWh in closed contracts and 11 MWh of operational capacity, with plans to expand its energy storage capacity to 750 MWh by 2027, through a partnership with a leading Chinese supplier.

Duferco Energia

The company was born in 2010 to oversee Duferco Group's photovoltaic (PV) and hydroelectric plants. In its almost fifteen years of existence, Duferco Energia has become one of the leaders in the Italian energy sector and the main driver of energy transition within the Group, each year consolidating its national presence and reinforcing its renewable production capacity in Europe, while further developing its presence on the international front. All the activities of Duferco Energia are the result of a business model that is aligned with the most recent European policies and guidelines on energy transition.

The company now benefits from a diversified and expanded scope of activities that covers: energy and emissions trading, electricity and gas retail, renewable power production, energy efficiency and sustainable mobility. The first two equally contribute to Duferco Energia's primary revenue streams, while the others are evolving gaining even more autonomy within the company.

The *commercial area* of Duferco Energia offers energy and gas supply solutions for any type of consumption, from domestic users to SMEs, up to large industrial groups. Thanks to a consolidated presence in the market, in FY2024 Duferco Energia served over 500,000 clients, equivalent to about 5,200 GWh of energy (of which 775 GWh from renewable sources) and 415 million Sm^3 of natural gas. The sales network is divided into several *Business Units* (BU) specialised on the different targets on which Duferco Energia's activity is focused and is composed of both direct sales agents and a network of business partners that ensure coverage throughout Italy. Today, the company has 65 direct sales agents and over 400 sales agencies.

The *retail business unit* provides energy supply solutions to domestic customers, VAT-registered businesses and companies with consumption up to 10 GWh for electricity and up to 2 million Sm^3 for gas. Duferco's strategy in this area involves a consultancy approach, characterised by maximum transparency with the aim of optimising consumption and studying supply solutions based on the customer's actual needs. In fact, customer are the epicentre of the company's business model: Duferco Energia's activity does not stop at the contractual phase but develops through a continuous consultancy relationship, both through energy consultants always available to the customer and through assistance, analysis and fully digitalised reporting services.

The *condominium business unit* - with over 8,000 condominium administration firms in its portfolio and more than 80,000 condominiums under supply - positions Duferco Energia as one of the leading national players in this area. For this reason, the company set up a dedicated BU for this target with the aim of offering a precise service tailored to the actual needs of a condominium administration firm. Dedicated supply products, clear invoices prepared for any management system, dedicated customer care, and digital reporting are just a few of the numerous services implemented in this area.

Duferco Energia, with its top *clients business unit*, is also a reference point for large industrial groups and energy-intensive companies. Only direct sales agents, the Key Account Managers, operate in this BU and offer daily consultancy aimed at optimising the consumption profiles of customers and offering personalised and innovative solutions. The company offers a wide range of tailored energy services, from Guarantees of Origin to Portfolio Management, designed to meet the specific needs of each company. With Duferco Energia, large companies can rely on specific and dedicated energy solutions that support long-term growth and success, turning energy challenges into development opportunities and ensuring a solid and sustainable energy future for their business.

In FY2024, the company also established the *third sector business unit*. In this regard, the company offers consultations to third sector entities for the optimisation of energy consumption, analyses, feasibility studies and projects for energy efficiency solutions, as well as consultations for the development of Energy Communities.

Mainly located in Italy and Greece, the *energy trading business unit* is active across various segments of the European market and its operations revolve around two areas: portfolio management and trading. These activities are carried out by highly qualified personnel, and backed up by data analysts who offer key support to each specific team, helping them to make diligently informed decisions every day.

The portfolio management activities involve hedging and pricing for Duferco Energia's own client base which mainly consists of Italian customers. In FY2024, the company supplied 5.2 TWh of electricity and 4.5 TWh of gas.

The trading activities are further divided into four sub-areas: intraday, futures trading, gas storage and capacity trading. Futures trading is developed through financial contracts and physical over-the-counter trades (OTCs) with almost 60 counterparties all over Europe, which led to over 125 TWh of energy volumes to be traded in FY2024, of which 95 TWh power and 30 TWh of gas. The company is also active in the trading emission-related futures (i.e. green certificates, white certificates, and ETS allowances). Furthermore, the company also acts as a renewable power off-taker, minimising risk for energy producers by guaranteeing demand and enhancing market liquidity. Through PPAs on the Italian market, Duferco Energia ensured market access for ca. 390 renewable plants, managing 1,550 MW of installed capacity. Regarding gas storage, the unit participates in storage capacity auctions in Italy, France and Austria. Duferco Energia handled 2.3 TW of capacity in Italy and 120 GW in France. The unit is also active on the capacity trading market through various platforms that allow for cross-border transmission capacity rights to be auctioned, on which more than 3.8 TWh of long-term capacity were allocated by the company this year.

The *renewable power production business unit* is managed by both Duferco Energia and its subsidiaries, among which in particular **Duferco Sviluppo**, which was founded with the intent to centralise the development and implementation of renewable capacity, as well as other projects related to the energy transition. Together, the companies operate 8 hydroelectric plants and 17 solar power plants in multiple areas of Italy and Albania, reaching an overall electricity production of 82.3 GWh in FY2024. This fiscal year also saw the launch of the new peaker located in the Giammoro industrial steel production site in Sicily, a 59.7 MW Open-Cycle Gas Turbine which generated 16.4 GWh of power in FY2024. Considering a derating provided for in the contract with Terna, 53 MW of power were contracted, by the transmission system operator, for the capacity market. Moreover, the plant's environmental authorisation allows the facility to operate at maximum contracted power for approximately 1,000 hours annually (hours equivalent to full contracted power). In the period included in FY2024 - i.e. from June to September 2024 - the plant operated for approximately 220 equivalent hours. By April 2025, the total equivalent operating hours will reach approximately 620 hours. Despite using conventional energy sources, the peaker will act as a key enabler of the national sustainable transition by balancing out the volatility of renewable power generation on the intraday market, therefore providing stability and flexibility reserves to the grid. Currently, significant resources are being invested into the further development of renewable power assets in Italy, mainly including solar and wind plants, as well as energy storage systems such as batteries. By 2028, the company aims to have added 100 MW of photovoltaic power plants, up to 70 MW of wind-turbines and 60 MW of BESS to its asset portfolio.

Duferco Sviluppo Rinnovabili, a subsidiary of Duferco Sviluppo, is responsible for advancing projects related to the installation of renewable power capacity for both the Duferco Group and external third parties. In the FY2024, the subsidiary allocated a portion of its resources to facilitate the energy transition within the agricultural sector. Specifically, Duferco Sviluppo Rinnovabili, by three controlled special purpose vehicles, participated in a call for project issued by the Italian Ministry of Environment and Energy Security, which encompasses the development and implementation of approximately 27 MW of so called "advanced agrivoltaics" capacity across 19 projects. These agrivoltaic projects require the establishment of a consortium between Duferco and an agricultural company ("ATI") in order to create a dual-use system that simultaneously generates renewable energy and preserves agricultural land by optimsing both plant health and water requirement. Projects will be eligible for an incentive tariff for 20 years, provided they ensure agricultural production employing innovative tools.

Steering toward progress, Duferco Energia is embarking on a significant internationalisation process. Alongside its presence in Albania with 2 hydropower plants reaching a combined capacity of 17 MW, the company's trading activities are also established in Greece and Macedonia. Additionally, the Duferco Energia recently further extended its trading operation to Spain and has been looking into potential opportunities in the power market in Poland and European environmental commodities market. Furthermore, the company has also made targeted investments in solar and wind energy projects outside of the EU area, in North Africa, through close collaborations with key local players. More specifically, Duferco Energia is developing renewable energy self-consumption projects in Tunisia and Morocco, directly supporting the decarbonisation of the energy supply for local companies. In Tunisia, a bilateral agreement between the local government and Italy includes the construction of an electrical interconnection described as a true "bridge to Africa" aimed at enhancing energy security and increasing renewable energy production significantly. Along with other energy-intensive companies in Italy, Duferco Energia is developing renewable power generation capacity in Tunisia to fully leverage this strategic infrastructure. These photovoltaic and wind power plants will be used for both local consumption and export to Italy via the new interconnection cable which is currently under construction. This project marks an important milestone in the cooperation between the two Mediterranean countries, making a tangible contribution to the energy transition and further strengthening the role of renewable energy in the region.

Furthering its commitment to sustainable development, Duferco Energia is also actively engaged in e-mobility. Since FY2024, due to the growth of electric mobility within the company's mandate, a separated entity, **Duferco Mobility**, was set up for the provision of the e-mobility services. The company manages a network of 1,946 CPs (Charging Points) across Italy and recently reached a significant milestone by registering a total of more than 1 million charges. Duferco Mobility offers multiple services to meet the various needs of its clients (individuals and organisations). Elettra, the first fully electric and free-floating car-sharing service in Italy, has been operating in Liguria since 2021, offering city car and cargo services to its customers. More recently, the company has been working on increasing access to sustainable energy and facilitating mobility, particularly in under-privileged urban areas. By promoting shared transportation, Duferco Mobility aims to reduce the number of private vehicles on the road, thereby freeing up space and improving the quality of life for local communities.

Furthermore, Duferco Energia's Hydrogen Valley project in Giammoro, Sicily, is part of the company's broader efforts to explore and develop hydrogen-based solutions for sustainable mobility and logistics. The facility, which is expected to produce around 100 tons of green hydrogen annually using self produced solar energy and Anion Exchange Membrane (AEM) electrolyser technology, has been strategically designed to support various potential applications, including the possible introduction of hydrogen-powered public buses in the city of Messina. By supplying clean hydrogen for these and other possible uses, the initiative aims to contribute to reducing emissions, improving air quality, and promoting the long-term transition towards more sustainable transport and logistics systems across the region.

Regarding the biomass sector, Duferco Energia operates in various business segments via two subsidiaries, **Duferco Biomasse** and **Energy Biomass Sourcing** (EBS), which are involved in forest management for biomass, log and wood chip production through harvest and processing, as well as trading and logistic activities. Both companies supply not only to thermal power plants and heating networks which produce energy from biomass, but also to the construction, furniture and paper industries.

Duferco Biomasse is one of the leading companies in Italy and serves as a key representative for operators in the biomass sector. The company oversees a comprehensive supply chain: from forest management to the delivery of final products, such as wood chips and other energy-dense raw materials. However, the company has recently been directing its efforts further towards its trading activities, supplying finished and semi-finished products to clients, while still monitoring potential projects related to biomass production. Duferco Biomasse is also expecting new business opportunities which will be driven by new regulatory mechanisms that will be crucial in promoting the Italian biomass landscape. These mechanisms include a sustainability certification (REDcert[2]), aimed at valorising more structured and sustainable biomass players, and a "minimum guaranteed prices" mechanism for electricity produced from bio-based materials, set out by ARERA and designed to provide economic incomes for the whole supply chain.

In France, EBS supplies its partners principally with forest biomass and logs obtained from standing tree pruning on private and public land, but the company also sells woodchips made from outsourced processed logs. The biomass is primarily sold to end customers in France to produce electricity, heat and steam. The logs are sold in both Italy and France for the manufacture of various industrial products to sawmills, paper mills, plywood and packaging factories, etc. In addition to these activities, EBS is also involved in biomass trading on a small scale.

During FY2024, the combined operations of Duferco Biomasse and EBS enabled their business partners to generate almost 206 GWh of energy through the biomass sold.

The Duferco Group very recently acquired **Comal SpA** through a voluntary total public tender offer. Comal is a leading company in Italy specialising in the development of EPC contracts for the construction of utility-scale photovoltaic plants. The company is headquartered in Montalto di Castro and has, to date, completed over 40 photovoltaic plants in Italy and South Africa, with a production capacity of 600 MW.

Duferco's motivation to pursue this operation was driven by multiple factors:

1.
Comal SpA is a rapidly growing enterprise with strong potential for organic growth and a significant order portfolio, providing reliable and technologically advanced solutions.

2.
Moreover, in the context of the green transition, in which a significant portion of products and services come from non-EU countries, the company serves as a proper example of Made in Italy and demonstrates how expertise and know-how can ensure competitiveness, even in a complex market like that of renewables.

3.
This operation would provide Duferco with valuable synergies and industrial vertical integrations. The construction of large-scale photovoltaic plants requires a substantial amount of long rolled products, an area in which one of the Group's subsidiaries, Duferco Travi e Profilati (DTP) is one of the leading producers at the European level.

STEEL

The Steel Division is the pillar of Duferco's history. With decades of expertise, it operates through its companies across various European countries including Italy, France and Denmark. The Division runs a steelworks plant and 11 industrial plants, producing a large range of products: beams, billets, long products, merchant bars, bright steel, machinery track shoes and pre-painted flat products. Duferco's forward-looking approach, reflected in its clear commitments and significant investments towards technological advancements and innovation, has reinforced the leading position of the Division in the Italian steel making industry and also as an important supplier for many partners in Europe and Northern Africa.

The activities of the Steel Division are mainly distributed between the following companies: **Duferco Travi e Profilati**, **Acciai Rivestiti Valdarno**, **Duferco Danish Steel**, **Ferriere Bellicini**, **Duferco Morel** and **Emmebi.**

Duferco Travi e Profilati

Founded in 1996, **Duferco Travi e Profilati** (DTP) formerly Duferdofin, was born from the acquisition of Ferdofin Siderurgica by the Duferco Group. The company now consolidates three main subsidiaries **Travi e Profilati di Pallanzeno Spa** (TPP), **Acofer Prodotti Siderurgici Spa** (Acofer) and **Duferco Terminal Mediterraneo Spa** (DTM). The continuous investments in the companies' capacities and resources allowed DTP to develop its operations in four different production units that, all together, cover the complete steel production process. The *four sites* are located across the Italian territory and are complemented by three Acofer warehouses and the future DTM loading pier.

The *San Zeno Naviglio* site is located in Brescia and serves as the main administrative center of DTP. Historically, the almost 500,000 sqm site has been home to the Group's only steel mill, which has an annual production capacity of about 950,000 tons. In 2023, San Zeno Naviglio also has unveiled the Group's new rolling mill - the Smart Beam Manufacturing (SBM) facility - whose annual production capacity reaches 700,000 tons of hot rolled steel products. The integration of this avant-garde infrastructure supports a fully verticalised production cycle on site, which positions DTP as the leading and most cost-efficient manufacturer of beams in Europe.

The production process begins in the steelworks by loading steel scrap into the Electric Arc Furnace (EAF) to create molten steel. Through the refining process, impurities are removed, and ferroalloys are added in order to achieve the desired characteristics of the molten bath. After that, the liquid metal is cooled and molded into semi-finished products of round, square and rectangular shape, as well as dog bone sections, which are then sold externally or delivered to the Group's various rolling mills for further processing.

The *Pallanzeno* factory (TPP) in Verbania was originally specialised in the hot rolling process of small and medium range beams, equal and unequal angles, as well as special profiles which are mainly sold to the San Giovanni Valdarno (SGV) site to be transformed into track shoes used in earth moving special machinery. The 400,000 sqm plant has a production capacity of 675,000 tons per year. As decided with the launch of San Zeno Naviglio's SBM rolling mill, TPP is now carrying on performing its activities with a revised ambition, consequently shifting the unit's product range. Therefore, the Pallanzeno site will pursue its new purpose by refocusing the production activities on specific or niche items such as special profiles, thicker angles and bulb flats for the shipbuilding industry.

DTP AWARDED AT FINCANTIERI SUPPLIER AWARDS 2024

Pallanzeno's excellence in bulb flats production reflects a seamless blend of technical precision and innovative design, developed to meet the highest naval construction standards. The company's strategic collaboration with one of the world's largest shipbuilding groups and esteemed client, Fincantieri, ensures consistent quality, high-precision and reliability in the manufacture of these components - essential to reinforce hull structures - thereby reinforcing Duferco's role as a trusted industry partner.

Marking the successful launch of the production and supply of these bulb flats, Duferco Travi e Profilati proudly earned the prestigious Fincantieri Supplier Award 2024 in the Strategic Business Projects category, a testament to the Group's unwavering commitment to cutting-edge solutions and longterm partnerships.

With a forward-thinking industrial strategy, the Pallanzeno facility stands out as one of the world's most versatile production plants, offering quality and efficiency in adapting to the ever-changing demands of the dynamic global market, which combined with DTP's oversight on the entire steel production chain, further ensures responsiveness and high-quality standards.

In *Giammoro*, in the municipality of Pace del Mela, the 380,000 sqm plant is equipped with a rolling mill specialised in the manufacture of large and medium sized beams, large special profiles for earth moving machinery and surface track rolling which are then supplied to SGV. The factory usually has a production capacity of 450,000 tons per year. However, considering the difficult situation faced by the steel making industry given the significant market downturns in recent years, the activities have been gradually reduced and were temporarily stopped in the course of FY2024.

Nonetheless, and in alignment with its mindset of business diversification, the Duferco Group has recently allocated 95 million euros towards a reconversion plan focused on logistics, energy and infrastructure in order to fully leverage Duferco's assets in the area along with its human capital, thereby aiming to consolidate and further develop employment. To develop the logistic aspects of the conversion plan, DTP has recently introduced a new subsidiary named *Duferco Terminal Mediterraneo* (DTM) which, in early 2024, was designated by the local authorities as the holder of the concession related to the use of the Giammoro pier for a period of 25 years. The jetty is the only one in Europe to allow for activities to be conducted directly on the wharf instead of on the quay. To make it functional, an additional investment plan of over 25 million euros was launched in FY2024 with the acquisition of a loading crane, the commissioning of construction work to adapt an area of ca. 120,000 sqm for container storage, as well as the purchase other lifting equipment used to move containers and manage overall logistics. This infrastructure is a strategic asset for business partnerships and transportation activities, and it will help reducing costs for the Giammoro steel factory by enabling the direct loading and unloading of small cargos destined to the local Mediterranean market.

In Arezzo, the 118,000 sqm *San Giovanni Valdarno* plant is the mechanical division of DTP. With more than 50 years of experience and a production capacity of 60,000 tons per year, the factory transforms the special profiles received from Pallanzeno into finished track shoes for earth moving machinery, representing the only entity in Europe able to produce this type of product from steel scrap.

On the distribution front, *Acofer Prodotti Siderurgici* (Acofer) operates in the commercialisation of beams and merchant bars. The company's three warehouses are located in the surroundings of the production sites, in Nave, San Giovanni Valdarno and Giammoro.

The Smart Beam Manufacturing (SBM) rolling mill

The new SBM rolling mill was inaugurated on October 16, 2023. This project is the culmination a decade-long work carried out by dedicated teams and reliable partnerships, backed by a 250-million-euro investment. The plant is now a notable infrastructure in the Italian steel-making industry.

The new addition to the 50-year-old San Zeno Naviglio plant is completely integrated with the original steelworks plant and allows DTP to concentrate a considerable portion of its production directly on the site, a process which would usually have been spread across the company's multiple factories. At full capacity, the infrastructure will mean significant improvements in logistics and overall efficiency, along with an increase in annual production capacity, to 1.5 million tons of long products. In FY2024, the rolling mill started its production and gradually improved process efficiency, with the goal to reach maximum efficiency by 2025. Given the growth opportunities that lay ahead, and in light of recent evolutions and achievements, the company is confident about the future results and developments of the mill.

The project also sets the record as "First Green Rolling Mill" in Europe to operate exclusively on green energy. Two long-term fixed-price Power Purchase Agreements (PPAs) and related guarantees of origin (GOs) ensure a 100% electricity supply from renewable sources. A third PPA is currently in development to further meet this objective. Additionally, two photovoltaic installations with an approximate capacity of 9 MWp each have been installed on the facility's roof in order to increase self-reliance and reduce the need for electricity from the grid. This should lead to a decrease of around 2,800 tons of indirect CO_2 emissions. To reduce direct emissions, the reheating furnace has been configured to operate either on a combination of natural gas and hydrogen or exclusively on hydrogen. The mill has also been designed with other environmental impacts in mind; in fact, studies were conducted to determine and integrate adequate technologies in order to reduce pollutant emissions, such as nitrogen oxides (NOx), released by the combustion in the burners.

Moreover, the initiative required major emphasis on digitalisation. This is because the SBM rolling mill uses the latest digital technologies and data platforms which enable the optimisation of the complete production cycle, enhance energy efficiency, reduce waste and resource consumption, while stimulating productivity and assisting employees in making more informed decisions. This was also made possible thanks to the expertise of the Innovation Division.

To meet the requirements entailed by these new technologies and make the transition as viable and effective as possible, the workforce received specific training and the company aims to hire 150 persons (of which 100 have already been recruited), including employees from Giammoro within the scope of the conversion plan. Furthermore, during the installation, the plant generated additional indirect employment recruiting 300 external workers, thereby providing substantial indirect economic value to the territory.

Acciai Rivestiti Valdarno

Located in the San Giovanni Valdarno site, Acciai Rivestiti Valdarno (ARV) is a joint venture shared with the Vanni family and it operates in a niche market focused on flat products used as coatings in industrial and civil construction. The factory produces around 25,000 tons per year of plastic-coated, pre-coated or colaminated coils and strips from steel (cold rolled, galvanised, stainless) and aluminum bases. With its innovative continuous coating line, a coil cutting line and an embossing line, ARV is able to offer its clients both standardised and customisable products, while the small scale of the facility allows for shorter delivery times and fast service.

Duferco Danish Steel

Originating from the acquisition of the historic Danish Kontivæket bar mill in 2006, Duferco Danish Steel A/S (DDS or Danish Steel) is a well-established producer of merchant bars used in construction, agriculture, mechanical and shipbuilding industries.

Over the years, DDS has broadened its product portfolio. This expansion notably included investments in two cold drawing machines: one dedicated to thick flat, round and square bars, and another focused on thin bright steel products. In line with Danish Steel's strategy, the second machine was installed to improve productivity and expand the product range. Other significant investments have been made towards the automation of the reheating furnace, enhancing system safety and reliability while reducing CO_2 emissions.

Furthermore, the construction of a new warehouse has allowed the company to increase its stock capacity and speed up delivery times, therefore improving the offer and services for its customers.

Duferco Morel

The company operates mainly on the French territory and counts multiple subsidiaries across the steel distribution sector: Duferco Thionville S.A.S., Morel Distribution Profils S.A.S. and Duferco Morel Quincaillerie S.A.S. In particular, Duferco Thionville is in charge of buying and stocking steel sheets and plates, which are then sold mainly to other stockholders but also to end users in various industries across France, Italy, Benelux, Germany and Poland. Morel Distribution Profils is the third-largest distributor of beams in the French market and focuses on selling long products, merchant bars and pipes. As for Duferco Morel Quincaillerie, the affiliate offers a wide range of more than 5,000 articles to SMEs and individual customers thanks to its hardware shop located near the Morel Distribution Profile site.

With four warehouses, Duferco Morel and its subsidiaries serve approximately 2,400 clients on French and European markets, all while offering a comprehensive range of steel products.

Ferriere Bellicini

This joint venture shared with the Bellicini family has been operating for a century in the iron and steel sector and specialises in merchant bars. Ferriere Bellicini is a historical player on the Brescian steelmaking landscape, combining tradition and expertise to offer the highest quality of products to its clients. Its production mix, made of small and mid-range round and square merchant bars, provides its customers with a wide range of rolled products for individual needs.

Emmebi

Emmebi S.r.l. Sistemi per l'Ambiente (Emmebi or MB), an associate of the Duferco Group, was founded in 1994 and started conducting business in the environmental field by developing green services for the industrial sector, such as waste disposal operations, recycling center management, industrial demolitions, logistics and transport.

Thanks to its partnerships with major industrial groups in the steel and automotive sectors in Italy, Emmebi has been able to expand its range of services over the years. In this way, the company became a well-established player in the trading of raw materials destined to the steel industry, in Italy and abroad. With its two offices located in Genova and Brescia, MB now focuses mostly on the trade of scrap, raw materials, products and by-products with steel manufacturers.

In this context, Emmebi aims to play a significant part in the European circular economy sector, and therefore strives to identify the best uses and recycling solutions for all the processed materials collected through its services and activities.

SHIPPING

The Group handles the activities of its Shipping Division through **Nova Marine Holding SA** (NMH, Nova or Nova Marine), a joint venture shared with the Romeo family since 1994 and initially aimed at integrating maritime logistics and transportation into the value chain of Duferco's original steel manufacturing and trading business. Thanks to its expert teams, strategic planning and global partnerships, the JV rapidly grew into a prosperous and reliable actor in the shipping sector who now provides its customers with fast, flexible and tailor-made shipping solutions by including close cooperation with every link of the supply chain.

The Shipping Division is a fundamental element of Duferco's offering due to its unrivalled ability to provide commercial and technical services simultaneously. This positions the Group as a privileged player and premium choice in worldwide seaborne transportation. NMH operates as a sea trucker, managing over 300 vessels, including fully owned (5), partially owned (75) and solely operated (240), the latter usually being either time chartered or commercially managed ships. In FY2024, Nova Marine Holding performed around 1,650 voyages, moving almost 27 million tons of cargo around the world.

The company is currently building 8 new vessels of which 2 general cargos equipped with high-voltage shore connection (HVSC) technology that will allow the ship's engine to be turned off when in dock by using an electrical connection to supply its consumption needs; 4 brand new 40,000-ton vessels; and two 38,000-ton cement carriers which shall become the world's largest cement carriers.

Several companies carry out the Division's core maritime transportation activities under the **Nova Marine Carriers SA** (NMC) umbrella. Principally they are the JVs **NovaAlgoma Cement Carriers Ltd.** (NACC), **NovaAlgoma Short Sea Carriers Ltd.** (NASC) and **Aug. Bolten GmbH & CO KG.** (Aug.Bolten).

In addition, multiple other companies conduct logistic, technical and market specific activities. For instance, *Nova Ship Tech SA and Lydia Mar Shipping Co S.A.* (Lydia Mar), the technical arms of NMH are dedicated to ship maintenance and crew services, thereby ensuring that vessels operate with optimal efficiency and minimised environmental impacts. Another, *Novalog Ltd.*, acts as the logistic branch of NMC in the Black Sea and Danube, providing door-to-door and forwarding services such as port operations, warehousing, river transport, customs representation, as well as truck and rail transportation. As a final example, *Technical Core Management Srl* is specialised in ordinary and extraordinary ship operations that include planned maintenance handling, QHSE, cost control and crew management.

Nova Marine Carriers

Along with its headquarters located in Lugano (Switzerland), Nova Marine Carriers SA (NMC) progressively extended its global presence with satellite offices in Geneva, Rotterdam, Bergen, Monte-Carlo, Sofia, Athens, Hamburg, Bogotà, Dubai and Toronto. The ship owner, manager and operator company is active in deep sea, short sea and cement carrier transportation, and it serves almost 250 clients spread over 109 countries. Managing a total of 201 vessels, the company operates 175 ships, while its own fleet consists of 5 fully owned vessels and 21 ships under partial ownership. With 880 voyages in FY2024, NMC has moved more than 18 million tons of cargo around the world[1]. Amongst other commodities, NMC mainly carries cement, minerals, metals, petcoke, coal, grain and steel products.

NovaAlgoma Cement Carriers

NACC specialises in the transportation of cement, fly-ash, clinker, etc. This JV - which was established in 2016 - exclusively operates cement carriers and owns the world's largest fleet of cement carriers with a total of 32 partially owned vessels. These dry bulk carriers are equipped with state-of-the-art technology in order to optimise cargo handling and minimise environmental impact. NACC operates in a regionalised market which generally involves smaller vessels servicing large global manufacturers. As the company's fleet is managed externally, cargo transport volumes are estimated to reach approximately 10 million tons.

NovaAlgoma Short Sea Carriers

NASC's purpose is to create a dedicated line of short sea vessels to serve the global shipping market. This JV was established in 2016 and manages 80 vessels ranging from 5,000 up to 15,000 DWT, of which 65 ships solely under operation and 15 under partial ownership. Thanks to their size and configuration, the short sea mini bulkers move cargo efficiently between coastal and inland ports. The company's ships support various industries such as the agricultural, cement, construction, energy and steel sectors all around the world, with 770 voyages and more than 8 million tons of cargo moved during FY2024.

1 The number of voyages and amount of cargo moved by Nova Marine Carriers SA also includes Aug. Bolten's figures.

Aug. Bolten

The second-oldest German shipping company has been sailing the seas all over the world for seven generations. Aug. Bolten operates a modern fleet of bulk carriers, in particular handy-size bulkers. These ships are either own tonnage, chartered or managed vessels and the company's skilled teams take care of day-to-day business (ex. chartering, ship operation, asset management, etc.) for its own fleet, but also offer the same range of services to third-party customers. This JV was established in 2021 and operates vessels ranging from 25,000 up to 63,000 DWT, including 7 partially owned ships.

Lydia Mar

Lydia Mar is the technical arm of Aug.Bolten based in Athens, Greece. Since its creation, the ship management company has developed a wide range of services including operations, technical support and travel services. Its goal is to offer a comprehensive solution that meets the individual requirements of its customers with the flexibility and experience which has benefitted a great number of international clients, for whom the company handles numerous vessels under various management schemes.

Decades-Long Partnerships Drive Nova's Green Shipping Breakthrough

Built on decades of trust and collaboration, Nova's long-standing partnerships with Holcim and Xinle Shipbuilding are at the heart of its latest step toward sustainable maritime innovation. NovaAlgoma Cement Carriers (NACC) has signed contracts for the construction of two cutting-edge cement carriers - a bold move that reinforces both its environmental commitment and its industrial alliances.

Both vessels are being constructed at Xinle Shipbuilding in Ningbo, China, a shipyard with which Nova has enjoyed a solid and trusted relationship for decades. Known for its technical capabilities and reliability, Xinle is an ideal partner for delivering the advanced specifications required by these new builds.

The first vessel, scheduled for delivery by the end of 2026, will feature several state-of-the-art environmental technologies, including cold ironing capability for zero emissions while docked, an air lubrication system to reduce hull resistance and fuel consumption, a dual-fuel engines ready for green methanol use, a waste heat recovery system that generates 250 kW of electricity from engine exhaust gases.

The second vessel, a 38,000 DWT pneumatic cement carrier, will be the largest of its kind in the world and is set for delivery in 2027. It will operate under a long-term charter with Holcim, a strategic partner of NovaAlgoma for several decades. Featuring the same low-impact technologies, this vessel is expected to cut CO_2 emissions by over 60% compared to current cement transport methods - saving approximately 180,000 tons of CO_2 over ten years.

Nova and Holcim are both signatories of the Sea Cargo Charter, an initiative promoting transparency and decarbonisation in global shipping.

INNOVATION

The various business activities and industries in which Duferco is involved are all tightly interconnected with technological advancements and innovation. Throughout the years, the Group embraced these new challenges and approached IT and digital breakthroughs as decisive opportunities to seize, extensively investing in research and development (R&D), as well as in advanced technical tools and solutions for all its business Divisions. In 2018, the Group established its first designated Innovation Division to take the enterprise on, along with the responsibility of exploring, fostering and implementing innovative technological solutions within the scope of Duferco's companies and for the external market. With a mission to empower synergies between business areas and along the whole value chain, the Division benefits from its expertise in various sectors and leveraged joint-venture alliances. A collaborative approach that allows for mutual enrichment and further enables the development of "culture of innovation" within and outside the Group. The projects are mainly aimed at enhancing overall efficiency and decision-making through tailored management platforms, digital transformation, software development, data management, machine learning, artificial intelligent (AI) development and cloud technologies. Besides, the Division also integrates activities in other varied sectors, focusing on the development of innovative solutions such as the recycling of materials and waste collected, brownfield rehabilitation, and other projects.

One Group-level dedicated team and four companies are in charge of carrying out the activities of the Division: the ***Duferco Innovation Team***, **Duferco Engineering, Duferco Dev, Mainsim** and **Duferco Wallonie**.

The ***Duferco Innovation Team*** is composed of highly skilled professionals who collaborate with companies within the Group, as well as with academic partners and research institutions. Their primary mission is to explore and implement strategic initiatives that align with the Duferco Group's vision. By harnessing cutting-edge technologies such as advanced data analytics, machine learning, artificial intelligence (AI), the Internet of Things (IoT), and cloud computing, the team develops tailored solutions to address the unique needs of the Group's stakeholders. These efforts drive the Division's mission to be a leader in the digital and technological landscape, to optimise costs, and promote sustainability.

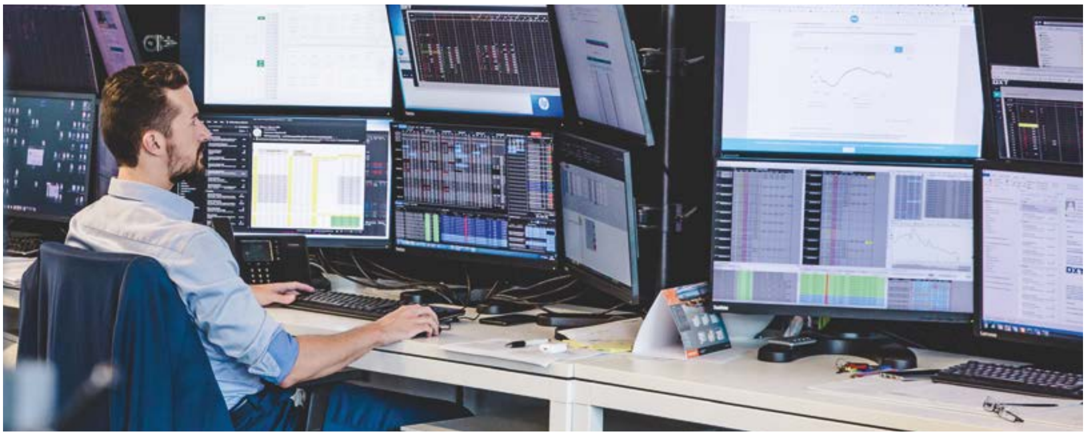
The team employs machine learning and AI to optimise business processes, build precise forecasting models for data-driven decision-making, and automate machinery, significantly reducing manual intervention. AI-powered tools, combined with computer vision and IoT sensors, provide sophisticated monitoring and diagnostic capabilities for manufacturing equipment, delivering detailed insights into machine performance and operational efficiency. Additionally, the integration of Large Language Models (LLMs) and generative AI technologies transforms internal knowledge management, streamlining how the Group accesses, shares, and leverages information throughout its operations.

These advancements are built on state-of-the-art cloud architectures and platforms, which enable efficient software deployment, computational processing, and large-scale data processing and storage. This robust infrastructure supports a wide range of workloads, ensuring scalability and flexibility for the Group's technological needs.

Furthermore, fostering a strong data culture and implementing effective data management practices remain core objectives of the Innovation Team. By leveraging advanced data analytics techniques, the team extracts actionable insights, enabling the development of dynamic dashboards that monitor asset performance and evaluate the efficiency of business systems. This comprehensive approach ensures that the Group maximises the value of its data-driven initiatives.

In FY2024, the Innovation Team focused on significantly enhancing operations of DTP's new SBM rolling mill. This effort included designing fully digitalised operational processes powered by advanced data-driven software solutions. These innovations were created to help employees efficiently manage rolling mill operations, reduce costs, and minimise labor-intensive and error-prone manual tasks. Additionally, the team introduced innovative algorithms to streamline and digitalise shipment, transportation, and warehouse planning, thereby achieving greater efficiency across the entire value chain, lowering operational costs, and advancing a more sustainable production cycle.

Other notable achievements included the design and deployment of a cloud-based data platform specifically tailored for the energy sector. The team also led initiatives to investigate scalable, cost-effective, and performance-optimised hybrid cloud and on-premises infrastructures, customised to address the diverse requirements of various companies within the Group.



Duferco Engineering

Duferco Engineering provides the Group and third parties with engineering, procurement, construction and commissioning solutions, as well as with project management, operation and maintenance (O&M) services. Its team of expert personnel acts as the Group's main project developer for key business assets, such as the San Zeno Naviglio rolling mill or Giammoro peaker, but also for the conception of innovative solutions for the energy transition through the conduction of complex and challenging studies on decarbonisation and other related topics.

During FY2024, the Engineering team provided technical support and management for the SBM rolling mill in San Zeno Naviglio and participated in the development and construction of the Giammoro peaker, which became operational within the year.

In the last few years, Duferco Engineering has been putting a lot of effort into R&D initiatives aimed at limiting CO_2 emissions, with projects related to green hydrogen production, carbon capture in industrial processes, methanol production, low-emissions portal vehicles and agri/photo-voltaic and wind power generation.

Among the many and varied projects carried out during FY2024, the Engineering team focused primarily on green hydrogen production, with significant resources being dedicated to two major initiatives. Firstly, the "Hydrogen Valley" project is aimed at producing approximately 100 tons of green hydrogen by 2026 which will support local transportation in the Messina area. To do so, the initiative will require the development of a 1MW electrolyser and necessary Balance of Plant (BOP), along with the auxiliary components and systems needed to support the operation. Secondly, the "H2 Market" project, involves the construction of another 1MW electrolyser to test the provision of the Giammoro peaker with a fuel blend of 15% hydrogen and methane. Additionally, in collaboration with the University of Naples Parthenope and ENEA, Duferco Engineering developed a port tractor prototype powered by hydrogen fuel cells, an electric motor and a buffer battery, which was successfully tested in Valencia. This project aims to replace diesel tractors used in container harbour terminals with hydrogen-powered ones, therefore reducing operational costs and pollutant emissions. Amongst other projects, the company also developed a graphene-based coating used on docks, shielding steel plates from structural damages caused by ship propellers. Finally, Duferco Engineering joined the task force on nuclear fission created by the Italian Ministry of Environment to participate in research programs on the topic.

Duferco Dev

Founded in 2017, Duferco Dev stands as the digital innovator within the Group. The company plays a crucial role in facilitating the digital transformation by developing software, mobile apps and websites as well as strategic plans, application architecture roadmaps, cybersecurity solutions and AI tools for the Group's companies.

Thanks to its team of highly skilled specialists and their collective expertise in the field, during FY 2024, Duferco Dev continued to support the Group's companies in addressing challenges and leveraging state-of-the-art technologies to deliver tailored solutions. In particular, the company supported the Energy Division by providing advanced platforms for the energy retail and electric mobility businesses, and kept on supporting the Steel Division by ensuring energy efficiency solutions for the new SBM in San Zeno Naviglio. Furthermore, Duferco Dev collaborated with several Group companies to develop applications aimed at optimising business operations, dynamically addressing business challenges, and improving efficiency and quality for final customers.

Additionally, Duferco Dev and Duferco Engineering made significant strides towards the implementation of an agrivoltaic system. The system integrates intuitive dashboards that allow operators to monitor performance in real-time via web and mobile applications, and to optimise the inclination of PV panels, all while considering plant health and water conservation.

Mainsim

Founded in 2008, Mainsim set out to become the benchmark in the field of Computerised Maintenance Management System (CMMS) software, helping companies streamline O&M and HSE processes for production plants and other facilities. Mainsim CMMS enables businesses to manage work orders and assets alongside corrective, scheduled and on-condition maintenance activities, delivering notable time and cost efficiencies. Over the years, the company has become a well-established player in the Italian market, providing services and support to some of the most renowned multinational corporations in the world, and building a strong, skillful team of *"mainsimers: nerds in maintenance"*.

This year, the company launched the latest version of its software Mainsim 5 which introduces a redesigned, more intuitive interface along with two strategic enhancements: an AI & Smart assistant and Health, Safety and Environment (HSE) tools.

In FY2024, the company also embarked on an internationalisation journey, embracing projects outside Europe and opening a branch in France, which led to creation of a new customer base. This effort contributed to laying the foundation for a development strategy that will continue in the coming years.

Duferco Wallonie

Duferco Wallonie (DW) is a joint-venture with the Belgian public company Wallonie-Entreprendre[2]. Duferco Wallonie's activities principally revolve around four domains: brownfield, logistics, energy and environment. Located in one of the historic industrial regions for metallurgy in Belgium, and stemming from a reflection on land conversion in the Walloon territory, the company aims to develop a large range of solutions to counteract the environmental pollution caused the industry.

The company supports its customers at all stages of the brownfield rehabilitation process; from design, definition of a complete project vision and permit acquirement, through to the execution and coordination of necessary works such as soil decontamination and construction. In the logistic sector, the company provides intermodal handling and warehousing services, as well as road, rail and/or fluvial transportation solutions. Besides that, the company invested in a total solar capacity of 2,5 MWp, with two completed solar installations, and one photovoltaic plant which is currently under development. Moreover, during FY2024, DW further carried out the implementation of a BESS project in La Louvière - through a joint venture with its partner BSTOR - for which permits were recently issued. This new plant involves the acquisition of a battery that will allow for 50 MW / 100 MWh of energy storage. In addition, the company is currently developing multiple R&D projects centered around environmental matters such as studies on treatment and recycling of materials and waste collected through brownfield rehabilitation activities.

2 The main purpose of Wallonie-Entreprendre is to support entrepreneurs or companies of any size and from all sectors in developing their activities by offering tailored economical and financial guidance or support on demand.

Virtus Entella

Named after the Entella river which winds through the city of Chiavari, the Entella Football Club was founded in 1914 and over time became a symbol of the Chiavarese region. Avoiding bankruptcy thanks to the support and leadership of Antonio Gozzi, the club was revitalised in 2007 and reached Serie B of the Italian league in just a few years.

Virtus Entella Srl now has a first team and ten youth teams, and manages the Caperanese Entella youth academy as well as the ACD Entella which also includes women's teams. Last season the first team competed in Serie C, while the Primavera, other youth teams and women's teams participated in their respective categories. The company counts over 100 employees and collaborators, including professional players, almost 200 youth players and more than 450 young athletes indirectly involved.

Virtus Entella, supported by Duferco Group, is dedicated to support Chiavari's local communities. Together with the FIGC and other corporate sponsors, the club recently backed the opening of "I Diavoletti" - Italy's first nursery funded by a football team - in partnership with Hakuna Matata, aiming to address local childcare needs through an education model emphasizing sports and well-being.

Strongly committed to youth development, the club provides aspiring footballers with professional training, education and values essential for personal growth. Its boarding school at Benedetto Acquarone Center supports young players while serving individuals with disabilities, the elderly as well as other vulnerable groups. Players also receive academic and psychological guidance, ensuring a balanced growth environment. The club engages the broader community as well, through initiatives like "Classe allo Stadio," an immersive football experience for primary shcool students.

In this regard, the football club is also the founder of the **Entella nel Cuore** association whose purpose is to manage and offer support to young talents through the academy, independently from the club's structure, but also to support local communities with various projects.

1.5 The Duferco organisation

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Luk Denkens

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Paolo Casati

HEAD OF CORPORATE SYSTEM DEVELOPMENT
Marco Placidi

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CFO NORTH AMERICAN OPERATIONS
Dario Leoncini

CEO OF BRAZILIAN ENERGY OPERATIONS (Matrix)
Rubens Misorelli

CFO OF BRAZILIAN ENERGY OPERATIONS (Matrix)
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CEO OF DXT CLIMATE SOLUTIONS LTD.
Peter Zonneveld

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SALES MANAGER
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BUSINESS DEVELOPMENT & ASSET MANAGEMENT
Agostino Calcagno

ENERGY MANAGEMENT AND TRADING
Lorenzo Pittaluga

CORPORATE GOVERNANCE & COMPLIANCE - DPO
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OPERATIONS & IT
Massimiliano Cocurullo

REGULATORY
Marco Ballicu

IT
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LEGAL DEPARTMENT & PRIVACY
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INTERNATIONAL PROJECT DEVELOPMENT
Matteo Gillerio

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GENERAL MANAGER
Marco Tirasso

CEO (EBS)
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INNOVATION DIVISION

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DUFERCO ENGINEERING

PRESIDENT
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CEO
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DUFERCO DEV

CEO
Alessandra Belotti

MAINSIM

CEO
Giovanni Ferrando

OPERATION
Debora Callegari

ADMIN & HR
Francesca Cogozzo

SALES
Riccardo Zelatore

MARKETING
Sean De Courcy Williams

PRODUCT
Andrea Maoli

2. Business results

2.1 Financial results

The Group's net profit was 152.4 million USD compared to a result of 450 million USD achieved during FY2023. When we compare the current financial year with what was achieved during FY2023 it is important to consider that the performance of last year was exceptional and not to be considered as a benchmark. The Group delivered a strong performance for the financial year ending 30 September 2024, following the normalization of the disruptions which severely affected the supply chain in the previous years, with consequent lower volatility and normalised market conditions. Once again, we highlight the resilience of the Group's business model and expertise to navigate operations with tighter margins and increasingly complex markets, as well as rising geopolitical tensions.

Group's revenue totaled 18.4 billion USD, decreasing by -33% with respect to the level of the FY2023 (27.6 billion USD). This remarkable decrease was mainly attributable to a significant reduction in energy prices as well as to lower steel prices and, to a lower extent, shipped volumes related to our steel production and distribution business.

Also, our consolidated balance sheet continues to remain very strong. In particular:

- Consolidated net working capital is more than 1,060 million USD (1,156 million USD as of September 30, 2023) with a current ratio of 1.60 (1.84 as of September 30, 2023).
- The Group's financial indebtedness increased with respect to the previous year (903 million USD versus 765 million USD) while liquidity remains healthy with a level of cash reserves of almost 695 million USD (867 million USD as of September 30, 2023). As of September 30, 2024, total equity was almost 9 times the net financial indebtedness.
- The total equity of the Group is around 1,843 million USD (1,836 million USD as of September 30, 2023), with a Return on Equity (excluding non-controlling interest) of approximately 8.4%.
- As of September 30, 2024, the Group had almost 5.2 billion USD (3.9 billion USD as of September 30, 2023) in committed credit facilities and uncommitted working capital facilities, while the average utilisation of the Group's credit facilities was approximately 35% (36% as of September 30, 2023).

CONSOLIDATED INCOME STATEMENT (in million USD)	2022	2023	2024
Energy Trading Revenues	40,574,970	24,542,445	**15,694,941**
Other revenues	5,190,251	3,085,899	**2,750,872**
Total revenues	**45,765,221**	**27,628,344**	**18,445,813**
Depreciation, amortisation and impairment losses	-63,518	-41,602	**-63,893**
Share of results of associates and joint ventures	79,334	37,657	**24,322**
Profit from operations	**529,063**	**560,483**	**177,319**
Finance expenses, net	-32,455	35,373	**2,597**
Profit before tax	**496,608**	**595,856**	**179,916**
Income tax expense	-111,369	-145,377	**-27,489**
Profit for the period	**385,239**	**450,479**	**152,427**

CONSOLIDATED BALANCE SHEET (in million USD)	2022	2023	2024
Current assets	3,798,148	2,530,090	**2,831,276**
Non-current assets	1,180,547	1,335,407	**1,476,261**
Total assets	**4,978,695**	**3,865,497**	**4,307,537**
Current liabilities	2,856,880	1,373,911	**1,771,273**
Non-current liabilities	635,963	655,924	**693,334**
Total equity	1,485,852	1,835,662	**1,842,930**
Total liabilities and Equity	**4,978,695**	**3,865,497**	**4,307,537**

KEY FINANCIAL INDICATORS (in million USD)	2022	2023	2024
Current assets	3,798,148	2,530,090	**2,831,276**
Current liabilities	2,856,880	1,373,911	**1,771,273**
Net working capital	941,268	1,156,179	**1,060,003**
Current ratio	**1.33**	**1.84**	**1.60**
Financial indebtedness	738,124	764,976	**903,275**
Cash and cash equivalents	795,030	867,283	**687,881**
Net financial indebtedness	**-56,906**	**-102,307**	**215,394**
Total equity	**1,485,852**	**1,835,662**	**1,842,930**

The more significant operating results across the various business units are reported below.

Energy Division

DXT International S.A., Luxembourg, and its subsidiaries ("DXTI" or the "DXT group") reported a net profit after taxes of approximately 130.0 million USD compared with a net profit of 275.8 million USD of FY2023.

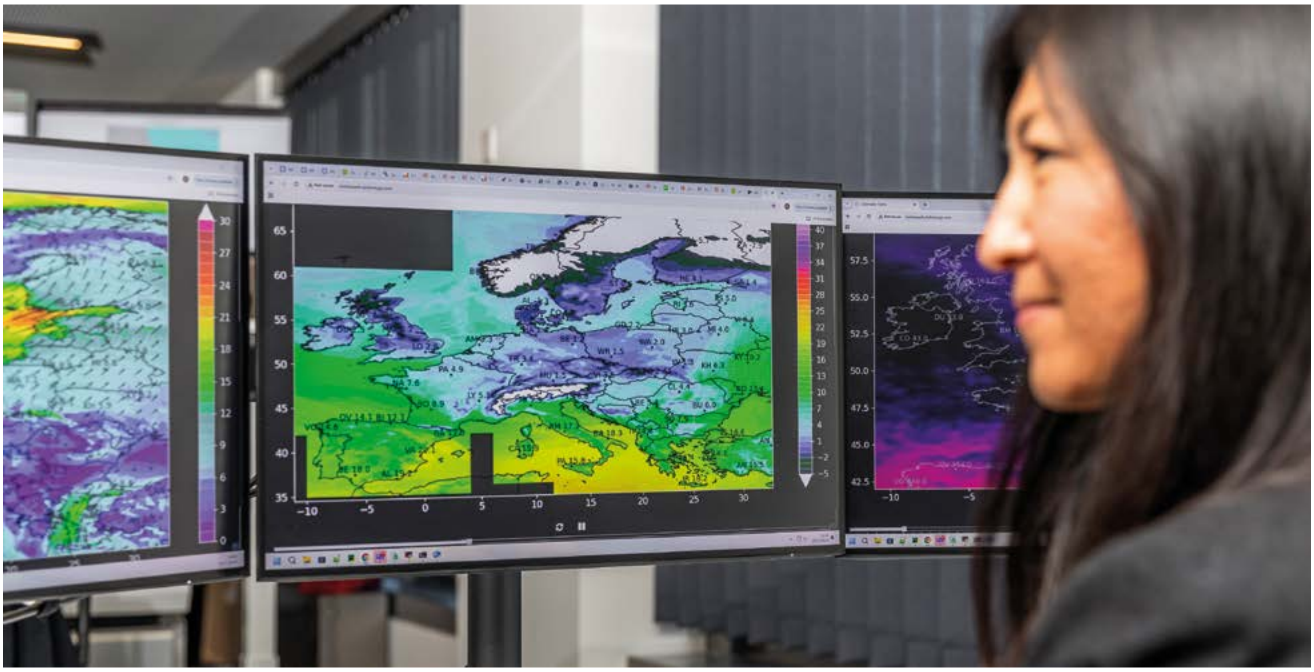
DXT Commodities S.A. ("DXT"), which is our subsidiary operating mainly in the European markets, booked a net income of 118 million USD[3] against 249 million achieved in the FY2023, reflective of the current market conditions and positioning itself at the very high level of DXT's historical performance, except for last extraordinary year, with a rewarding ROE of ca. 25%.

The European gas division further consolidated its strong market presence, with traded volumes of 590.4 TWh against 491.2 TWh of previous year (+20.2%), and operations expanding across all the main European energy markets.

DXT's LNG team based in Switzerland and Singapore focused in expanding the customer base and DXT's geographical footprint, with increasing number of LNG cargos shipped outside Europe, paving the way for the development of a true global integrated trading platform, while still committed to contributing to Europe's energy security.

In the current financial year, the European power division delivered robust results thanks to its sophisticated trading strategies and predictive models. The desk traded over 53.6 TWh of energy volumes, managing a diverse portfolio of renewable plants with over 3,400 MW of installed capacity and an annual production of ca. 5 TWh, contributing to adding liquidity to the renewable markets and delivering green energy to our valued customers.

After a successful reorganisation occurred in the first half of FY2024, with new senior staff reinforcing the power desk, DXT is pleased to report solid financial performance and gradual expansion of power trading activities to new markets like Spain, Eastern Europe and Nordic Countries. In addition, DXT continues to further expand its trading activities of Energy Certificates (GOs, RECs, and I-RECs).



3 The net income does not include an amount of -8.8 million USD (net of tax) related to a financial liability recognized in 2024 due to a commitment for a financing contract where Duferco acts as guarantor due to the increased risk of default of the beneficiary of the guarantee.

As a further positive remark, DXT UK subsidiary, DXT Climate Solutions Ltd., closed positively its first financial year, with growing trading volumes and penetration of new ETS markets, marking a great start of what we believe to be a promising activity, fully aligned with DXT's mission to facilitate the energy transition.

Our North American operations headquartered in Stamford, Connecticut (DXT Commodities North America Inc. - "DXTNA"), reported a net income of 12.1 million USD (against a net profit of 16.2 million USD in FY2023), demonstrating once again its ability to extract value from its portfolio throughout the year despite volatile and challenging market fundamentals.

The gas physical business continued to focus on its asset portfolio, including gas transportation and storage rights across pipelines nationwide, ensuring strong performance in all regions. Physical Gas volumes marked a +34% increase compared to last year with 93 bcf delivered to over 120 counterparties (+9%) generating a turnover above USD 220 million. The company was recently granted the approval to operate in the Canadian gas market, marking a step toward expansion and diversification of its portfolio while providing more competitive services to both US and Canadian customers.

Power activities sustained their positive trend observed last year, with Load Serving services contributing approximately USD 70 million in turnover (+44%) originated by the sale of 1067 GWh in PJM area marking an increase of +51%. Financial Transmission Rights (FTR) operations in PJM and MISO regions expanded both in volume and scale, positioning DXTNA for further growth opportunities as the Stamford team consolidates its presence in North America. Both Load Serving and FTR activities contributed to a very positive performance of the North American Power Desk.

DXTNA positions itself as a key provider of Load Serving services in the PJM region for the upcoming FY2025, while opening up FTR operations in the SPP (Southwest Power Pool) to better manage intra-regional congestions with neighboring MISO region.

During FY2024 DXTNA entered its first syndicated US credit facility for 120 million USD, with accordion option to increase the amount up to 150 million USD if needed. This marks an important milestone in further strengthening the company's financial situation and witnessing the trust and confidence of the banking community in DXTNA's business model and ambitious growth plans.

During FY2024, our joint venture in Brazil, Matrix Energy Participações S.A. ("MATRIX"), contributed for an amount of approximately 1 million USD (10.5 million USD in FY2023) to the net result of the Group, and consolidated its position as a leading partner in sustainable energy solutions in Brazil, advancing its mission to provide innovative and integrated energy services. The company made significant progress across four key business fronts, demonstrating its commitment to driving growth and addressing the evolving needs of its clients.

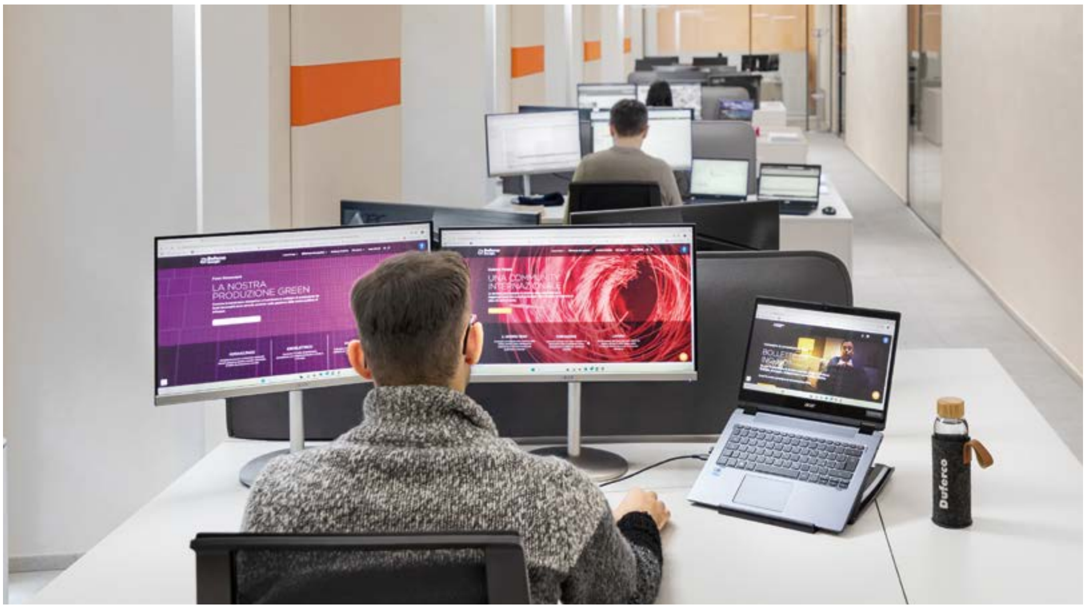
In the segment "Digital Distribution and Energy Solutions for Large and Mid-Market Users", Matrix maintained its position as the second-largest retail commercialisation agent (Source: CCEE) continuing to lead by delivering tailored solutions (such as migration from captive to free markets, long-and short-term PPAs, self-production solutions, and the installation of behind-the-meter Battery Energy Storage Systems (BESS)) to companies connected to high-voltage systems.

In the segment "Digital Distribution and Energy Solutions for Small Businesses and Residential Users", Matrix served over 30,000 low-voltage customers, connecting them to renewable photovoltaic generators strategically located across 20 Brazilian states and reinforcing its role as a transformative force in the renewable energy sector.

With the "Power Generation and Battery Energy Storage Systems (BESS)" business unit, Matrix made significant advancements in centralised power generation by initiating construction of the 103 MWp Grande Sertão II Solar power plant in the Southeast region, slated for operation by October 30, 2025, with an expected annual output exceeding 200,000 MWh. Additionally, Matrix holds a 1.3 GW renewable pipeline, strategically positioned in distributed generation. The company accelerated the deployment of assets, achieving 17 proprietary power plants by September 2024, totaling approximately 68 MWp/54 MWac. The goal for 2025 is to scale up to 120 MWp across 29 proprietary solar power plants. Financing for these initiatives was secured through equity and R$423 million in long-term funding from key financial institutions, including BNDES (Brazilian Development Bank), BNB (Banco do Nordeste), and Sudeco (Superintendência de Desenvolvimento do Centro-Oeste), at competitive rates.

Matrix reports improvement also in its "Portfolio Management and Trading" business segment, with significant expansion of its trading portfolio, reaching 2,225 counterparts and serving 2,045 consumption units; an impressive 99% growth compared to September 2023.

During the year, Matrix underwent its second assessment by S&P Global, maintaining a 'brA' rating on the Brazilian National Scale. Despite the challenges posed by rising interest rates, Matrix sustained a strong economic position and consistent growth.



Duferco Energia S.p.a., Italy and its subsidiaries (the "Duferco Energia Group"), our Italian subgroup operating in the energy trading (mainly in Italy, but also in Greece and North Macedonia), distribution (in Italy), and renewable production operations (mainly in Italy and Albania), had another very positive year. Duferco Energia Group reported a net profit of 55.6 million USD compared with a profit of 116.8 million USD throughout the FY2023.

During the year, Duferco Energia Group successfully continued its wholesale and retail trading in energy products, particularly electricity and natural gas. Although energy trading activities did not achieve the extraordinary performance of the previous two years, due to the stabilisation of gas and electricity prices in the FY2024, they still achieved good results, partly due to the expansion of operations to new markets and the closing of medium-term power purchase agreements with renewable energy producers.

With almost 60 counterparties all over Europe, the trading business unit traded over 125 TWh of energy volumes in FY2024, of which 95 TWh power and 30 TWh of gas. Additionally, through its renewable power off-take activities (e.g. PPAs), Duferco Energia ensured market access for ca. 390 renewable plants, managing 1,550 MW of installed capacity.

On the energy distribution business side, as of September 30, 2024, the Duferco Energia Group has supplied 5,203,453 MWh of electricity (2023: 4,090,531 MWh) to 391,474 active points of delivery ("POD") in the electricity market (238,740 as of September 30, 2023) and 415,001,010 smc (2023: 313,207,069) to about 148,151 POD (80,711 as of September 30, 2023) in the natural gas market.

The generalised increase in sales volumes and customer portfolio follows the Duferco Energia Group strategy of investing in the retail market, mainly targeting the most profitable segments of it, which had already begun in the past financial year. The aforementioned strategy, pursued with the strengthening of the internal and external sales network, ensured an increase in the number of electricity and gas utilities supplied of approximately 70% in FY2024, with a growth trend that continued even in the first months of FY2025. The above enabled the retail division to achieve good income performance, which was also achieved thanks to adequate internal organisation and the use of increasingly efficient technological systems.

During FY2024, Duferco Energia Group reduced the volume of its activity in the energy efficiency sector (in particular in the energy requalification and renovation of residential buildings under the Italian national tax incentive framework of so called "Ecobonus" and "Sismabonus"), following the elimination of the tax incentives by the Italian government, causing a significant contraction in this market, which led Duferco Energia Group to shift the focus to the newly undertaken activity of developing authorisations for plants from renewable sources, mainly photovoltaic and wind power, intended to increase its structural investments in energy production, but also for subsequent sale of these authorisations on the market.

Other activities undertaken by Duferco Energia Group during the year were:

- Industrial projects pertaining to the energy sector including the installation of battery storage systems (BESS) for about 60 MW/120 MWh which are energy arbitrage tools for corporate trading and balancing tools for the national electricity system.
- The start of commercial operation of a thermoelectric power plant ("Peaker") for the production of electricity at the Giammoro site, Italy, on July 1, 2024, thus executing the contract signed with Terna for the "Capacity Market". Based on this contract, the plant's production availability is remunerated with a fixed yearly fee of 75,000 EUR per MW, recognised for the capacity of 53 MW. During the period from July 1, 2024 to the close of business on September 30, 2024, the plant was regularly called by Terna for grid balancing.
- The continuing development, operation, and maintenance of a network of owned charging stations as well as electric cars and the management of charging services on owned and roaming third-party infrastructures, that led also to the contribution of all the e-mobility activities previously directly owned by Duferco Energia as well as its investment in Genova Car Sharing S.r.l., Italy (the company operating in the car sharing business), into one dedicated vehicle named Duferco Mobility S.r.l., Italy. As of September 30, 2024 Duferco Mobility S.r.l. manages a network of about 2,000 charging points. The growth is also supported by a grant of 2.1 million EUR from the EIB under the CEF Blending Facility, entered in March 2021. Moreover, it leverages on interoperability agreements allowing to reach a network of more than 50,000 charging point stations in Italy and 200,000 in Europe.
- On September 26, 2024, Duferco Energia S.p.a. acquired 20.30% of the shares in Duferco Wallonie S.A., Belgium, with the aim of contributing to the financing of a joint venture operating in the construction and operation of a Battery Energy Storage System (BESS) of a capacity of 100 MW, whose construction started during the month of October 2024.

With the aim of encouraging sustainable mobility, in 2021, Duferco Energia acquired Genova Car Sharing, a company operating under a service contract with the Municipality of Genoa and operating in car-sharing and car-pooling business. The fleet currently comprises over 150 electric vehicles, with 13,000 users benefiting from the service and over 170,000 rides being recorded. Since the beginning of the service Elettra is the first player that combines both free-floating and station-based operational systems.

In the woody biomass sector through Duferco Biomasse S.r.l., Italy, efforts will continue to be made to develop nationally and internationally the production through third parties and the trade of woody biomass and logs with the aim of exploiting new supply and outlet markets, as well as expanding the range of products treated within the wood supply chain.

Lastly, with the aim of contributing to the achievement of the strategic objectives of decarbonization and replacing fossil fuels with renewables, Duferco Energia Group, through its own subsidiaries, has participated in several National Recovery and Resilience Plan (NRPP/PNRR) tenders. Among these, Duferco Energia Group was awarded the following ones:

i. PNRR Agrivoltaic aimed at incentivizing the construction of experimental agrivoltaic systems and the installation of measurement tools to monitor the underlying agricultural activity;

ii. PNRR Electric Mobility aimed at supporting investments for the construction of new fast charging infrastructures for electric vehicles with the aim of promoting the development of electric mobility;

iii. PNRR Hydrogen aimed at the construction of renewable hydrogen production plants in disused industrial areas, in order to support the local production and use of green hydrogen in industry.

Steel production and distribution Division

During FY2024 the deterioration of the macroeconomic environment, that began in FY2023, continued, reinforcing a generalised situation of uncertainty that penalized the growth rates of the global economy. While on the one hand the objective of containing inflation levels has been largely achieved, thanks to restrictive monetary policies that have substantially allowed the level to be reduced within the pre-established limits, on the other hand persistent risk factors continue to negatively influence the economic environment. Moreover, the geopolitical crises underway in Europe and the Middle East, which have had significant consequences on trade flows and on the supply channels of materials, the high costs of energy factors and raw materials especially in Europe, the levels of interest rates, which although gradually decreasing remain at higher values than in previous years, represent important conditions that hinder the development of investments and the global economic system.

The difficult international economic context has weighed on world steel demand, which, albeit slightly, has consistently fallen over the last three years, driven by a decline in the manufacturing, construction, and automotive sectors. The difficult macroeconomic context has also weighed on the world steel production which in the first 9 months of 2024 amounted to 1.39 billion tons, down 1.9% compared to the same period of 2023.

In the first 9 months of 2024, the European Union countries recorded an increase of 1.5% in the steel production compared to the same period in 2023, with a significant contribution from Germany, which recorded a +4%, while Italian steel production showed a negative trend throughout 2024, with a decrease of 5.6% compared to the same period last year In this challenging environment our European based steel production and distribution activities contributed a loss of approximately 44.8 million USD to the 2024 consolidated result of the Group (compared to a profit of approximately 13 million USD recorded in the previous financial year).

More in particular:

- DTP Group contributed a loss of 30.5 million USD[4] to the consolidated income statement of the Group (2023: profit of 19.0 million USD). As reported above the significant decrease in profitability was mainly driven by a slowing demand both in term of volumes and prices which characterised the European steel market, but also by internal factors related to the production dynamics of the Group's mills, which negatively affected production costs, such as the prolongation of the fine-tuning and full-scale operation of the new beam rolling mill at the San Zeno Naviglio (BS) site beyond the budgeted timeframe, the numerous rolling trials at the Pallanzeno (VB) plant for new products intended to diversify and expand the existing range, the suspension of the production activity of the Giammoro (ME) rolling mill and the low production volumes of the mechanical division in San Giovanni Valdarno (AR).
- Morel Group, which is mainly active in the French steel distribution market, experienced a difficult situation for the second consecutive year, primarily due to the European market environment, characterised by weak demand and low steel prices that, despite their brief recovery at the start of 2024, affected distributor margins. During FY2024 Morel reported a decrease in revenue by almost -23% mainly attributable to a reduction of shipped volumes (-10%) as well as a downturn in average sale prices of approximately -13% year on year. On a yearly basis, Morel contributed a loss of 6.4 million USD to the consolidated result of the Group (2023: loss of 9 million USD).
- Finally, Duferco Danish Steel, contributed a loss of 8 million USD to the consolidated result of the Group (2023: profit of almost 1 million USD), while the other Italian based production activities reported a profit of 0.17 million USD (2023: profit of 1.9 million USD).

Looking ahead, the outlook for the steel sector, especially for long products such as beams and angle profiles - the Steel Division's main product - appears cautiously optimistic. Despite a more negative sentiment prevailing in 2023-2024 due to a contraction of demand in sectors outside of construction, actual performance figures revealed a more resilient market. In particular, in Italy, beam consumption grew by 10% in 2024, marking the best performance across Europe with levels reaching pre and post-Covid figures. This growth was underpinned by a robust expansion in the non-residential construction and infrastructure sectors, largely driven by PNRR-related investments. While 2025 is expected to see a stabilisation in consumption levels, a more substantial growth is anticipated in 2026, supported by improving macroeconomic conditions.

4 The amount does not include the effect of impairment losses related to steel production cash-generating unit located in Giammoro, Italy. The amount of the impairment to PP&E was approximately 9.6 million USD, net of the tax effect.

Shipping Division

Our 50% share of the net profit of the joint venture group (Nova Marine Holding S.A., Luxembourg - "Nova"- and its subsidiaries) contributed for an amount of approximately 25.2 million USD to the consolidated result of the Group (25.5 million USD for the 2023 financial year).

The FY2024 has been strongly impacted by the outbreak of the war in the Middle East and consequently by the blockade of the Suez Canal by the Houthis forces, leading to a further shock for the World economy, and consequently for the shipping market, after the war in Ukraine commenced in early 2022. Yet the impacts on the shipping industry are currently being less severe than we expected. Being forced to transit by Cape of Good Hope, the voyages are lasting longer and so reducing vessels availability from the chartering market.

While the freight movements during FY2023 have been some of the biggest ever seen in our market, during FY2024 Nova has managed to cope with a descendent freight market, being very active in balancing both the cargos book and the vessels exposure & leveraging on extensive cargo contracts coverage, generating a result in line with previous year.

Compared to the previous year, Nova's financial performance during FY2024 was still remarkable: revenue reached 327 million USD with an increase of 4% compared to the previous financial year (314 million USD). The consolidated net profit reached 50.4 million USD while total equity increased to about 329 million USD (280 million USD as of September 30, 2023) with an average yearly ROE of above 16%.

Most notably, like during the previous financial year, in order to get prepared to face harsher market conditions, Nova has continued on reducing exposure in terms of indebtedness by reimbursing more than 32 million USD (68 million USD during the FY2023) thanks to cash generation from operations throughout Nova Group and its joint ventures, while preparing the future of the Nova Group with investment in new ship building programs with latest technology (engine, eco-friendly system).

During our FY2024, more than 28 million USD of free cash was invested in newer and/or more efficient vessels with first delivery by 2025, as well as for the upcoming years further vertical integration for our customers adding with logistics services.

With reference to the joint ventures with Algoma Central Corporation, Canada ("Algoma") and with August Bolten ("Bolten") it's worth noting:

- Within NASC (the J/V with Algoma for the short-sea dry-bulk business), we would like to underline once again the excellent performance of the commercial platform, mostly leveraging on the strong base built on Italian cabotage trading flow, where it is the market leader.
- The cement carrier division NACC (the J/V with Algoma for the pneumatic ships) kept the fleet fully employed and has been able to extend all the time charter contracts close to expiry date at considerably better returns; this clearly assesses our clients' trust and confirms once more the world leading position that NACC has successfully achieved in the cement carrier business both in terms of service and fleet size over the last years.
- The joint venture with Bolten, consisting of 7 handy-size vessels (with renewed fleet with M/V Sider Imabari a 40,000 Mt of deadweight built 2024 in Shimanami shipyard - Japan) has benefitted of no indebtedness to keep on generating stable and extreme positive cash flows for the shareholders.

Finally, during FY2024 Nova continued its expansion in the various sectors of the logistic supply chain and in the door-to-door transportation, leading to the foundation of Nova Marine Logistics and the creation of a logistic joint-venture with SAPIR in Ravenna, Italy called CILIR, active in sea transports, terminal operation warehousing and ashore logistics services.

2.2 Economic value generated and distributed

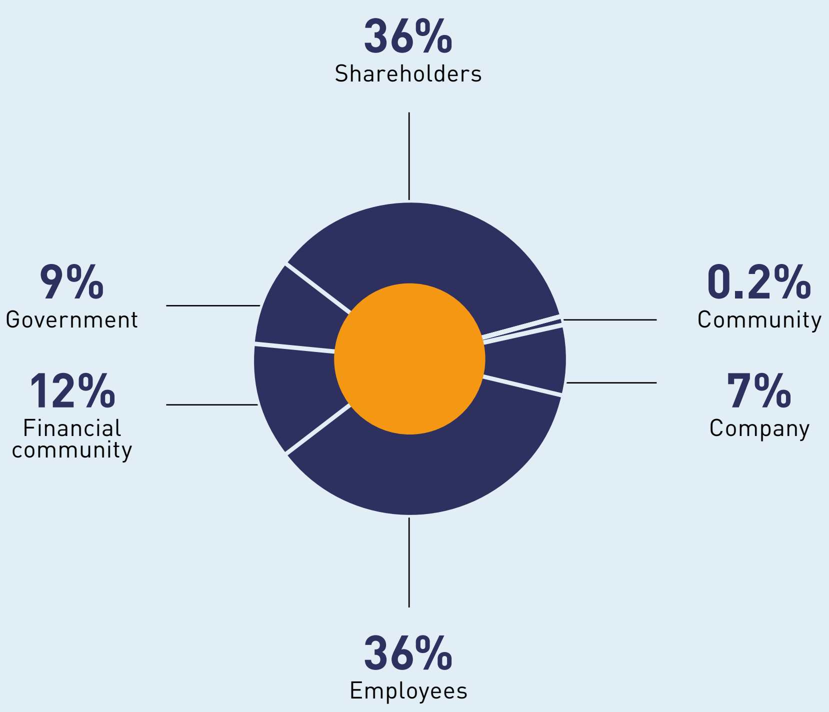
FY2024 shows the Group's resilient performance amid normalised market conditions and a stable supply chain, compared to the previous year's exceptional results. In fact, despite a substantial decrease (-33%) in the 18.6 billion USD of direct economic value generated, mainly due to a remarkable reduction in energy and steel prices, the Group achieves a net profit of 152.4 million USD. However, the economic value distributed, and especially operating costs, were reduced accordingly, maintaining a robust consolidated balance sheet. The economic value retained by the company, the difference between the value generated and value distributed, decrease consistently until 33 million USD. The challenges that have characterised the year result in an added value of 504 million USD (-48% compared to FY2023). However, despite the significant reduction compared to previous years, the contribution of the added value to revenue stands at 2.7%, lower than in FY2023 but higher than in FY2022. This serves as evidence of Duferco's genuine commitment to building solid relationships with all its stakeholders, even during less favourable periods compared to past years.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (million USD) - GRI 201-1			
Gender	**2022**	**2023**	**2024**
Direct economic value generated	**45,895,072**	**27,764,474**	**18,558,711**
Economic value distributed | Operating costs	-45,048,248	-26,804,166	**-18,054,997**
Economic value distributed | To employees	-191,381	-260,916	**-181,631**
Economic value distributed | To providers of capital	-63,640	-46,499	**-63,070**
Economic value distributed | To governament	-102,766	-145,917	**-44,775**
Economic value distributed | To shareholders	-90,405	-121,844	**-180,335**
Economic value distributed | To community	-739	-778	**-834**
Economic value distributed - Total	**-45,497,179**	**-27,380,120**	**-18,525,642**
Economic value retained (Direct economic value generated - Economic value distributed)	**397,893**	**384,354**	**33,070**
Added value (Direct economic value generated - Operating costs)	**846,824**	**960,308**	**503,715**
Added value on Direct economic value generated	**1.8%**	**3.5%**	**2.7%**

Of the total added value, approximately 7% is retained within the Group, encompassing retained earnings, depreciation, amortization, provisions, and deferred taxes. The retained portion reflects the financial health of the Company and its reinvestment in various aspects of its operations.

The second segment is allocated to employees in diverse forms such as severance pay and social and security charges, amounting to over 180 million USD in FY2024, representing the 36%. This allocation constitutes a significant portion of the overall rise in value added, underscoring Duferco's commitment to supporting its workforce. Capital lenders receive about 12% of the added value, reflecting the share of value directed towards external financial stakeholders. Local governments and public agencies receive an additional 9% in the form of current income taxes and other levies unrelated to income. The various territories surrounding the Group's plants benefit from nearly 834,000 USD in donations and sponsorships. This amount does not consider an additional 1,126,054 USD of donations and sponsorships allocated to support Virtus Entella which, over the years, has created an indissoluble bond with the local community, producing value both in the socio-educational and in the economic fields. Lastly, 36% (180,335 USD) corresponds to the dividends distributed to shareholders, seeing an increase of 48% compared to FY2024.

ADDED VALUE DISTRIBUTION (FY2024)



2.3 EU Taxonomy

The EU Taxonomy was published on June 22nd 2020, in the Official Journal of the European Union and is effective from July 12th, 2020 as indicated in Regulation (EU) 2020/852 - EU Taxonomy Regulation (hereinafter referred to as "Taxonomy" or "Regulation"), which establishes a standardised system for classifying economic activities that are deemed environmentally sustainable according to the criteria set by the European Union (EU). The primary goal of the Taxonomy is to encourage sustainable investments within the EU and to support the implementation of the European Green Deal, the roadmap presented in December 2019 to make the European economy sustainable and to contribute to the achievement of climate neutrality in Europe by 2050. The Taxonomy also aims to ensure the credibility, consistency, and comparability of activities classified as sustainable.

Entities in scope of the Taxonomy must report information related to their share of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) associated with economic activities considered "aligned" as specified in the "Climate Delegated Act" and in the "Environmental Delegated Act".

In fact, environmentally sustainable activities shall be assessed in accordance with the six environmental objectives defined by the Regulation:

1 **CLIMATE CHANGE MITIGATION**

2 **CLIMATE CHANGE ADAPTATION**

3 **SUSTAINABLE USE AN PROTECTION OF WATER AND MARINE RESOURCES**

4 **TRANSITION TO A CIRCULAR ECONOMY**

5 **POLLUTION PREVENTION AND CONTROL**

6 **PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS**

An economic activity can be either **eligible**, when it is listed in the Climate Delegated Act or in the Environmental Delegated Act, or **aligned**.
For an activity to be considered aligned, the following criteria must be met:

- the activity must meet the **substantial contribution criteria** defined by the Regulation that demonstrate that the activity contributes to reaching the relevant objective;
- the activity must meet the **"Do not significant Harm - DNSH"** criteria, defined by the Regulation, that demonstrate that it does not significantly harm any of the other environmental objectives;
- the activity must be carried out in compliance with the so-called **minimum safeguards**, by ensuring alignment with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights.

The analysis conducted by Duferco Group

Even though the Group does not fall within the scope of mandatory Taxonomy disclosure for the current financial year, Duferco has proactively continued its path to assess the eligibility of its activities. The analysis conducted during FY2024 primarily focused on the activities generating turnover and CapEx, while considering as not-material the OpEx[5].
For each of the Group's subsidiaries, the eligibility was assessed according to the KPIs of Turnover or CapEx. A classification of the eligible activities according to each of the abovementioned KPIs and to the Business Units of the Group is reported below.

EU TAXONOMY

Mapping according to the Climate Delegated Act and the Complementary Delegated Act

BUSINESS UNIT	ELIGIBLE ACTIVITIES 2024	
	Turnover	**CapEx**
Steel	• Activity 3.0 (CCM) - Manufacture of iron and steel	• Activity 6.5 (CCM) - Transport by motorcycles, cars, and light commercial vehicles • Activity 7.2 (CCM) and 3.2 (CE) - Renovation of existing buildings • Activity 7.5 (CCM) - Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings • Activity 7.6 (CCM) - Installation, maintenance, and of renewable energy technologies • Activity 1.2 (CE) - Manufacturing of electrical and electronic equipment • Activity 4.516 (CCM) - Installation and operation of electric heat pumps • Activity 7.1 (CCM) - Construction of new buildings • Activity 7.3 (CCM) - Installation, maintenance, and repair of energy efficiency devices
Innovation	• Activity 4.1 (CCM) - Electricity generation using solar photovoltaic technology • Activity 4.10 (CCM) - Storage of electricity • Activity 6.8 (CCM) - Inland freight water transport • Activity 3.3 (CE) - Demolition and wrecking of buildings and other strctures • Activity 1.1 (BIO) - Conservation, including restoration, of habitats, ecosystems, and species • Activity 9.1 (CCM) - Close to market research, development and innovation	• Activity 6.8 (CCM) - Inland freight water transport

5 Paragraph 1.1.3 of the Delegated Regulation 2021/2178 foresees that "where the operational expenditure is not material for the business model" the reporting company is exempted from the calculation of the KPI.

BUSINESS UNIT	ELIGIBLE ACTIVITIES 2024	
	Turnover	**CapEx**
Energy	• Activity 6.5 (CCM) - Transport by motorcycles, cars, and light commercial vehicles	• Activity 3.10 (CCM) - Manufacture of hydrogen • Activity 4.1 (CCM) - Electricity generation using photovoltaic solar technology • Activity 4.3 (CCM) - Electricity generation from wind power • Activity 4.5 (CCM) - Electricity generation from hydropower • Activity 4.29 (CCM) - Electricity generation from fossils gas fuels • Activity 6.5 (CCM) - Transport by motorcycles, cars, and light commercial vehicles • Activity 6.15 (CCM) - Infrastructure enabling low-carbon road transport and public transport • Activity 7.2 (CCM) and 3.2 (CE) - Renovation of existing buildings • Activity 7.1 (CCM) and 3.1 (CE) - Construction of new buildings • Activity 7.7 (CCM) - Acquisition and ownership of buildings • Activity 1.1 (CCM) - Afforestation
Shipping	• Activity 6.10 (CCM) - Sea and coastal freight water transport, vessels for port operations and auxiliary activities	• Activity 6.10 (CCM) - Sea and coastal freight water transport, vessels for port operations and auxiliary activities
Other	• Activity 5.5 (CCM) - Collection and transport of non-hazardous waste in source segregated fractions • Activity 6.2 (CCM) - Freight rail transport • Activity 6.6 (CCM) - Freight transport services by road • Activity 6.10 (CCM) - Sea and coastal freight water transport, vessels for port operations and auxiliary activities • Activity 3.3 (CCM) - Demolition and wrecking of buildings and other structures	• Activity 6.3 (CCM) - Urban and suburban transport, passenger transport by road • Activity 7.2 (CCM) and 3.2 (CE) - Renovation of existing buildings

The following table reports a description of the activities evaluated as eligible in relation to FY2024. Specifically, the Group identified activities eligible to the following environmental objectives: climate change mitigation (CCM), transition to a circular economy (CE) and protection and restoration of biodiversity and ecosystems (BIO).

ECONOMIC ACTIVITIES AND CODE	DUFERCO ELIGIBLE ACTIVITIES
Activity 1.1 (CCM) **Afforestation**	DXT Climate Solutions is engaged in the planting and management of a forest area in New Zealand. The company focuses on promoting reforestation and sustainable forestry practices to enhance carbon sequestration and support biodiversity.
Activity 3.9 (CCM) **Production of iron and steel**	The production of crude steel at the San Zeno Naviglio plant is carried out by DTP. This activity focuses on the initial stages of steel manufacturing, excluding any processing activities.
Activity 3.10 (CCM) **Manufacture of hydrogen**	Duferco Energia has invested in hydrogen production, emphasizing the development of sustainable and innovative solutions for the energy sector.
Activity 4.1 (CCM) **Electricity generation using photovoltaic solar technology**	Duferco Energia and Duferco Wallonie are involved in the production of electricity from renewable sources.
Activity 4.3 (CCM) **Electricity generation from wind power**	As part of its activities in the energy production and distribution sector, Duferco Energia is engaged in the purchase of electricity generated from wind energy.
Activity 4.5 (CCM) **Electricity generation from hydropower**	As part of its activities in the energy production and distribution sector, Duferco Energia is engaged in electricity generation from hydroelectric energy, focusing on converting the kinetic energy of water into electrical power.
Activity 4.10 (CCM) **Storage of electricity**	Duferco Energia and Duferco Wallonie are engaged in battery energy storage system projects.

Activity 4.16 (CCM) **Installation and operation of electric heat pumps**	Duferco Danish Steel has invested in the installation and operation of electric heat pumps. The company focuses on providing efficient and sustainable heating and cooling solutions for buildings. By utilizing advanced technology, Duferco Danish Steel aims to reduce energy consumption and minimize environmental impact, ensuring that systems are both effective and eco-friendly.
Activity 4.29 (CCM) **Electricity generation from fossil gas fuels**	Duferco Energia recorded revenues and sustained costs related to the operations of the Giammoro's peaker plant. These costs encompass investments in infrastructure, equipment, and maintenance necessary for the efficient functioning of the facility.
Activity 5.5 (CCM) **Collection and transport of non-hazardous waste in source segregated fractions**	As part of its business, Emmebi offers third-party services for complete waste treatment cycles to prepare collected waste for recycling or disposal.
Activity 6.2 (CCM) **Freight rail transport**	Duferco Wallonie and Emmebi provide third-party transport solutions through railway services. This activity focuses on offering efficient and sustainable logistics options, leveraging the advantages of rail transport to facilitate the movement of goods.
Activity 6.3 (CCM) **Urban and suburban transport, passenger transport by road**	Virtus Entella sustained capitalized costs related to the purchase, financing, leasing, rental, and management of vehicles used for transporting players and fans and staff (such as cars, buses, etc.). This encompasses overseeing the financial aspects of acquiring and maintaining these vehicles to ensure efficient transportation for team operations and events.
Activity 6.5 (CCM) **Transport by motorcycles, cars, and light commercial vehicles**	Several companies sustained costs related to the purchase, financing, rental, leasing, and management of vehicles in the company fleet. This includes overseeing vehicle acquisitions, financing arrangements, and rental agreements, as well as ensuring compliance with leasing contracts. Effective management of these vehicles is essential for supporting the company's operational needs.
Activity 6.6 (CCM) **Freight transport services by road**	Emmebi is specialised in providing third-party road transport services for waste and secondary materials, contributing to the recovery of waste from the automotive manufacturing.
Activity 6.8 (CCM) **Inland freight water transport**	As part of its businesses, Duferco Wallonie provides third-party transportation solutions through waterways, focusing on efficient and sustainable logistics for the movement of goods.
Activity 6.10 (CCM) **Sea and coastal freight water transport, vessels for port operations and auxiliary activities**	Nova Marine is the main company of the Group engaged in the management, purchase and leasing of vessels to provide shipping solutions globally. Through its activities, the company acts as a "sea-trucker" all around the world.
Activity 6.15 (CCM) **Infrastructure enabling low-carbon road transport and public transport**	Duferco Energia is involved in developing infrastructures that facilitate road transport and low carbon public transport. The company focuses on creating systems that support sustainable mobility solutions, aiming to reduce carbon emissions associated with transportation.
Activity 7.1 (CCM) **Construction of new buildings**	Duferco Energia, Duferco Wallonie and Duferco Danish Steel are dedicated to overseeing any costs associated with the construction of new residential buildings.
Activity 7.2 (CCM) **Renovation of existing buildings**	Duferco Energia, DTP and Virtus Entella sustained costs related to the renovation of their buildings. This involves evaluating the necessary renovations and overseeing the related expenses to ensure they are effectively managed.
Activity 7.3 (CCM) **Installation, maintenance and repair of energy efficiency devices**	Duferco Morel had costs related to the energy efficiency of buildings, including investments in thermal insulation and other energy-saving measures.
Activity 7.5 (CCM) **Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings**	DTP registered costs incurred for the installation and maintenance of instruments used for measuring and controlling energy performance in buildings.
Activity 7.6 (CCM) **Installation, maintenance, and repair of renewable energy technologies**	DTP had the costs related to the installation and maintenance of photovoltaic panels in its plants. This involves evaluating the necessary installations and ensuring that maintenance expenses are handled efficiently throughout the process.
Activity 7.7 (CCM) **Acquisition and ownership of buildings**	Duferco Energia invested in new assets and renting properties to support its operational activities. This investment strategy enables the company to enhance its infrastructures and capabilities.

Activity 9.1 (CCM) **Close to market research, development and innovation**	Duferco Engineering is closely aligned with market research, development, and innovation. The company actively engages in exploring new technologies and methodologies to enhance its energy solutions.
Activity 1.2 (CE) **Manufacturing of electrical and electronic equipment**	DTP recorded costs related to the acquisition of various electrical and electronic equipment intended for industrial, professional, and consumer applications.
Activity 3.2 (CE) **Renovation of existing buildings**	Duferco Energia, DTP and Virtus Entella had costs related to the renovation of their buildings. This involves evaluating the necessary renovations and overseeing the related expenses to ensure they are effectively managed.
Activity 3.3 (CE) **Demolition and wrecking of buildings and other structures**	Duferco Wallonie is involved in the demolition, earthworks, and pre-treatment of buildings as part of brownfield redevelopment activities through selected third-party actors and suppliers. These operations include the careful dismantling of existing structures, excavation and site preparation, as well as the necessary pre-treatment processes to ensure that the site is ready for future development.
Activity 1.1 (BIO) **Conservation, including restoration, of habitats, ecosystems and species**	Duferco Wallonie is engaged in soil remediation activities as part of the transformation of brownfield sites. This involves the assessment and treatment of contaminated soil to restore the land for safe and sustainable use, ensuring that the site meets environmental standards and is suitable for future development.

The path of Duferco Group towards the EU Taxonomy disclosure

The European Taxonomy is a recently implemented and progressively developing and evolving Regulation, with multiple and continuous updates planned for the upcoming reporting periods. Particularly, beyond the several updates scheduled for the upcoming reporting years in terms of providing more guidance on interpreting and applying the technical screening criteria, the new Omnibus Simplification Package of the European Commission may involve significant changes to the current European legislation on the EU Taxonomy, among which a narrower scope for reporting and a simplification of the technical screening criteria, with the final aim of shifting towards a greater competitiveness of the European Union.

Considering the latest legislative updates and despite the possible changes coming, during FY2024 Duferco Group continued on its path to gradually align to the requests of the Regulation. In particular, the Group reviewed the reporting perimeter[6] of the eligibility assessment to the one required for the compliance to the EU Taxonomy, and it performed a preliminary analysis of the screening criteria set forth by the *Climate Delegated Act* and the *Environmental Delegated Act* (i.e. substantial contribution criteria, "Do Not Significant Harm" criteria and Minimum Safeguards). This process involved a detailed comparison between the regulatory requirements and the Group's existing business activities and current practices. In this context, the Group began gathering the required information to ensure the alignment of its activities contributing to CapEx and Turnover KPIs while improving its sustainability practices in preparation for the upcoming implementation of the Regulation.

This proactive approach not only demonstrates the Group's dedication ensuring regulatory compliance and enhancing sustainability but also positions it to better contribute to a greener economy while meeting the evolving expectations of stakeholders.

The Group consistently monitored the European Commission publications and kept abreast of interpretations and guidelines. Based on the analysis above, Duferco will complete the assessment in the coming years by verifying compliance with the applicable technical screening criteria and calculating the relevant KPIs. This will establish the foundation for monitoring performance enhancements related to the economic activities defined in the *Climate Delegated Act* and the *Environmental Delegated Act*.

6 The reporting perimeter of these analyses is limited respect to the wider perimeter of the 2024 Annual & Sustainability Report since, according to the upcoming Regulation, Taxonomy requirements should be applied only to CSRD reporting perimeter which must reflect the perimeter of Duferco Group's financial consolidated statement.

2.4 Sustainable Finance

Sustainable finance - benchmarked by the EU Taxonomy Regulation, which establishes a comprehensive framework to determine whether an economic activity is environmentally sustainable - involves providing financial support for economic growth, while reducing pressures on the environment and taking into account social and governance aspects. It is an essential component of the European Green Deal, guiding investments towards sustainable activities and projects to achieve a climate-neutral economy by 2050. Through mechanisms such as green bonds and sustainability-linked loans (SSL), sustainable finance channels capital into initiatives that meet rigorous ESG standards, fostering a transition to a more resilient and sustainable economic model.

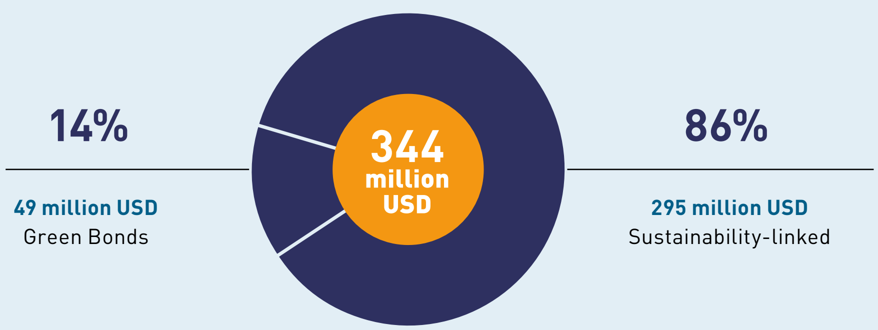
In this context, Duferco has been approaching and has started using sustainable finance instruments to fund its investments while demonstrating its commitment to improving its ESG performance and developing a business increasingly oriented towards the energy transition.

Since 2022, Duferco - through its subsidiaries Duferco Travi e Profilati and Duferco Energia - has signed agreements with different banks for three sustainability-linked loans with a total value of over 295 million USD. The SSLs focus on KPIs related to GHG emission (scope 1 and 2) intensity (tons CO_2/ton), employees training (number of hours), and installed renewable capacity (MW), with annual targets for improvement.

Additionally, Matrix issued Green Bonds amounting to over 30 million USD in 2023, followed by nearly 20 million USD in 2024. The purpose of the first bond was to expand the company's solar distributed generation capacity, aiming to reach 120 MWp across 29 own solar power plants by the end of 2024. The second bond is allocated to the installation of 224 MWh of battery energy storage systems (BESS) at clients' sites ("Behind The Meter") by the end of 2025.

As of September 30, 2024, the Duferco Group maintains active sustainable finance instruments totalling over 344 million USD, with 86% related to sustainability-linked loans and 14% to Green Bonds.

SUSTAINABLE FINANCING (million USD)



Sustainability Report

1. Sustainability at Duferco

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENT

669,079 Tons
of **GHG** emissions
scope 1 and 2 market-based

- 6.2%
vs. 2023

80%
Electricity from renewable sources on total electricity consumption

+ 112%
vs. 2023

SOCIAL

3,303
Number of employees (n.)

+ 19%
vs. 2023

25,865
Hours of training (n.)

- 10%
vs. 2023

6.2[1]
Injury rate (-)

- 41%
vs. 2023

GOVERNANCE

Group's Code of Ethics and Policy of Business Conduct

Group's Sustainability Steering Committee

Over **70%**
of companies covered by Certified management systems

1 Data calculated on the basis of the same reporting perimeter as FY2023.

1.1 Duferco's sustainable path and value creation

Sustainability purpose

Duferco Group pursues its business objectives and the creation of shared value, aiming to operate as a leader in the development of the energy transition process and the circular economy model. Duferco bases its relationship with its stakeholders on its own ethical and business principles to pursue a shared vision of values of sustainability, integrity and transparency.

Duferco strives to maintain the highest level of transparency and accountability regarding the impacts on the economy, environment and people of its companies' operations. As part of its effort to meet leading global practices in sustainability reporting, the Group adopted the **Global Reporting Initiative** (GRI) **Standards** starting with the FY2019 Annual Report. These internationally recognised standards set out structured disclosures and reporting requirements based on a materiality analysis, which is used to identify impacts on **environmental, social and governance** -related (ESG) matters and assess their significance. This process determines the material topics on which Duferco is required to report in its **Annual and Sustainability Report**.

In addition, the Duferco Group is currently developing and defining a **long-term sustainability strategy** aimed at identifying key priorities and ensuring a continuous improvement on ESG topics. To implement this strategy the Group built a **2023-2026 Sustainability Plan** which is structured around 9 pillars and comprises more than 50 ESG initiatives. The Plan is intended to go beyond routine sustainability disclosures and provide a clear view on Duferco's approach to enhancing its ESG performance by addressing major future challenges. Starting from this year, the main initiatives of the Plan have been integrated into the present report.

Duferco Sustainability Governance Model

Furthering the integration of ESG principles into its corporate culture, Duferco formulated and adopted a **Sustainability Governance Model** which serves as a robust framework to help guide the implementation of the sustainability strategy, as well as the supervision of all sustainability-related strategic matters within the Group, thereby ensuring that ESG issues are adequately considered in every corporate decision-making process.

At a Group level, the Governance Model consists of a Sustainability Steering Committee and a Sustainability Management Team. Within the companies, dedicated sustainability teams are involved; each of which are overseen by their corresponding Chief Executive Officer (CEO), managed by a Focal Point or a Focal Point Team, and supported by Project Owners responsible for implementing ESG projects.

The duties and responsibilities of each corporate body in the Sustainability Governance Model are distributed as follows:

- the **Sustainability Steering Committee** (SSC) - chaired by the Sustainability Steering Committee Leader - convenes regularly to review and validate the initiatives of the Sustainability Plan, and to deliberate over additional sustainability-related matters;
- the **Sustainability Management Team** (SMT) ensures that SSC deliberations are properly executed by the companies, coordinates and monitors the implementation of the initiatives, and verifies that the Sustainability Plan and reporting activities are aligned;
- the **Company Sustainability Body** (CSB) consists of the **CEO, Focal Point or Focal Point Team, and Project Owners**. Together, they oversee and deploy the initiatives of the Sustainability Plan at company level by determining the budget and resources allocated to the projects, gathering all the necessary information for their monitoring and completion, while collecting data to complete reporting activities.

	CORPORATE BODY	ROLES
Leadership	Sustainability Steering Committee	Sustainability Steering Committee Leader
Coordination	Sustainability Management Team	Sustainability Manager
Implementation	Company Sustainability Body	CEOs Focal Points Focal Point teams Project Owners

The materiality process

According to the provisions of the GRI Standards, Duferco Group is required to determine and report on its material topics. The process of ascertaining these topics involves understanding the organisation's context, identifying actual and potential impacts on the economy, environment and people, while assessing their significance, in order to prioritise and categorise them into material topics. In FY24, Duferco Group reviews and confirms the list of material topics identified in previous reporting years.

To identify the impacts arising from its operations, the Group conducted a context analysis for each Division. This analysis took into consideration the activities, business relationships and geographical aspects directly linked to the Group companies, as well as the operations carried out along value chains. A comprehensive collection of information sources was consulted, encompassing both internal and external perspectives. These sources included global sustainability macro-trend reports, sector-specific studies for energy, steel and shipping, sustainability reports from peers and competitors, media analyses, as well as documents and studies from influential non-governmental organisations and policymakers.

As per the standard's specifications, the impacts were then assessed and ranked based on their severity and likelihood[2]. Through this process, the impacts allowed for the identification of the Group's material topics which lay out the groundwork for Duferco's reporting activity.

The table below presents the Group's material topics and their associated actual and potential, negative and positive impacts generated. The topics pertain to the entire value chain, encompassing the Group's direct operations as well as upstream and downstream activities.

MATERIAL TOPIC	IMPACTS DESCRIPTION
AIR POLLUTANT EMISSIONS	Steel production and shipping activities generate air pollutant emissions which have an actual negative impact on local public health. Metal particles, NOx and dust, which are released during the production process or during the use of ships, are particularly concerning. For this reason, the Group adopts Best Available Technologies (BAT) to reduce its emissions and ensures compliance with relevant environmental regulations.
ENERGY EFFICIENCY & CLIMATE CHANGE	All processes and functional activities undertaken in the daily operations of the companies generate greenhouse gas (GHG) emissions, both from the Group's facilities and throughout the value chain, thus causing measurable adverse effects on the environment. To mitigate such impacts, the Group complies with existing legislation and regulations, and implements specific initiatives dedicated to the reduction of GHG emissions (Scope 1) and energy consumption (Scope 2) through the development of renewable power production and adoption of energy efficiency solutions. The plants of San Zeno Naviglio, Giammoro, Pallanzeno and Danish Steel, as well as ships managed by Nova Marine, participate in the EU Emission Trading Scheme aimed at lowering greenhouse gas emissions of the industrial sector in EU countries, also through the development of specific initiatives. Simultaneously, Duferco's renewable power production and Power Purchase Agreements (PPAs), with the contextual issuance of Guarantees of Origin (GOs), contribute to reducing indirect GHG emissions related to electricity purchase.

2 Please refer to the chapter "Note on methodology" for further details of the analyses carried out.

ACCESSIBILITY TO ENERGY & SUSTAINABLE MOBILITY	Access to energy is a determining factor of sustainable development. The Energy Division, through its business activities and sustainable mobility initiatives, engenders a positive impact on the surrounding communities by facilitating the access to energy and making electric car-sharing and charging solutions more affordable and accessible.
BIODIVERSITY CONSERVATION	The steel, energy and shipping sectors are characterised by potential threats and negative impacts on biodiversity. The extraction of raw materials and the continuously increasing global demand for resources pose a significant threat to biodiversity on a worldwide scale. Furthermore, business operations of marine transportation companies can also lead to substantial environmental externalities given that they cause water pollution and damage marine life. However, the Innovation Division also generates positive impacts through its soil remediation and land reconversion activities. In addition, Duferco Biomasse and EBS - whose operations are based on biomass production - pay attention to including responsible forest management in their practices, thereby aiming to contribute positively to biodiversity conservation.
WATER RESOURCE MANAGEMENT	Raw material extraction requires the use of large volumes of water for dust suppression, process cooling and material separation. In the operational phases of the Steel Division, water consumption and discharge represent a significant negative impact on the environment and, if consumed in water-stressed areas, can also put a strain on surrounding communities. Optimising consumption and management of water resources - for example, by reducing losses during the production processes and incentivising reuse - is a crucial challenge for the steel industry.
WASTE MANAGEMENT	The sectors in which Duferco Group operates are characterised by activities that produce a large quantity of waste, both hazardous and non-hazardous. Raw material extraction and production processes can generate waste which poses a threat to the environment when not properly managed, thereby potentially creating negative impacts. In this regard, the Group key response involves promoting efficient waste management and disposal solutions for used materials, and also involves maximising recycling and reusing.
CIRCULAR ECONOMY & MATERIAL CONSUMPTION	Steel and energy production require a high consumption of raw materials which can lead to a depletion of natural resources over time, therefore generating negative impacts on the environment. However, Duferco's steel production process is a great example of circularity, extending the lifecycle of materials by increasing the use of recycled materials and steel scrap, and reducing residues, waste and the use of virgin material along the production chain.
SUSTAINABLE SUPPLY CHAIN	Duferco promotes sustainable sourcing and management along its supply chain by considering environmental and social criteria when selecting and screening its future suppliers (including the choice of local partners), by monitoring and evaluating their performances, and by managing potential environmental and social risks along the supply chain. These practices create positive impacts for the Group's main stakeholders.
OCCUPATIONAL HEALTH & SAFETY	The industrial sectors in which the Group operates are intrinsically connected to various health and safety threats. The lack of policies and procedures to protect employees against these risks could create negative impacts on the companies' workforces. In this regard, all Group companies, especially steel plants, are adopting integrated safety management systems certified by third parties within their facilities. The Group is committed to ensuring a safe and healthy workplace, supporting structured safety management procedures and programs, and promoting a safety-oriented corporate culture.

HUMAN RIGHTS PROTECTION	Undefined policies and procedures aimed at protecting workers' rights could generate negative impacts on the value chain. Duferco, through its Code of Ethics, proactively promotes human and labour rights for both its employees and business partners with whom it collaborates.
DIVERSITY & EQUAL OPPORTUNITIES	The sectors in which the Group is active are traditionally male dominated, which could lead to discrimination and unequal treatment within the workplace or hiring process. Therefore, business activities must be conducted with the highest regard to diversity and guarantee of equal opportunities for all employees. The Group must correctly assess and address the risk of discrimination in the work environment and in the selection of suppliers. To this end, Duferco actively promotes diversity and inclusion (D&I) principles within the Group through concrete actions, ensuring equal opportunities and conditions for all employees.
EMPLOYEE TRAINING, PERFORMANCE & WELL-BEING	The working environment can strongly impact workflows and employee well-being, either positively or negatively. In this regard, each Group Division focuses on fostering a welcoming, stimulating and positive working environment, guaranteeing a healthy work-life balance and providing welfare and/or benefit programs to all employees. These initiatives are aimed at generating a positive impact for the companies' workforces and continuously improving the workplace environment.
TALENT ATTRACTION AND RETENTION	The sectors in which the Group operates necessitate the development of highly specialised roles within the workforce by supporting the development of new technologies and establishing best practices. Through the various Group companies, individuals have the opportunity to gain experience in renewable energy technologies, steel production, and innovation. Consequently, Duferco contributes to society by generating job opportunities and developing strong competencies.
GENERATED VALUE & COMMUNITY SUPPORT	The Group's businesses generate economic value which is distributed throughout the entire value chain, creating a positive impact on the economy and people. In fact, Duferco Group is highly committed to engagement and development of surrounding local communities.
INNOVATION & BUSINESS DEVELOPMENT	With expertise built from its collaboration with the Group's production facilities, the Innovation Division designs projects that enhance efficiency and decision-making through tailored management platforms, digital transformation, software development, data management, machine learning, AI development, and cloud technologies. These initiatives aim to lead the digital and technological landscape, boost performance, optimise costs, and promote sustainability.
BUSINESS INTEGRITY & TRANSPARENCY	Any conduct or practices that violate laws and regulations on environmental, social and governance matters, including issues of corruption and business ethics, may lead to negative impacts on both the market in which a company operates and the stakeholders connected to its activities. Ensuring integrity and ethical conduct by avoiding anti-competitive behaviours, as well as preventing corruption, fraud and money laundering are key drivers for an ethical and transparent business. The Group integrates these considerations into its fundamental Code of Ethics.
CUSTOMER PRIVACY	Sensitive customer information and personal data can potentially be exposed to cyber-attacks, breaches, data losses and unauthorised information diffusion. These constitute potential threats and negative impacts for Duferco, in particular for the Energy and Innovation Divisions. The concerned companies continuously reinforce policies and procedures in order to mitigate such impacts.

The table below gives a visual representation of the significance of the topics for each Division. Topics evaluated as "Relevant" and "Very relevant" are considered as material for the Group, or particularly for one or more Divisions.

MATERIAL TOPIC	Steel	Shipping	Energy	Innovation
AIR POLLUTANT EMISSIONS	Very relevant	Very relevant	Low	NA
ENERGY EFFICIENCY & CLIMATE CHANGE	Very relevant	Very relevant	Relevant	Low
ACCESSIBILITY TO ENERGY & SUSTAINABLE MOBILITY	NA	NA	Relevant	Low
BIODIVERSITY CONSERVATION	Low	Relevant	Low	NA
WATER RESOURCE MANAGEMENT	Very relevant	Low	Low	NA
WASTE MANAGEMENT	Very relevant	Relevant	Low	Low
CIRCULAR ECONOMY & MATERIAL CONSUMPTION	Very relevant	NA	Very relevant	NA
SUSTAINABLE SUPPLY CHAIN	Relevant	Relevant	Low	Low
OCCUPATIONAL HEALTH & SAFETY	Very relevant	Very relevant	Very relevant	Relevant
HUMAN RIGHTS PROTECTION	Relevant	Relevant	Relevant	Relevant
DIVERSITY & EQUAL OPPORTUNITIES	Relevant	Relevant	Relevant	Relevant
EMPLOYEE TRAINING, PERFORMANCE & WELL-BEING	Relevant	Low	Relevant	Relevant
TALENT ATTRACTION AND RETENTION	Very relevant	Low	Relevant	Very relevant
GENERATED VALUE & COMMUNITY SUPPORT	Relevant	Relevant	Relevant	Low
INNOVATION & BUSINESS DEVELOPMENT	Very relevant	Very relevant	Very relevant	Very relevant
BUSINESS INTEGRITY & TRANSPARENCY	Relevant	Relevant	Relevant	Relevant
CUSTOMER PRIVACY	Relevant	Low	Relevant	Relevant

Low relevance topic *Relevant topic* *Very relevant topic*

In most cases, material topics are transversal to the entire Group. However, some topics are particularly relevant to a specific Division, while not being applicable to others, if the business activities do not directly or indirectly involve the above-mentioned impacts. The Methodological Note provides exhaustive details on the approach adopted to identify impacts and lays out the connections between GRI disclosures and material topics.

Duferco Sustainability Plan

To further its commitment towards sustainability, Duferco also defined and adopted a Sustainability Plan for the years 2023-2026. The Plan encompasses more than **50 initiatives** clustered under **9 sustainability pillars**, which refer to the three areas of sustainability: Environment, Social and Governance.

DUFERCO GROUP

Environment			Social			Governance		
Circular Economy	Energy transition and climate change	Environmental protection	Health & Safety	People	Local community and territory	Business ethics	Supply chain sustainability	Digitalisation

The Sustainability Plan was developed with the participation of each company's CSB which suggested various initiatives (ongoing or planned) through their respective focal points. Further initiatives were also introduced by the SMT, following benchmark analyses or other specific evaluations. The proposed initiatives were then collected by the SMT and submitted to the SSC for discussion and potential validation.

After the approval and integration of an initiative in the Sustainability Plan, the SMT coordinates the periodic data compilation required to monitor the initiative. The necessary information includes: a title and brief description, the project owner responsible for the initiative's implementation, the objective and allocated budget, the progress status and target year, as well as a KPI and its respective baseline, targets, progress status and target year. The data collection is managed by the SMT if the initiative is conducted at the Group level, while it is performed by CSB when the action is carried out locally.

Within the CSB, the CEO approves the budget and resources to be allocated to each project; the Focal Points or Focal Point Teams manage information and data collection, and oversees the implementation of projects at the company level; and the Project Owner ensures the completion of the projects. Once data collection is complete, the SMT amends the Sustainability Plan.

During the periodic SSC meetings, the SMT presents suggested new initiatives for approval and projects to be excluded with justifications provided, along with a general update on the progress of the Sustainability Plan.

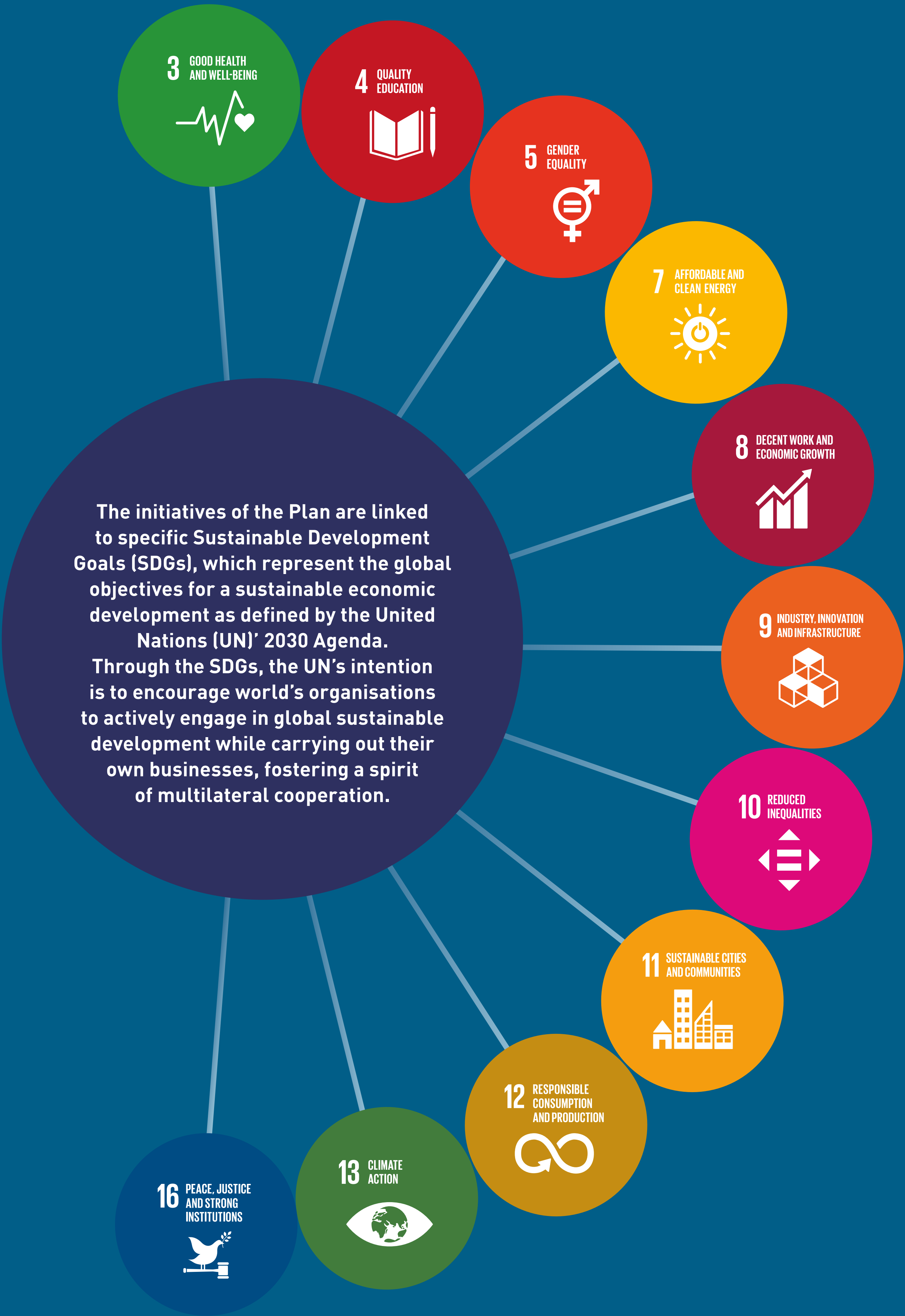
It is important to note that the scope of the current Sustainability Plan is more limited than that of the A&SR, encompassing the following companies:

- **Steel Division:** Duferco Travi e Profilati Spa, Travi e Profilati di Pallanzeno Spa, Acciai Rivestiti Valdarno Srl;
- **Energy Division:** Duferco Energia Spa, DXT Commodities SA.

The Group aims to gradually extend the scope of the Plan to other companies based on their significance.

Outlined below is a selection of the main initiatives of the Sustainability Plan. For each initiative, the following details are specified: the corresponding Sustainable Development Goals (SDGs) defined by the United Nations (UN), the respective pillar and Division, the objective, the state, the KPI and its progress status.

The initiatives of the Plan are linked to specific Sustainable Development Goals (SDGs), which represent the global objectives for a sustainable economic development as defined by the United Nations (UN)' 2030 Agenda. Through the SDGs, the UN's intention is to encourage world's organisations to actively engage in global sustainable development while carrying out their own businesses, fostering a spirit of multilateral cooperation.



ENVIRONMENT

SDG	PILLAR	INITIATIVE	DIVISION
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Circular Economy**	**(E2)** Management of industrial waste by-products	Steel
13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES	**Energy transition & climate change**	**(E1)** Recycled polymers	Steel
		(E3) Extension of the CP grid	Energy
		(E4) Elettra car-sharing	Energy
		(E7) Renewable energy production	Group (company)
		(E9) Peaker Giammoro	Energy
		(E10) Purchase of electricity from renewable sources (or with zero emissions)	Group (company)
		(E11) Walking beam furnace	Steel
		(E12) Investments in R&D for the decarbonisation of steel plants	Steel
		(E14) Purchase of biomethane	Steel
		(E15) Development of BESS projects	Energy
		(E19) Promotion of forest land heritage for the acquirement of carbon credits	Energy
		(E20) Carbon credits and mobility	Energy
		(E21) GHG inventory	Group
		(E22) Climate risks mapping	Group
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Environmental protection**	**(E23)** Environmental assessment of products	Steel

OBJECTIVE	TARGET FY	KPI	GOAL STATUS
Increasing investments in R&D on the potential re-use of white slag within the same production processes (close-loop cycle), and outside within other industries (open-loop cycle).	2025	White slag sent for re-use in comparison to total output [%]	In progress
Implementing a solution for the replacement of coal and anthracite with recycled polymer in the steel melting process.	2023	Avoided emissions each year [Ton CO_2/year]	Completed
Expanding Duferco Energia's Charging Stations (CS) network in order to improve the power supply of electric vehicles in Italy.	2027	Number of Charging Stations (CS) [n.]	In progress
Developing a 100% electric, station-based and free-floating car-sharing service in the Genoa Region.	2026	Avoided emissions each year [Ton CO_2/year]	In progress
Increasing the renewable electricity production capacity through the development of power plants (photovoltaic, hydroelectric, etc.), in line with the Group companies' investment plans on the matter.	2026	Electricity generated from renewable sources [GWh]	In progress
Building the peaker plant in Giammoro, an Open Cycle Gas Turbine (OCGT) of ca. 60 MW which will produce power to cover electricity demand peaks, balance out the regional power grid and reduce the risk of black out, in the context of highly renewable power supply mixes.	2024	Energy generated and injected in the grid [GWh]	Completed
Optimising internal power consumption and increasing the supply from renewable sources.	2026	Energy from renewable sources in comparison to total power consumption [%]	In progress
Implementing a new furnace that can operate with mixed fuels and features a digital management system.	2024	Emissions avoided in comparison with a non-automated plant [Ton CO_2/year]	Completed
Defining an R&D plan aimed at offering solutions for the decarbonisation of steel factories.	2026	Cumulative investments in R&D projects focused on decarbonisation in the Steel Division (including non-recoverable) [€]	In progress
Definition and launch of a dedicated action plan aimed at increasing the percentage of biometane in the gas supply of steel companies.	2026	Biomethane consumption (covered by GO) in comparison to total gas consumption [%]	In progress
Ensuring a balanced and resilient power supply grid, and maintaining a stable frequency response through the development of battery systems.	2026	Energy exchanged with the grid [MWh]	In progress
Obtaining carbon credits for the voluntary market through forest land acquisition, sustainable forestry and tree planting.	2025	Carbon credits generated and sold [Ton CO_2]	In progress
Enhancing the Group's mobility-related initiatives to acquire carbon credits.	2025	Carbon credits generated and sold [Ton CO_2]	In progress
Compiling a GHG inventory which integrates Scope 3 emissions to monitor and set reduction targets.	2025	GHG emissions - Scope 1, 2 and 3 [Ton CO_2]	In progress
Mapping climate change-related risks and their potential negative impacts on the business activities of the Group.	2026	Potential economical impact of the climate change-related risks [€]	To be started
Increasing the percentage of products assessed according to environmental criteria through Life Cycle Assessments (LCA) and communicating the results through Environmental Product Declarations (EPD).	2025	Revenues from products assessed according to environmental criteria in comparison to total revenues [%]	In progress

Legend: ● Completed ● In progress ● To be started

SOCIAL		
Health & Safety	**(S1)** Health and Safety	Group (company)
Local communities & territory	**(S2)** External engagement	Group (company)
	(S3) Relationships with local communities	Group (company)
People	**(S4)** Duferco Academy	Group
	(S8) Family plan	Group (company)
	(S9) Equal career plan	Group
	(S13) Welfare plan	Group (company)
	(S14) Talent recruiting	Group (company)
	(S16) Employees physical well-being (Buddyfit platform)	Group
	(S17) Leveraging parental experience with the company (Lifeed)	Energy
GOVERNANCE		
Business ethics	**(G1)** Cyber risks mapping and policy	Group (company)
	(G4) ESG Rating	Group (company)
	(G6) Whistleblowing policy	Group (company)
Digitalisation	**(G2)** Assessment and development of the Group's digitalisation	Group (company)

Monitoring and improving H&S indicators through dedicated training and sensitisation.	2026	Steel: - number of accidents [n.] - injury rate for each site - number of training hours [n.] - number of observations [n.] Energy: - number of H&S related initiatives [n.]	In progress
Developing memberships to (inter)national associations focused on sectorial or social matters.	2025	Number of memberships in associations or partnerships [n.]	In progress
Strengthening relationships with local communities through partnerships/sponsorships with research bodies, organisations and associations.	2024	Value distributed to local communities in comparison to net profit [%]	Completed
Providing training courses in the context of the Academy.	2025	Hours of trainings provided as part of the Duferco Academy [n.]	In progress
Developing a company benefits offer focused on family concerns (additional paternity leave, kindergarten bonus,...)	2024	- Requests for paternal leave [n.] - Number of employees who benefitted from the kindergarten bonus [n.]	Completed
Analysing the current state of gender parity within the Group and defining a dedicated strategy.	2025	Qualitative initiative	In progress
Developing a company benefits offer focused on employee well-being, work environment and family-related initiatives.	2024	Number of welfare initiatives in the Sustainability Plan [n.]	Completed
Reinforcing relationships with (inter)national academic entities in order to reach and recruit top-level talents.	2026	Number of partnerships and collaborations with academic and research bodies [n.]	In progress
Publishing and offering a membership access to the BuddyFit platform to all employees.	2023	Total users in comparison to total number of employees who have access to the platform [%]	Completed
Participation in the Maternity As A Master (Lifeed) program which aims at utilising the skills acquired throughout parenthood.	2023	Total participants in comparison to total number of employees [%]	Completed

Identifying and mapping cybersecurity risks and implementing a dedicated policy.	2025	Qualitative initiative	In progress
Assessing the ESG performance of Group companies and reaching a positive rating.	2026	ESG score [scale defined by the certifying entity]	In progress
Developing a policy and, if necessary, an action plan based on sectorial best-practice in terms of whistleblowing.	2025	Qualitative initiative	In progress
Completing the digitalisation within the Group and fostering the development of a shared know-how.	2025	Qualitative initiative	In progress

Legend: Completed In progress To be started

2. The green challenge

Guided by a principle of responsibility, Duferco is committed to understanding its environmental impacts and implementing measures accordingly in order to safeguard the environment and natural ecosystems. The challenge always lies in maintaining a delicate balance between commercial expansion and the protection of territories and resources.

The most significant environmental impacts of the Group primarily stem from the activities of its Steel and Shipping Divisions. These impacts are mainly linked to energy consumption, greenhouse gas (GHG) emissions, air pollutants and waste generation. However, the indirect GHG emissions tied to Energy Division's activities also significantly affect the Group's impact along the value chain.

Mitigating these impacts begins with the identification of key environmental aspects and a thorough understanding of their related impacts. The Group regularly updates its assessment processes using tools such as Environmental Analysis which are carried out in all industrial sites covered by certified management system according to the ISO 14001 standard. The San Zeno Naviglio steel plant has achieved EMAS certification - a recognition which goes beyond the ISO standard requirements - further confirming the Group's commitment to exemplary environmental management practices. Regarding the manufactured goods, several companies within the Steel Division have obtained Environmental Product Declarations (EPD) for their main products. EPDs are effective key instrument to understand the environmental impact of steel products and ensuring transparency with all stakeholders.

In accordance with the principles outlined in the previously mentioned standards, Duferco diligently seeks solutions and implements concrete actions aimed at reducing and eliminating its environmental impact when possible.

2.1 Energy transition and climate change

2.1.1 The role of Duferco in the energy transition

Impacts

Duferco Group acknowledges that its energy consumption, particularly in steel production and maritime transportation, contributes to resource depletion. The consumption of electricity and fuels - primarily used for the electric arc furnace in the Steel Division and to supply vessels in the Shipping Division - is a major component of this impact. Conversely the Group's Energy Division actively enables and enhances the energy transition by supporting the shift from fossil to renewable sources through its assets and services. This effort is being advanced by increasing renewable generation capacity, developing a larger charging infrastructure for electric vehicle and by expanding the Elettra car fleet. Furthermore, the Innovation Division furthers Duferco's positive impact and commitment towards transition through projects focused on optimising production processes and promoting decarbonisation by developing innovative technical and technological solutions.

Metrics and measures

ENERGY CONSUMPTION WITHIN THE ORGANISATION (GJ) - GRI 302-1[3]			
Type of energy	**2022**	**2023**	**2024**
Burning oil	370	88	**330**
Coal	201,363	113,820	**131,729**
Diesel	1,381,012	1,610,027	**1,800,140**
Gasoline	1,417	1,849	**3,169**
Natural Gas	1,274,715	1,236,384	**1,568,978**
Very Low Sulphur Fuel Oil	2,982,493	3,935,151	**3,803,445**
Total fuel consumption from non-renewable sources	**5,841,370**	**6,897,319**	**7,307,791**
Purchased electricity consumption	1,475,544	1,430,597	**1,365,273**
Self-generated electricity consumption	9,793	10,712	**4,680**
Total electricity consumption	**1,485,337**	**1,441,309**	**1,369,954**
Total energy consumptions	**7,326,707**	**8,338,628**	**8,677,745**

3 FY2022 and FY2023 data have been updated excluding heating consumptions based on the most accurate information available.

In FY2024, overall energy consumption rose by 4% compared to FY2023, reaching 8,677,745 GJ. The primary contributors to this energy consumption were the Shipping and Steel Divisions, accounting for 64% and 34% respectively. Other Divisions contributed a minimal share of 2% to the total consumption. It is essential to emphasise that this slight increase in energy consumption is not due to a less rigorous approach to energy management compared to the previous year, but rather to increased production and operational activities.

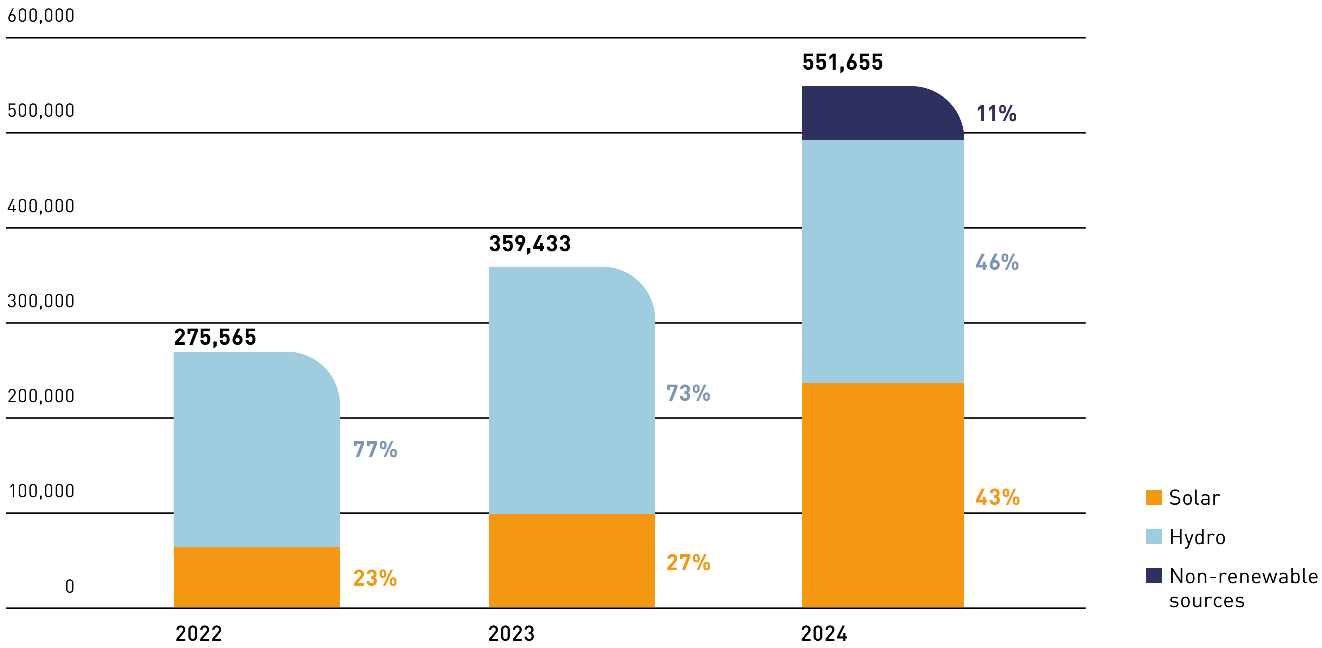
In the Shipping Division, non-renewable energy sources, primarily Very Low Sulphur Fuel Oil (VLSFO) and Diesel used for the handling the fleet, almost the entire energy consumption figures. Energy consumption observed a slight increase over the previous fiscal year (+1%) mainly resulting from a greater number of ships in maritime transport activities. Moreover, following the trend from previous years, Nova's fleet has successfully phased out the use of Intermediate Fuel Oil (IFO) to comply with International Maritime Organisation regulations.

The energy consumption of the Steel Division is almost evenly split between fuel (53%) and electricity (47%). Compared to FY2023, energy consumption for steel operations increased by approximately 4%. This increase is mainly attributed to a 14% rise in natural gas usage resulting from the commissioning of the new rolling mill in San Zeno Naviglio. Conversely the electricity consumption of the Division, which accounted for nearly all of the Group's consumption, decreased by 5% in FY2024 due to lower production levels.

The Energy Division and the Innovation Division contribute a minor share (2%) to the total energy consumption. However, it is worth noting that the Energy Division's consumption has increased sevenfold compared to the previous year due to the start-up of the Giammoro Peaker and despite being operational for only a few months. When operating at full capacity throughout a year, energy consumption of the plant is expected to exceed 5% of the Group's total annual energy usage. Despite having a significant impact on energy consumption, this OCGT (Open Cycle Gas Turbine) plant of approximately 60 MW, provides essential support to the regional power grid by balancing out volatility and reducing the risk of blackouts during peak consumption periods.

While acknowledging its substantial electricity consumption, Duferco Group also generates electric power, most of which is sold to the grid. However, a small portion of the production is also used for self-consumption.

SELF-GENERATED ELECTRICITY BY ENERGY SOURCE (GJ)



During FY2024, the Group generated over 550,000 GJ (around 150,000 MWh) of electricity which represents an overall increase of 53% compared to FY2023. Approximately 90% (492,449 GJ) of the generated electricity came from renewable power sources (+37% compared to FY2023), of which 43% was covered by photovoltaic plants and 46% by hydroelectric plants. The remaining 11% (around 59,000 GJ) was produced by the Giammoro Peaker, an OCGT plant which generates electricity through an aero-derivative gas turbine. The photovoltaic plants - 35 in total - are mainly located in Italy, Brazil and Belgium, while the 8 hydroelectric plants are primarily situated in Italy and Albania. The Group's strategy focuses on expanding its renewable energy capacity and increasing electricity production in the coming years, positioning itself as a leader in the energy transition.

More specifically, Duferco Energia operated 17 solar plants and 8 hydroelectric power plants across various regions of Italy and Albania in FY2024, contributing approximately 82.5 GWh (i.e. 297,000 GJ) of renewable energy to the national grids. This included around 70 GWh generated by hydroelectric production sites and about 12.5 GWh produced by solar plants. Compared to the previous year, production decreased slightly (-3%) primarily due to lower output of hydroelectric plants. In addition to Duferco Energia, both Matrix and Duferco Wallonie are involved in renewable power production with respectively 16 and 2 owned solar plants. In FY2024, Matrix produced 51.8 GWh (i.e. 187,000 GJ), while Duferco Wallonie generated 2.4 GWh (i.e. 8,600 GJ) of renewable electricity.

MATRIX ENERGIA

Integrated and diversified energy solutions for the Brazilian Market

Matrix Energia is a leading provider of sustainable energy solutions exclusively serving Brazil. The company operates through an integrated platform that includes:

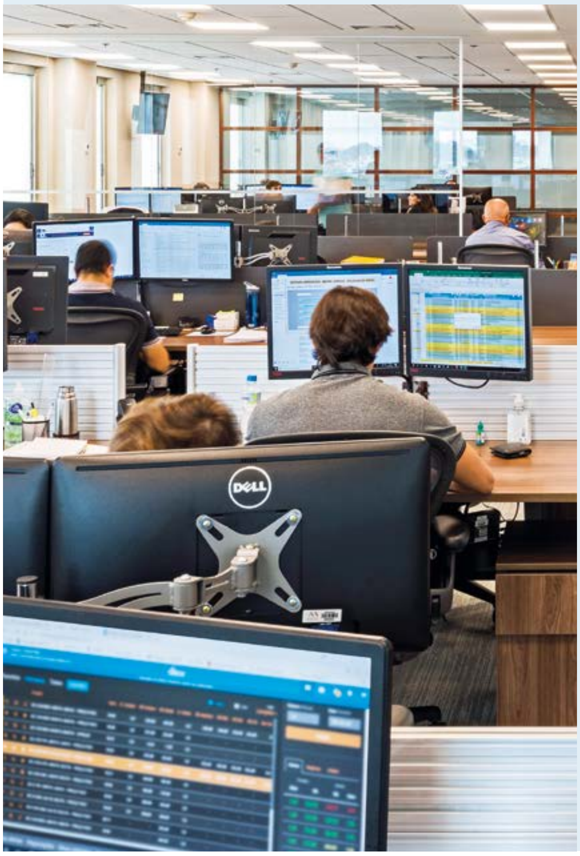
- Free market energy supply for high-and medium-voltage clients;
- Distributed generation (DG) for low-voltage consumers;
- Centralised generation projects under a self-production consortium model;
- Energy efficiency solutions, including Battery Energy Storage Systems (BESS) and cogeneration.

ENERGY COMMERCIALISATION

Matrix Energia is the largest independent energy trader and the second-largest retail energy trader in Brazil, with over 27 TWh transacted and more than 2,000 consumer units served. The company delivers over 100 average MW through its retail platform.

DISTRIBUTED GENERATION

Since entering the DG market in 2022, Matrix Energia operates an asset-light model, managing over 500 MWac from third-party and owned solar plants. By the end of FY25, the company owned 17 solar plants, generating 49,032 MWh. Assets, both owned and third-party, are strategically located across 20 Brazilian states, serving consumers who are not eligible for the free market and helping reduce electricity costs. Growth was supported by 30 million USD in Green Bonds issued in 2023.



CENTRALISED GENERATION

In 2024, Matrix Energia expanded into centralised generation, starting with the Grande Sertão II solar project (103 MWp / 80 MWac), under the self-production consortium model. Scheduled for operation by end of 2025, the project offers:

- Lower energy costs through reduced taxes and charges;
- Reduced curtailment risk by operating via the distribution grid, outside ONS dispatch.
- Matrix also holds a 1.3 GW pipeline of ready-to-build solar and wind projects.

ENERGY EFFICIENCY AND BESS

Also in 2024, Matrix Energia launched a business unit focused on energy efficiency, investing in BESS to support clients through behind-the-meter solutions. These systems offer cost savings, energy flexibility, and peak demand optimisation, while also contributing to grid stability.
To fund this initiative, Matrix issued its second green bond in 2024 to deploy 224 MWh of BESS by end of 2025.

Through Duferco Energia, the Group asserts its integral role within the energy sector, spanning the entire supply chain - from generation to consumption, trading and retail. Furthermore, the company is a recognised leader in the fields of electric mobility and energy efficiency.

In particular, the Group leads efforts in scaling and maintaining charging stations (CS) and distinguishes itself with its forward-thinking electric car-sharing fleet. In FY2024, the energy supplied through the 994 CS amounted to 14,831 GJ (4,120 MWh), while the electricity used by Elettra reached 796 GJ (221 MWh).

DUFERCO ENERGIA CONTRIBUTION TO THE SUSTAINABLE TRANSITION

Since FY2024 and due to the growing success of electric transportation, Duferco Mobility was set up as a separate entity dedicated exclusively and autonomously to provide e-mobility services. Since 2014, Duferco Mobility acts as both a Charging Point Operator (CPO) and an E-Mobility Service Provider (EMSP), supporting local communities in their transition to sustainable lifestyles.

As a CPO, Duferco Mobility tailors its solutions to cater to the needs of its diverse client base. As of 30th September 2024, the company managed a network of 994 charging stations (CS) across Italy, of which 794 owned and 200 managed stations. The CS network comprises 1,933 charging points (CPs) divided into Quick (up to 22 kW), Fast (up to 100 kW), and Ultra-fast (above 100 kW). In 2024, Duferco Mobility continued to provide advantageous midday and night-time recharging fares by leveraging solar and wind production, as well as weekend-specific tariffs related to lower electricity demand. The aim is to share economic benefits with customers and disseminate price signals that promote sustainable and responsible energy consumption.

As an EMSP, the company leverages inter-operability agreements to access a network of more than 50,000 charging point stations in Italy and 200,000 across Europe.

Additionally, as a comprehensive service provider in the electric mobility sector, Duferco Mobility manages Elettra - Italy's first 100% electric car-sharing fleet - which operates via both free-floating and station-based modalities. During FY2024, Elettra's 157 electric vehicles, which consist of 80 free-floating and 77 station-based cars, have collectively covered nearly 1.2 million km.

Duferco Energia also performs as an Energy Service Company (ESCO), providing solutions aimed at enhancing energy efficiency within the industrial and condominium sectors. In fact, Duferco Energia implements energy efficiency interventions for industrial customers through Energy Performance Contracts (EPC) and focuses on renovation projects such as thermal insulation, new heating systems and solar panels installations. Overall, condominium projects have resulted in theoretical savings in fossil fuel energy consumption - down to 21,800 MWh/year (around 78,500 GJ/year) - in accordance with the declarations made to ENEA.

Actions

In terms of energy transition, the most significant actions are aimed at ensuring access to energy and sustainable mobility for everyone

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Energy transition & climate change		Accessibility to energy & Sustainable mobility	**(E3)** Extension of the CP grid	Energy	
			(E4) Elettra car-sharing	Energy	
			(E7) Renewable energy production	Group (company)	
			(E9) Peaker Giammoro	Energy	
			(E15) Development of BESS projects	Energy	

Duferco Group is driving forward its "Accessibility to Energy & Sustainable Mobility" pillar with targeted initiatives, in particular through its subsidiary Duferco Energia. These dedicated initiatives focus on generating energy from renewable sources and non-renewable sources, as well as developing battery storage systems to support renewable production and electric mobility.

Through its subsidiary Duferco Mobility, the Group aims to expand the network of charging stations (CS) in Italy **(initiative E3)**, thereby consolidating Duferco Energia's role as a leader in the electric mobility sector. The growth in CS installation across the national territory is partially funded by the National Recovery and Resilience Plan (PNRR). This initiative has been steadily progressing, with 994 charging stations installed out of the 1,292 planned for 2027 (77% progress vs target).

Additionally, the company is gradually transforming the Elettra fleet to be 100% electric, replacing over 100 combustion engine vehicles and concurrently expanding the fleet with new electric vehicles **(initiative E4).** By the end of FY2024, the fleet has allowed the company to avoid 141 tons of CO_2 compared to the 258 set for 2026 (55% progress vs target).

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2027	DE	Number of Charging Stations (CS) [n.]	2018 baseline 0; 2024 status 994; 2027 target 1,292	●
2026	DE	GHG emissions avoided [Ton CO_2/year]	2020 baseline 0; 2024 status 141; 2026 target 258	●
2026	DE	Electricity generated from renewable sources [GWh]	2022 baseline 65.5; 2024 status 75.4; 2026 target 125.5	●
2026	DTP		2022 baseline 6.4; 2024 status 7.1; 2026 target 17.5	●
2024	DE	Energy generated and injected into the grid [GWh]	2022 baseline 0; 2024 status 16; 2025 target 59	●
2026	DE	Energy exchanged with the network [GWh]	2022-2024 baseline-status 0; 2026 target 40	●

Increasing the production of electricity from renewable sources **(initiative E7)** is one of the Group's key objectives to promote energy transition and decarbonisation in energy sector. Between FY2022 and 2024, Duferco Energia's production increased by approximately 10 GWh, rising from around 65.5 GWh (baseline) to 75.4 GWh (17% progress vs target), with the goal of reaching 125.5 GWh (+50 GWh or 180,000 GJ) by the end of FY2026 thanks to the installation of approximately 40MW of photovoltaic plants. Despite the stable production levels of Duferco Travi e Profilati over the last two fiscal years - 7.1 GWh in FY2024 in comparison to 6.4 GWh in FY2022 - the company plans to reach approximately 17.5 GWh by 2026. This growth is expected as a result of the commissioning of two photovoltaic plants with a combined capacity of around 9 MW.

The completion of the Peaker plant in Giammoro **(initiative E9)** is one of Duferco's most significant milestones in FY2024. The plant of approximately 60 MW, which has been operational for only a few months during the fiscal year, produced 16 GWh with the aim of reaching full capacity of 59 GWh in FY2025 (27% progress vs target).

The development of BESS **(initiative 15)** technologies is pivotal for the growth of non-programmable renewable energy sources that are crucial for improving grid stress balance. To this end, Duferco Energia is set to develop a pipeline of BESS projects in critical locations to provide *just-in-time* energy. The investment plan aims to achieve 40 GWh of energy exchanged with the grid by FY2026, with plants reaching total capacity of 50 MW/100MWh. In FY2024, authorisation was issued for a 10 MW/20 MWh plant in Montefalcone di Valfortore (BN).

Goal key: ● Completed ● In progress ● To be started ● Not started

Target key: ▼ Status ✔ Target achieved ▶ Target in progress ✔ Target not achieved

2.1.2 Duferco's commitment to decarbonisation

Impacts

The Duferco Group operates in hard-to-abate sectors such as steel production and maritime transport, therefore GHG emissions generated by its activities have a significant impact on global warming. More specifically, emissions related to steel manufacture are mainly caused by the electricity used to power the Electric Arc Furnace (EAF) in the steelworks plant, as well as by the substantial amount of gas required to operate the rolling mills. In the maritime transportation sector, the major contribution to GHG emissions comes from the fuels used for ship propulsion.

Driven by a sense of responsibility towards the environment and people, and supported national and European climate policies, the Group remains firmly committed to build sustainable solutions for decarbonisation in the industries in which it operates. Duferco's Innovation Division further enable climate action through R&D projects and instruments aimed at optimising processes, systems and machines, thereby offering innovative solutions for the reduction of GHG emissions within the Group's operations and beyond. Furthermore, the Energy Division also contributes positively to the decarbonisation of the national energy mix in Italy, thanks to the development of renewable power production sources and implementation of sustainable services supplied by this mix.

Metrics and measures

INTRODUCING THE CONCEPT OF "SCOPE"

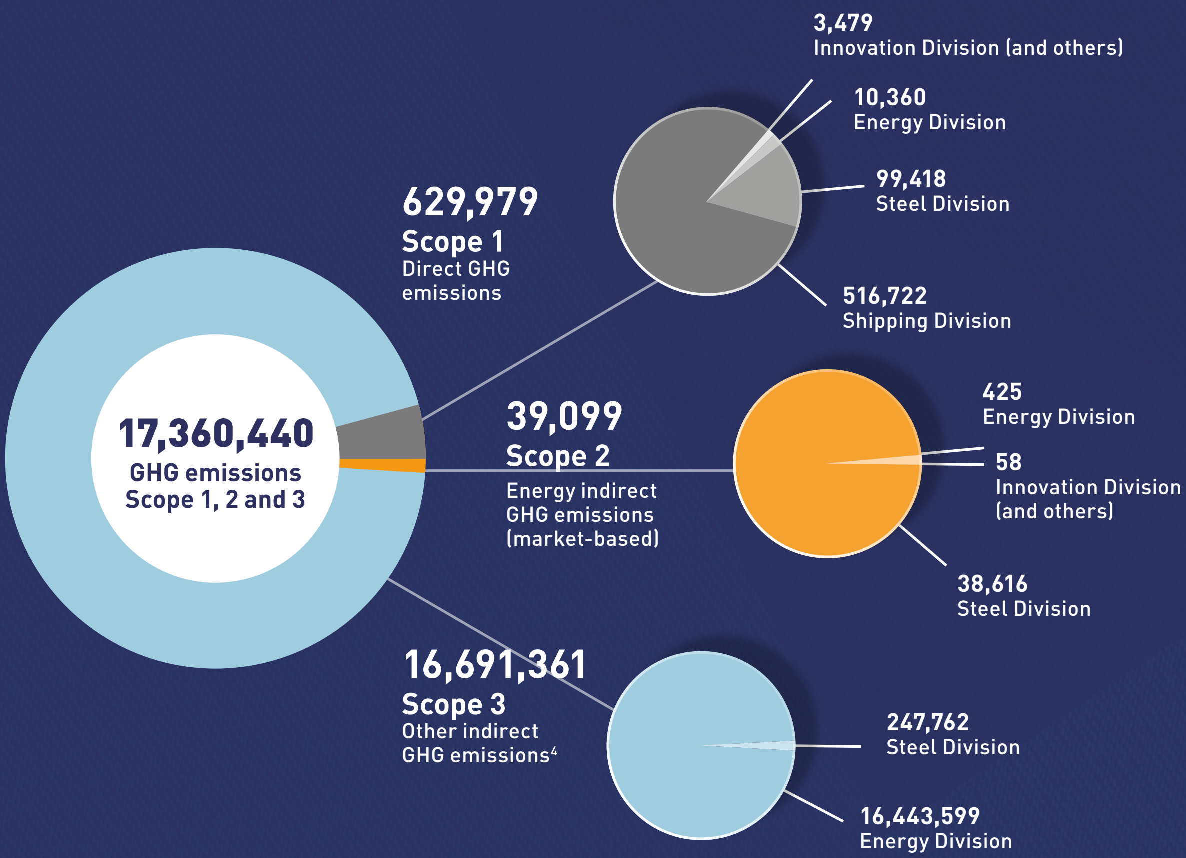
In accordance with the main international standards, such as the GHG Protocol, GHG emissions are divided into three groups:

- **direct GHG emissions (Scope 1):** including GHG emissions from sources that are owned or controlled by the Group, such as the use of fuels for heating and vessel routes and refrigerant gases.
- **energy indirect GHG emissions (Scope 2):** including GHG emissions that result from the generation of purchased electricity, heating, cooling and steam consumed by an organisation.
- **other indirect GHG emissions (Scope 3):** including all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Moreover, it is important to underline that Scope 2 emissions can be calculated based on two different approaches:

- **location-based approach:** method based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries;
- **market-based approach:** method based on GHG emissions emitted by the generators from which the reporter contractually purchases electricity bundled with contractual instruments, or contractual instruments on their own.

DUFERCO'S OVERALL GHG EMISSIONS (SCOPE 1, 2 AND 3) BY DIVISION (TONS CO_2)



In FY2024, the Duferco Group's total GHG emissions amounted to 17,360,440 tons CO_2, with 96% (16,691,361 tons CO_2) attributed to Scope 3 emissions, 4% (626,979 tons CO_2) to Scope 1 emissions, and 0.2% (39,099 tons CO_2) to Scope 2 emissions.

Notably, Scope 3 emissions predominantly stemmed from Energy Division, contributing 98.5% (16,443,599 tons CO_2) mainly due to the GHG emissions associated with gas purchased for trading purposes, as well as electricity and gas purchased and resold in the retail sector. Conversely, Duferco Travi e Profilati accounted for 1.5% (247,762 tons CO_2) of Scope 3 emissions, primarily as a result of raw materials and services purchased for steel production.

Scope 1 emissions were predominantly attributed to the Shipping Division, accounting for 82% (516,722 tons CO_2) due to the fuel consumption of its vessels for goods transportation. Additionally, the Steel Division significantly contributed to direct emissions for 16% (99,418 tons CO_2), primarily because of the greenhouse gas emissions derived from the San Zeno Naviglio steelworks processes and the natural gas used for operating the rolling mills.

Scope 2 market-based emissions (39,099 tons CO_2) were nearly entirely due to electricity purchases from the Steel Division, specifically for the EAF. It is worth noting that this figure has decreased significantly from the previous year, thanks to the purchase of Guarantees of Origin (GO) which cover around a 80% of total consumptions (+112% compared to FY2023).

4 Scope 3 GHG emissions are limited to Duferco Energia, Duferco Travi e Profilati and DXT.

SCOPE 1 & 2 - DIRECT AND ENERGY INDIRECT GHG EMISSIONS (TONS CO_2) - GRI 305-1, 2			
Source of GHG emissions	**2022**	**2023**	**2024**
Stationary combustion (e.g. process emissions, fuel emissions)[5]	92,216	81,590	**112,089**
Mobile combustion (e.g. company ship/car fleet)[6]	403,497	516,854	**517,848**
Fugitive emissions (e.g. refrigerant gases)	97	35	**42**
Total Scope 1 GHG emissions	495,810	598,479	**629,979**
Total Scope 2 GHG emissions (location-based)	129,414	125,604	**83,668**
Total Scope 2 GHG emissions (market-based)	165,974	115,059	**39,099**
Total Scope 1 & 2 GHG emissions (location-based)	**625,224**	**724,083**	**713,647**
Total Scope 1 & 2 GHG emissions (market-based)	**661,784**	**713,538**	**669,079**

In FY2024, the Group's Scope 1 and Scope 2 (market-based) GHG emissions, equal to 669,079 tons CO_2, decreased (-6.4%) with respect to the FY2023 value. In fact, the slight increase in Scope 1 emissions (+5%) was largely counterbalanced by a significant reduction in Scope 2 emissions (-66%).

The rise in Scope 1 emissions (629,979 tons CO_2 in FY2024) was primarily due to an increase from stationary combustion sources (+37% in comparison to FY2023). This increase can be primarily attributed to the full commissioning of the new rolling mill in San Zeno Naviglio, which, although not yet operating at optimal efficiency, had been functional for a few months during FY2023. Additionally, a revision in the Steel Division's GHG emission accounting methodology was undertaken to better align with ETS regulations. On the other hand, greenhouse gas emissions from mobile combustion sources, especially those associated with fuel consumption in the Shipping Division, remained consistent compared to the fiscal year 2023.

5 2022 and 2023 GHG emissions Scope 1 related to steelworks and rolling mills have been updated in accordance with the ETS accounting guidelines.
6 2022 and 2023 GHG emissions Scope 1 from the shipping fleet have been updated by considering emission factors. that are more specific to marine fuels (such as Diesel and VLSFO), in accordance with the ETS accounting guidelines.

Conversely, the reduction in the Group's Scope 2 emissions (39,099 tons CO_2 in FY2024), considering the market-based approach, resulted from the purchase of 302,406[7] MWh guarantees of origin (GOs), alongside or independently from specific power purchase agreements, covering 80% of the Group's electricity consumptions. Such value is predominantly due to the GOs purchased by DTP for FY2024 which amount to 300,902 MWh and cover approximately 85% of its consumption. Without considering GO certificates, using the location-based approach, the Group's Scope 2 GHG emissions amounted to 83,668 tCO_{2eq} (-33% compared to FY 2023). This decrease is mainly attributable to the updated emission factor related to electricity purchased from the grid in Italy, which has substantially improved in recent years due to an increased share of renewables in the energy mix.

Regarding the Steel Division, it is worth mentioning that San Zeno Naviglio production site and the rolling mills in Giammoro and Pallanzeno, as well as Duferco Danish Steel plant, participate in the EU Emissions Trading Scheme (EU-ETS), the world's largest carbon emission trading scheme (or cap and trade scheme) intended to lower greenhouse gas emissions by the European Union countries in the industrial sector. Among these obligations, Duferco has also implemented some actions such as the installation of a system for injecting recycled polymers instead of anthracite into the electric arc furnace. Replacing 30% anthracite with recycled polymer reduces San Zeno Naviglio steelworks scope 1 GHG emissions by over 2%, avoiding nearly 700 tons of CO_2, while also cutting waste and costs.

Similarly, Nova Marine is now subject to the EU-ETS legislation which - as from January 2024 – covers CO_2 emissions from all company's ships entering EU ports, regardless of their flag. Nevertheless, Nova Marine has a long-standing commitment in this regard and invested in specific projects with the goal of reducing its CO_2 emissions.

7 Please note that the GOs reported here are an estimated value obtained by reallocating the exact value of GOs issued by the GSE in the calendar year based on the month-by-month electricity consumption in FY2024.

NOVA MARINE'S commitment towards decarbonisation: a fast-growing low-emission marine fleet

During FY2024, Nova Marine continued to focus its attention on new projects aimed at decarbonising its fleet. These projects included the renovation of currently operational ships and construction of new low-CO_2-emission vessels.

The fleet currently comprises around 300 owned and managed ships. Due to strict regulations regarding fuel type and weight transported, which require optimisation of voyages and port time off, the company has initiated a project to power the ships through external electrical sources, equipping them with external plugs when not in use. This system, known as HVSC (or High Voltage Shore Connection), is expected to be applied to around 25% of the fleet's cement ships. Furthermore, Nova Marine is dedicated to improving fuel efficiency through two principal initiatives. The implementation of Premium Antifouling paint on the hull during the next ship dry-docking is intended to enhance hydrodynamic properties, protect against fouling, and achieve a fuel saving of 2.5-3%. In terms of fuel efficiency, Nova Marine Carriers' vessels, especially offshore, are also regularly operated and monitored through ZeroNorth, a software designed to optimise fuel consumption and voyage efficiency in relation to marine weather conditions.

The company's fleet will also include 8 additional vessels currently under construction, which are designed to reduce CO_2 emissions through the application of new technologies. Among these, one of the most challenging projects, both from a business and sustainability perspective, concerns a cement carrier with a deadweight (dwt) tonnage of 38,000. This will be the largest cement carrier ever constructed and is expected to be launched by 2027 under the flagship NovaAlgoma Cement Carriers (NACC). This enormous vessel is remarkable not only for its size but also because it will be the first methanol dual-fuel cement carrier capable of burning either conventional fuel or methanol (unlike other units in the Group's cement fleet, which are dual-fuel but use LNG). But the true ground-breaking solution, developed in collaboration with RINA, will be the Climeon HP300, a revolutionary waste heat recovering system of both main and auxiliary engines exhaust gases which will be recovered to generate around 250 kW of available electricity. The generated electricity will enable a reduction in diesel consumption by up to 1.5 tons. Furthermore, the vessel will attain "zero emissions" while docked in ports by eliminating approximately 15 tons of diesel consumption through the implementation of the 5,000 kW capacity HVSC system. Furthermore, she will experimentally adopt a premium antifouling paint with the primary aim of reducing the energy required by the ship by improving the hydrodynamic property of the hull. Such type of coating also provides maximum hull protection against fouling which is the main cause of decrease in a ship's speed over the years between the dry-dock periods and increase in fuel consumption. In 2025, Nova doubled its investment with a second newbuilding including the same low-impact technologies.

Simultaneously, NACC has planned the construction of a second 14,000 dwt cement carrier, which will also be equipped with the Climeon HP300 system designed to generate electricity by recovering exhaust gases. This system will facilitate a saving of approximately 0.7-0.8 tons of diesel during navigation, thereby contributing to a reduction in emissions. The vessel will also use Premium Antifouling with HVSC, which is expected to save 4-5 tons of diesel, depending on the unloading characteristics.

Lastly, Nova Marine has also initiated the construction of two general cargo ships equipped with HVSC technology. It is estimated that the vessel will be able to save the total emissions generated from the consumption of approximately 2.5 tons of diesel in port during commercial operations.

Beginning in the current fiscal year, the Duferco Group, in accordance with its Sustainability Plan commitments, has prepared a GHG inventory which, besides Scope 1 and 2, include also for the first time indirect Scope 3 greenhouse gas emissions. This reporting adheres to the 15 categories outlined by the GHG Protocol, covering all GHG emissions across the entire value chain, including both upstream and downstream activities.

SCOPE 3 - OTHER INDIRECT GHG EMISSIONS (TONS CO_2) - GRI 305-3[8]	
Source of GHG emissions	**2024**
Category 1: Purchased goods and services	**13,482,883**
Category 2: Capital goods	**13,770**
Category 3a: Upstream emissions of purchased fuels	**13,278**
Category 3b: Upstream emissions of purchased electricity	**16,424**
Category 3c: Transmission and distribution (T&D) losses	**6,549**
Category 3d: Generation of purchased electricity that is sold to end users	**2,037,120**
Category 4: Upstream transportation and distribution	**154,274**
Category 5: Waste generated in operation	**15,830**
Category 6: Business travel	**218**
Category 7: Employee commuting	**1,358**
Category 9: Downstream transportation and distribution	**2,379**
Category 10: Processing of sold products	**2,646**
Category 11: Use of sold products	**936,871**
Category 12: End-of-life treatment of sold products	**7,761**
Total Scope 3 GHG emissions	**16,691,361**

At the end of FY2024 the Group's Scope 3 GHG emissions amounted to 16,691,361 tons CO_2. The largest contribution to Scope 3 GHG emissions, accounting for 81%, is attributable to emissions linked to purchased goods and services **(Category 1: Purchased goods and services)**. Of this 81%, the 87% and 12% are respectively associated with DXT and Duferco Energia, primarily due to the well-to-tank emissions of natural gas purchased for the retail sector and trading sector, while only 1% is related to DTP and largely connected to raw materials used in the San Zeno Naviglio steel mill. Furthermore, the production of purchased electricity which is sold to end users **(Category 3d: Generation of purchased electricity that is sold to end users)** as part of Duferco Energia's power retail activities represent 12% of the total. Another 6% of emissions are linked to the use (combustion) of natural gas sold by Duferco Energia to final consumers **(Category 11: Use of sold products)**. The remaining 1.5% of total Scope 3 emissions stem from other applicable categories, with approximately half (0.8%) attributable to upstream and downstream transportation and distribution of raw materials and products **(Category 4 and 9: Upstream/Downstream transportation and distribution)**, respectively utilised and sold by DTP, and to a lesser extent, by Duferco Biomasse.

8 *Scope 3 GHG emissions calculation is limited to the following companies of the Energy and Steel Division: Duferco Energia Spa (Group), DXT Commodities SA (Group) and Duferco Travi e Profilati Spa (Group). Moreover, the GHG emissions related to trading activities (e.g. purchasing or selling of gas for trading purposes) are included exclusively when physical transactions occur. Therefore, GHG emissions related to financial trading are not included. The missing Scope 3 categories have been excluded since they are mostly not applicable to Duferco's companies businesses.*

Actions

Below are the initiatives supporting decarbonisation both internally and externally at Duferco.

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Energy transition & climate change	13, 7, 11	Energy efficiency & climate change	**(E1)** Recycled polymers	Steel	
			(E10) Purchase of electricity from renewable sources (or with zero emissions)	Group (company)	
			(E11) Walking beam furnace	Steel	
			(E12) Investments in R&D for the decarbonisation of steel plants	Steel	
			(E14) Purchase of biomethane	Steel	
			(E19) Promotion of forest land heritage for the acquirement of carbon credits	Energy	

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2023	DTP	GHG emissions avoided [Ton CO_2/year]	2022 baseline 0; 2024 status 697; 2026 target 1,836	In progress
2023	DE	Energy from renewable sources in comparison to total power consumption [%]	2022-2024-2024 baseline-status-target 100	Completed
2026	DTP	Energy from renewable sources in comparison to total power consumption [%]	2022 baseline 0; 2024-2026 status-target 85	In progress
2023	DXT	Energy from renewable sources in comparison to total power consumption [%]	2022-2024-2024 baseline-status-target 100	Completed
2024	DTP	Emissions avoided in comparison with a non-automated plant [Ton CO_2/year]	2022-2024 baseline-status 0; 2026 target 2,854	In progress
2026	DTP	Cumulative investments in R&D projects focused on decarbonisation in the Steel Division (including non-recoverable) [€]	2022 baseline 186,082; 2024 status 564,716; 2026 target 8,876,082	In progress
2026	DTP	Biomethane consumption (covered by GO) in comparison to total gas consumption [%]	-	-
2025	DXT	Carbon credits generated and sold [Ton CO_2]	2024 baseline - status 0; 2025 target 10,000	In progress

Goal key: Completed In progress To be started Not started

Target key: Status Target achieved Target in progress Target not achieved

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Energy transition & climate change		Energy efficiency & climate change	**(E20)** Carbon credits and mobility	Energy	
			(E21) GHG inventory	Group	
			(E22) Climate risks mapping	Group	
			(E23) Environmental assessment of products	Steel	

As part of its sustainability strategy, the Group also actively pursues the optimisation of its electricity consumption and aims to reduce its indirect emissions (Scope 2) by increasing the portion of renewable or "zero emissions" power production sources in its consumption mix through de definition of a dedicated action plan (**initiative E10**). Since FY2023, DTP implemented a plan to acquire Guarantees of Origin (GOs). In FY2024, the GOs covered 85% of the company's electricity supply needs. As the Scope 2 emissions of the Steel Division have a significant impact on the overall emissions of the Group, the steel company aims to continue or further increase this percentage. In addition, Duferco Energia's electricity consumption is entirely covered by GOs, while DXT benefits from the very high proportion of "zero emissions" sources in the electricity mix of Switzerland which also covers 100% of the company's power supply needs.

To reduce GHG emissions, DTP implemented a technical solution which allowed the company to partially replace anthracite with recycled polymers in the steel melting process of TPP's steelworks plant in San Zeno Naviglio (**initiative E1**). In FY2024, the solution had already been implemented and the company reached 40% of its target by successfully integrating more than 30% of recycled plastic polymers in replacement for anthracite, thereby avoiding almost 700 tons of GHG emissions in FY2024. By 2026, DTP aims to have replaced 60% of the anthracite with polymers, reducing emissions of its San Zeno Naviglio steelmill by over 1,800 tons of CO_2 per year.

To further tackle GHG emissions reduction challenges, DTP recently finalised the implementation of a walking beam furnace (**initiative E11**) for the TPP rolling mill in San Zeno Naviglio, equipped with next-generation burners which can be fuelled with a mixture of methane and hydrogen (or "hydromethane"). This infrastructure also features a new cutting-edge digital control system to automate the fueling process and combustion management. As the rolling mill did not operate at full capacity in FY2024, the initiative was not measurable yet. Starting from FY2026, it is set to help reducing emissions of the San Zeno Naviglio rolling mill by around 2,800 tons of CO_2 per year.

Additionally, DTP is committed to investing in R&D projects focused on the decarbonisation of its steel plants (**initiative E12**). Since FY2022, the company invested more than 550,000 euros in research initiatives, of which several projects carried out with the expertise of the Group's Innovation Division in energy transition and decarbonisation solutions. In the next few years, continued investments - mainly directed towards pilot projects on hydrogen production in Giammoro - are set to reach more than 8.5 million euros by 2026.

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2025	DE	Carbon credits generated and sold [Ton CO_2]	2022-2024 baseline-status 0; 2026 target 12,124	●
2025	Group	GHG Emissions Scope 1, 2 and 3 [Ton CO_2]	-	-
2026	Group	Potential economic impact of climate change-related risks [€]	-	-
2025	DTP	Revenues from products assessed according to environmental criteria in comparison to total revenues [%]	2022 baseline 33; 2024 status 46; 2025 target 71	●

As part of the "Green Metal Brescia" initiative, DTP also seeks to assess the viability biomethane procurement through long-term agreements, commonly referred to as Gas Power Agreements (GPA), with the contextual issuance of guarantees of origin (GO). This would help DTP to mitigate Scope 1 GHG emissions associated with the consumption of natural gas in steelmaking and rolling mill processes (**initiative E14**). This initiative is currently in progress and waiting for a clear definition of the regulatory context and the development of the biomass production market.

Regarding the sustainability of steel products, in FY2024 DTP has around 50% of its products covered by environmental evaluation through Environmental Product Declaration (EPD), an environmental certification based on Life Cycle Assessments (LCA) methodology. In particular, EPDs have been carried out on Pallanzeno's steel beam and angles profiles as well as on San Zeno Naviglio's semi-products, thereby allowing DTP to increase the percentage of products assessed through LCA by 13% since FY2022. By FY2025, the company aims to reach a 70% coverage by extending the process to San Zeno Naviglio's steel beam and angles (**initiative E23**).

The Energy Division also implemented initiatives directed towards carbon credit generation through sustainable forest management (**initiative E19**) and mobility (**initiative E20**). In FY2024, DXT acquires approximately 540 hectares of forestland in New Zealand. The newly planted forest will be maintained to maximise its carbon capture potential, with aim of reaching 10,000 tons of CO_2 per year by FY2025, guaranteed by a sustainable harvest and replant regime. On the mobility front, Duferco Energia plans to leverage its sustainable mobility infrastructures and activities in FY2025 to generate more than 12,000 tons of CO_2.

Finally, in FY2024, the Duferco Group furthered its commitment to monitor its GHG emissions extensively by conducting a comprehensive GHG inventory (**initiative E21**) which included all Scope 1, 2 and 3 emissions. The results of this inventory are detailed in the present report and have enabled the Group to further assess the contribution of its four Divisions to each emission Scope, thereby developing and extending the identification of area for improvements on the matter. Direct emissions are mainly due to the Shipping and Steel Division's fuel consumption, while Scope 2 indirect emissions are primarily impacted by the electricity, heating, cooling and steam consumed for the steel production activities. Additionally, the Energy Division has a major impact on Scope 3 indirect emission due to nature of the activities along the value chain of the companies.

Goal key: Completed · In progress · To be started · Not started

Target key: Status · Target achieved · Target in progress · Target not achieved

2.2 Resource use and circular economy

2.2.1 Material use

Impacts

The Duferco Group operates in production sectors that utilise large quantities of materials, particularly in steel manufacturing. The company acknowledges the impact of its activities on the consumption of natural resources, which will become increasingly scarce as global demand for goods rises alongside population growth.

Nevertheless, it is important to highlight that the steel cycle serves as an exemplary model of a successfully implemented circular economy. This approach is made possible by the special features of steel, which can be melted without losing any of its properties. Steel components, thanks to the ease of separation and disassembly, are particularly suitable for reuse and remanufacturing and their characteristics of resistance and durability allow for a very long-life cycle. Moreover, steel is fundamental material for several sectors of strategic importance for sustainable development and energy transition, such as renewable energy, electric motors, rail transport, energy efficiency interventions, and water management.

Duferco is committed to minimising the use of non-renewable resources derived from virgin raw materials and, instead, promoting the use of recycled and renewable resources. In fact, in DTP steel plants, metal scraps recovered from different sectors are used as the main raw material for the manufacturing of steel products, such as steel beams and angle profiles, which have a minimum content of 92%[9] post-consumer recycled material.

9 Data verified in accordance with ISO 14021 standard.

Metrics and measures

MATERIALS USED BY WEIGHT (TONS) - GRI 301-1[10]			
Type of material	**2022**	**2023**	**2024**
Auxiliary materials (e.g. Additives)	76	78	**81**
Billets/Blooms	166,478	136,827	**132,074**
Cast iron	8,793	2,309	**2,467**
Coal	7,926	4,480	**4,238**
Cover powders	314	375	**467**
Direct Reduced Iron	16,719	4,074	**50**
Electrodes	1,227	948	**937**
Iron alloys	12,144	9,413	**9,697**
Lime	35,722	29,313	**29,661**
Lubricants	194	193	**154**
Other metal products	276	230	**245**
Polymers	3	845	**1,584**
Refractory materials	4,948	4,220	**4,342**
Steel scrap	681,123	586,949	**620,426**
Steel wires	252	167	**168**
Total non-renewable	**936,194**	**780,423**	**806,591**
Wood	666,291	614,298	**572,430**
Paper/cardboard	16	17	**0**
Total renewable	**666,307**	**614,315**	**572,430**
Total materials[11]	**1,602,502**	**1,394,739**	**1,379,021**

In FY2024, the total volume of materials utilised remained essentially stable, exhibiting a slight decrease of 1% compared to FY2023, with a recorded value of 1,379,021 tons. Regarding the types of materials employed, 58% were non-renewable while 42% were of renewable origin.

The non-renewable portion was predominantly utilised by the Steel Division for steel production. Notably, 77% of this value pertains to steel scrap, contributing to enhanced circularity within the steel sector and mitigating the consumption of virgin raw materials. Among other materials, the most relevant are billets and blooms procured from external third-party suppliers (16%) in Duferco Danish Steel and Ferriere Bellicini plants, alongside lime (4%), ferroalloys (1.2%), and coal (0.5%), utilised as raw materials in San Zeno Naviglio steelworks.

The renewable material portion is associated with the acquisition of wood, primarily logs or wood chips, by Duferco Biomasse and EBS, which are part of the Energy Division. The logs are processed into wood chips and subsequently sold to end customers for use in electricity generation at thermoelectric plants, as well as being incorporated into construction materials, furniture, and paper products. On one hand, this enables the avoidance of fossil fuels for energy production, and on the other hand, promotes the use of alternative materials, albeit with higher resource consumption, for product manufacturing.

10 Data included in the table has been updated by including relevant companies in the reporting perimeter and based on the best available information.
11 In FY2024 the steelmaking process also uses 21.1 million m^3 of oxygen and 0.6 million m^3 of inert gas.

2.2.2 Waste management

Impacts

Duferco Group's activities related to the production of crude steel and finished steel products generate a substantial volume of waste. Disposal of such waste, particularly in landfills, results in soil and air emissions due to the degradation of the waste. These emissions can affect not only land and air but also water reservoirs such as lakes, rivers, and aquifers, potentially impacting aquatic ecosystems. In particular, the majority of the waste generated throughout the steel-making process is composed of slags and can be distinguished between "black slag" (around 70% of total slags) which results from the electric-arc furnace, and "white slag" (approximately 30% of total slags) derived during the steel-refining process in the ladle. The black slag are totally reused as blackstone, a by-product used for the construction of embankments and road foundations, while white slag potential recovery is currently under evaluation.

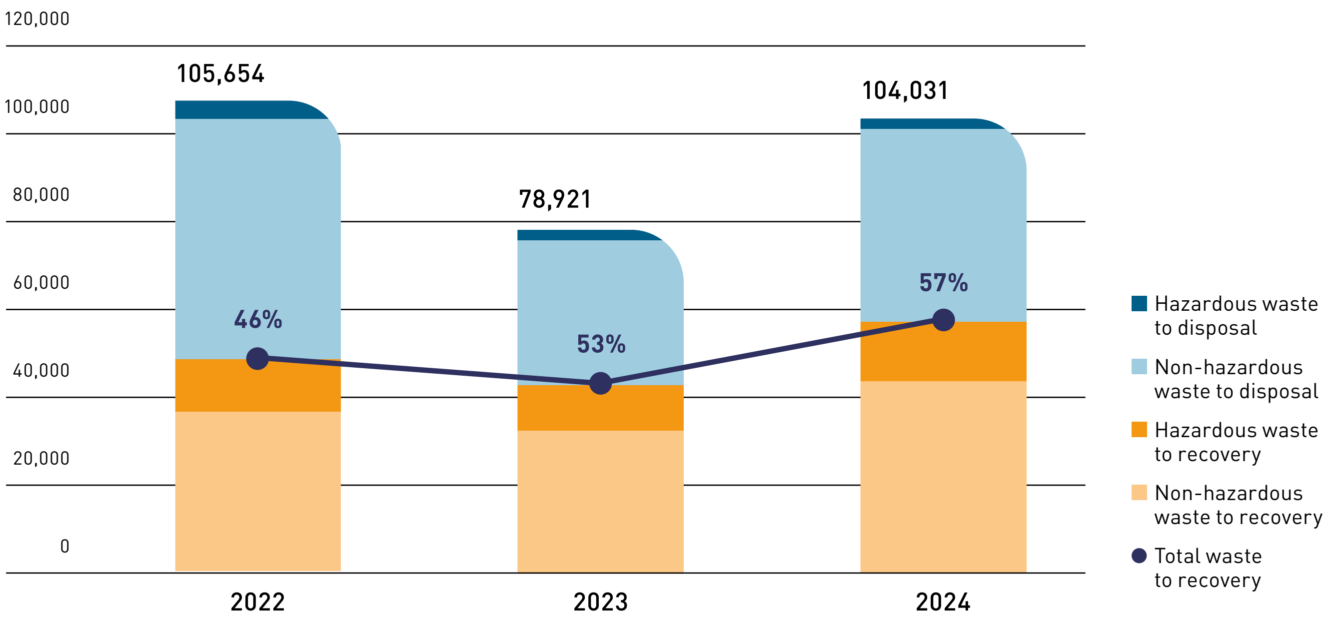
Duferco adheres to responsible waste management practices in accordance with regulations and voluntary instruments, such as environmental management systems certified under ISO 14001 and the EMAS scheme. These standards enforce consistent waste monitoring and evaluation to ensure compliance and promote proactive environmental management.

Duferco's strategy focuses primarily on reducing the volume of waste produced through the optimisation of its production processes. In fact, reducing waste not only mitigates environmental impacts but also improves operational efficiency and reduces disposal costs.

Additionally, Duferco is committed to increasing the proportion of waste sent for recovery whenever possible, thereby decreasing the amount destined for disposal. This approach underscores Duferco's ambition to promote a circular economy within the steel industry, not only upstream, through the use of steel scrap, but also downstream. To achieve this, Duferco consistently establishes commercial relationships with stakeholders within and outside the steel sector, enabling produced waste to be transformed into valuable resources following appropriate treatment.

Metrics and measures

DUFERCO WASTE BY TYPE AND DESTINATION (Ton)



In FY2024, the total waste generated increased by 32% compared to the previous year, reaching over 104,000 tons. This increase was primarily attributed to the commencement of operations at the new rolling mill in San Zeno Naviglio, which resulted in higher production levels and, consequently, a greater volume of waste. Moreover, it is important to consider that the amount of waste can vary significantly from one year to another due to extraordinary operations that are carried out on the sites.

Despite this increase, the proportion of waste sent for recovery reached 57%, an 4% rise compared to FY2023, confirming the positive upward trend of the last three years. This outcome arises from a structured circular approach that has, over recent years, enabled the valorisation of the majority of black slag in the construction operations of the new rolling mill in San Zeno Naviglio, as well as its sale to third parties as a by-product. Future advancements are anticipated through the implementation of a virtuous recovery project dedicated to white slag.

In FY2024 almost 90% (92,453 tons) of the total waste are non-hazardous, a figure that increased by 38% compared to FY2023 (66,966 tons). Consequently, the amount of hazardous waste, with over 80% destined for recovery, decreased compared to last year, dropping from 15% to 11% (-4%).

NON-HAZARDOUS WASTE GENERATED AND DIRECTED TO RECOVERY OR DISPOSAL (TONS) - GRI 306-3,4,5

Type of waste	2022		2023		2024	
	Offsite	Onsite	Offsite	Onsite	Offsite	Onsite
Directed to reuse	9,112	11,759	0	9,776	**0**	**11,603**
Directed to recycling	1,031	4	5,294	7	**4,490**	**901**
Directed to other recovery operations	14,500	0	17,195	0	**32,557**	**391**
Total non-hazardous waste directed to recovery	**24,643**	**11,763**	**22,489**	**9,783**	**37,048**	**12,895**
Directed to landfill	54,409	1	34,646	0	**31,946**	**10,250**
Directed to to incineration with energy production	9	16	3	45	**292**	**1**
Directed to other disposal operation	0	0	0	0	**0**	**21**
Total non-hazardous waste directed to disposal	**54,418**	**17**	**34,649**	**45**	**32,238**	**10,272**
Total non-hazardous waste generated	**79,061**	**11,780**	**57,138**	**9,828**	**69,286**	**23,167**

The treatment of non-hazardous waste occurs predominantly outside the physical boundaries or administrative control of the company (i.e. offsite), accounting for 75% of the total, while the remaining 25% is treated within Duferco plants or site (i.e. onsite). Of the total amount of non-hazardous waste, 54% is directed towards recovery while 46% is sent for disposal, reflecting the overall percentages. In terms of recovery, the most frequent destinations are recovery and reuse, or recycling where specific treatment activities are required. Conversely, for disposal, the vast majority of waste is sent to landfill.

HAZARDOUS WASTE GENERATED AND DIRECTED TO RECOVERY OR DISPOSAL (TONS) - GRI 306-3,4,5						
Type of waste	2022		2023		2024	
	Offsite	Onsite	Offsite	Onsite	Offsite	Onsite
Directed to reuse	0	1	0	17	**8**	**0**
Directed to recycling	0	10	0	5	**0**	**0**
Directed to other recovery operations	11,831	0	9,417	76	**9,670**	**46**
Total hazardous waste directed to recovery	**11,831**	**11**	**9,417**	**98**	**9,678**	**46**
Directed to landfill	2,912	0	2,288	0	**2,161**	**0**
Directed to to incineration with energy production	0	34	0	29	**3**	**7**
Directed to other disposal operation	25	0	109	14	**69**	**0**
Total hazardous waste directed to disposal	**2,937**	**34**	**2,397**	**43**	**2,233**	**7**
Total hazardous waste generated	**14,768**	**45**	**11.814**	**141**	**11,910**	**53**

Nearly all hazardous waste is sent to treatment facilities managed by specialised third-party companies. In fact, the strict regulations, combined with the complexity of recovery operations, make onsite management difficult without advanced machinery. Notably, despite its hazardous nature, over 80% of such waste is designated for recovery, whereas only 20% is consigned to landfill.

Furthermore, through the collaboration with Ogyre, Duferco Energia extends the Group's commitment to a circular economy beyond the company borders.

Actions

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Circular economy	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES	Waste management	**(E2)** Management of industrial waste by-products	Steel	

The Steel Division circularity strategy also involves investments in R&D projects centered on the management of industrial waste and by-products, in particular the re-use opportunities for white slag (**initiative E2**). These initiatives can be performed in collaboration with external research bodies and supported through participation in call for projects (e.g. MISE), aiming to enable DTP to send 40% of the white slag generated by steel production to re-use by 2026.

DUFERCO ENERGIA & OGYRE

In 2024, Duferco Energia continued its partnership with Ogyre, an innovative startup dedicated to marine waste recovery. Ogyre is notable for being Italy's first fishing-for-litter platform with a global reach. The company collaborates with local fishers in Italy, Brazil, and Indonesia, integrating waste collection into their regular fishing activities. This marine waste is subsequently brought ashore, catalogued, and properly disposed of. The success of Ogyre's operations depends significantly on the dedication and effort of these fishers. Their work aims to eliminate pollutants from seas globally, spanning the Atlantic, Indian Ocean, and Mediterranean.

Duferco Energia gives all customers the opportunity to do their part by selecting the "PIANETA BLU" product, with a symbolic contribution on their bill. They can also monitor the waste collection process via an online platform that provides detailed photographic documentation. Additionally, supporters of the Ogyre initiative have the option to choose certified renewable-source energy by selecting the green option in their contracts.

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2025	DTP	White slag sent to re-use in comparison to total output [%]	2022-2024 baseline-status 0; 2026 target 40	

In particular, the company expect to re-use this by-product in its own manufacturing process (closed-loop cycle) or, as recycled raw material, by external partners which operate in different sectors (open-loop cycle). The initiative is currently under development and first concrete benefits in terms of mass of waste reused are expected in FY2025.

Goal key: Completed In progress To be started Not started

Target key: Status Target achieved Target in progress Target not achieved

2.3 Preservation of the environment

Impacts

The industrial and transportation sectors are recognized for their operations that significantly impact the environment through emissions and effluents, which can affect water, air, and soil, thereby influencing the ecosystems within them. Duferco, operating in these sectors, can potentially impact these environmental compartments.

Steel production requires substantial water withdrawals, which can affect water resources in terms of both availability, especially during periods of water scarcity and quality. More specifically, the cooling process is an industrial operation that requires significant volumes of water, potentially impacting surrounding communities, in particular water-scarce areas. The water used in the dust suppression process is, instead, recycled from the production cycle, thereby ensuring no consumption of additional water resources.

Air emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), and particulates are produced not only by the Group's steel manufacturing and processing activities but also result from fuel combustion during the transportation of goods by the Shipping Division and plants powered by conventional fuels within the Energy Division.

Both water quality and air emissions can influence the ecosystems around the Group sites, impacting biodiversity in terms of vegetation and animals, especially in or near protected areas. Potential impacts on biodiversity can also arise from spills or releases of materials transported by the Shipping Division and from biomass production activities which could result in a loss of biodiversity in forestland if not properly managed. Conversely, soil remediation activities can reduce land pollution while enhancing the health of ecosystems living inside and around the intervention.

Duferco is highly aware of its environmental footprint. As a responsible corporate entity, the Group is committed to a rigorous approach to monitoring, managing and reducing its environmental impacts, in line with national requirements. As for the construction of the new rolling mill in San Zeno Naviglio, the use of best available technology is also firmly promoted and implemented within Group facilities, allowing to push emissions widely below the legislative thresholds. Furthermore, several companies have adopted an environmental management system certified according to ISO 14001. This standard aids in understanding and meeting environmental legal requirements as well as leading to enhanced environmental performance by adopting the principles of continuous improvement.

Metrics and measures

WATER WITHDRAWAL BY SOURCE (M3) - GRI 303-3[12]						
Source	**2022**		**2023**		**2024**	
	Withdrawal in all areas	Withdrawal in water stress areas	Withdrawal in all areas	Withdrawal in water stress areas	Withdrawal in all areas	Withdrawal in water stress areas
Total withdrawal from groundwater	1,266,527	1,024,480	1,271,824	983,815	**1,258,209**	**971,403**
Total withdrawal from surface water (including rainwater)	149,270	118,362	148,271	123,110	**99,559**	**83,732**
Total withdrawal from third party water	17,066	15,883	15,566	14,285	**13,136**	**11,916**
Total water withdrawal	**1,432,863**	**1,158,725**	**1,435,661**	**1, 121,210**	**1,370,904**	**1,067,051**

During the last fiscal year, water withdrawals amounted to 1,370,904 m³, registering a slight decrease compared to the previous year (-5%), primarily due to reduced production. The majority of these withdrawals come from groundwater sources (92%) present at all production sites. In a lesser extent, surface water and rainwater (8%), as well as public waterworks (1%), contribute to the total water withdrawals. Notably, 78% of the water sourced originates from areas at risk of water stress. However, it is worth mentioning that, according to the water stress indicator published by Aqueduct Water Risk Atlas, sites at extremely high risk of water stress, the higher level in the scale, include only the Giammoro and San Giovanni Valdarno sites, whose consumption represents just 12% of the total.

Regarding water quality, authorised wells and drains are used in the plants to extract groundwater from the ground. The main functions of the water used are cooling, processing and washing contaminants from the finished products. After going through a treatment system to remove oils and other contaminants, the water is filtered and finally sent through the sewage system to be reintroduced into the water cycle. It is worth underlining that, when required by current regulations, Duferco sites have an Integrated Environmental Authorisation (IEA) and are compliant with the limits defined therein.

The primary air pollutant is nitrogen oxides (NOx), which are predominantly associated with activities in steel mills and steel processing operations conducted in the rolling mills. Additional pollutants such as particulate matter (PM), volatile organic compounds (VOC), and hazardous air pollutants (HAP) are exclusively related to the combustion of raw materials within the electric arc furnace at the San Zeno Naviglio steelworks. The Group's emission abatement systems are meticulously managed and maintained through well-defined procedures designed to comply with stringent European and national regulations, as well as the ISO 14001 standard. Moreover, each plant implements a comprehensive monitoring and control plan: a continuous monitoring system evaluates particulate matter, while other pollutants are assessed through spot sampling carried out annually. These measures are then compared to the legal limits imposed in the Integrated Environmental Authorization (IEA) which incorporates the limits defined by BAT Reference Documents (BREFs), which often impose more restrictive limits compared to those derived from the national reference regulations. However, in case these limits are surpassed, specific procedures are activated to interrupt the anomaly and mitigate the potential impact on the environment.

12 Water stress areas have been identified considering the 3 major categories (i.e. medium-high, high, extremely high) of water stress indicator published by Aqueduct Water Risk Atlas.

DUFERCO'S DEDICATION TO MITIGATE IMPACTS ON BIODIVERSITY

The environmental impacts linked to steel manufacture can also affect the surrounding fauna and flora, potentially disturbing ecosystem balances. This is more likely to occur when the site is located within or near a highly biodiverse zone, and could pose a significant threat in protected area. Among production sites located in Italy, the Pallanzeno plant - although not situated within protected areas - is adjacent to two Natura 2000 sites. The first site, named "Alte Valli Anzasca, Antrona e Bognanco" is a protected area as defined under the provisions of the Directive 2009/147/EC (i.e. "Birds Directive"), hosts 14 habitats and is home to 15 different species. The second site is named "Greto Torrente Toce tra Domodossola e Villadossola". This protected area - under Directive 92/43/EEC (i.e. "Habitat Directive") - contains 6 habitats and 16 different species. Regarding the foreign sites, the Duferco Danish Steel plant in Denmark borders two Natura 2000 sites: "Arresø, Ellemose e Lille Lyngby Mose," a site under the "Habitat Directive" largely composed of Arresø lake, from which the plant draws the water necessary for production processes; and "Roskilde fjord," a protected area under the "Bird Directive." These sites collectively host 16 habitats and 17 protected species. The Steel Division, through the adoption of procedures aligned with internationally recognised standards, such as ISO 14001, is committed to safeguarding biodiversity at the sites where it operates.

Although to a lesser extent, the Energy Division can also have an impact on biodiversity due to the construction and installation of hydroelectric and photovoltaic plants. Hydroelectric plants may alter freshwater habitats and water quality, while photovoltaic systems can potentially lead to habitat loss and changes in species' behaviors. These impacts highlight the need for careful planning and mitigation strategies to protect biodiversity. In this regard, assessing aspects such as biodiversity conservation is a common practice in the areas in which the Group operates. In Europe, the EU Directive 2011/92/EU involves conducting an Environmental Impact Assessment (EIA), a process which ensures that potential impacts on biodiversity are considered and mitigated before any project approval. In relation to Duferco Biomasse and EBS operations, biomass production is consistently carried out with a primary focus on safeguarding ecosystems through responsible forest management practices.

The Shipping Division - which is actively involved in the maritime transport of various solid goods - also faces potential environmental impacts due to the possibility of goods spilling into the sea. While the division does not transport liquid goods - and thereby mitigating certain risks - the accidental release of solid materials can still pose substantial threats to marine ecosystems.

To minimise these impacts, Duferco adopts stringent safety protocols and remains fully aligned to International Maritime Organisation (IMO) dispositions. Additionally, ballast water could cause further impacts if they are not managed rigorously and could lead to the introduction of invasive species in new environments, thereby disrupting local ecosystems and threatening biodiversity. In this regard, since September 2024, all ships must comply with the updated Ballast Water Management Convention which mandates the installation of IMO-approved ballast water treatment systems. These systems use technologies like filtration, UV treatment, and chemical disinfection to prevent the spread of invasive species.

Conversely, several activities of the Innovation Division generate a positive effect in terms of soil remediation and reconversion. Duferco Wallonie carries out soil reclamation initiatives, a crucial first step in transforming brownfield sites. These soil revitalisation efforts not only enhance biodiversity, but also nurture the soil's microflora, promoting the growth of vegetation.

In all redevelopment projects - such as the 83 hectares recovered in Clabecq and Saint-Ghislain - measures to restore biodiversity are an integral part of the project itself. Efforts range from the eradication of invasive plant species to the reseeding of indigenous varieties and the creation of public nature reserves with flower meadows, wetlands and areas for growing vegetables. Ongoing projects include soil remediation of polluted areas in Charleroi (85 hectares) and Flemalle (8 hectares).

Overall, since FY2008, a total of 133.5 hectares have been subject to soil remediation studies and operations. Among these fields, 87.5 hectares have been successfully reclaimed, while remediation activities are still ongoing for 46 hectares.

Finally, Duferco's commitment to environmental preservation extends beyond mere compliance with regulations; it embodies a genuine dedication to fostering a harmonious coexistence between industrial activity and the natural world. Through meticulous planning, continuous improvement and a steadfast adherence to international standards, Duferco exemplifies how industrial progress can align with ecological conservation.

3. People around Duferco

The relationship between Duferco and its workforces is essential to the companies' growth and success. In effect, employees are the knowledgeable driving force behind all business activities, ensuring seamless operations and top-level performance. The Group and its companies are deeply committed to enhancing secure employment and to creating a supportive, caring, fulfilling and safe work environment for its personnel.

3.1 Caring for our people

Impacts

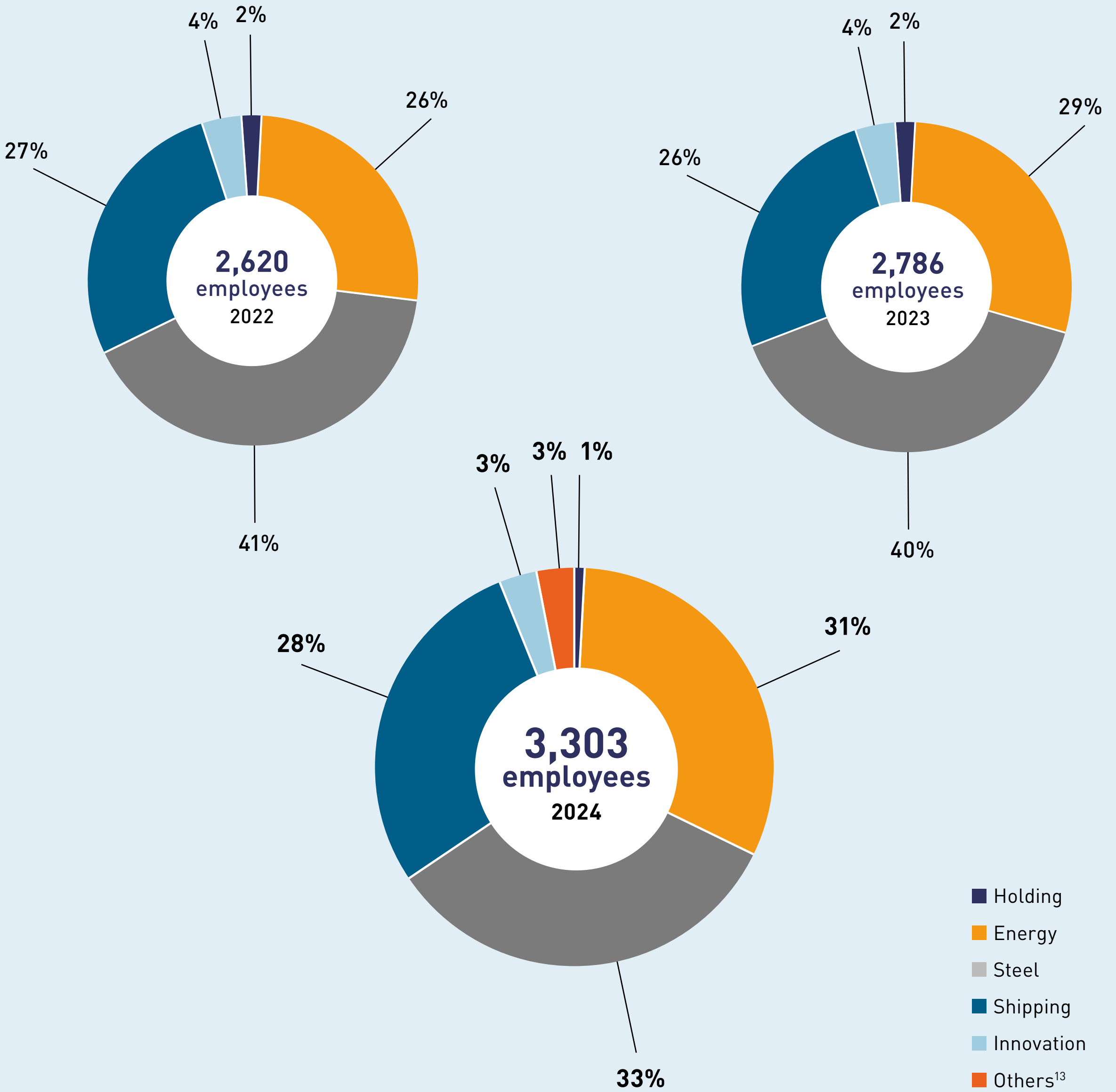
As evidenced by a historically high proportion of permanent contracts, the Group is firmly engaged in offering secure employment to its workforce and local communities, thereby supporting economic growth and reducing job insecurity. Stable contracts, flexible working arrangements and progressive welfare programs are essential elements of Duferco's strategy to nurture strong, enduring and transparent relationships with its personnel. Moreover, establishing good relationships with trade unions has a fundamental impact on companies and their workforce.

Considering the high proportion of male dominated job sectors within the Group, all efforts are carried out with a strong emphasis on fostering diversity and equal opportunities. In fact, high degrees of diversity and inclusion in the workplace are linked with greater productivity, forward thinking perspectives, innovation, stronger employer trust, talent attraction and retention, as well as better employee well-being and motivation. Duferco actively supports equal opportunities and prohibits any form of discrimination by ensuring that professional interactions and employment decisions are conducted regardless of origins, ethnicity, religious belief, gender, disability, citizenship or sexual orientation.

However, operational changes could pose potential negative threats such as job losses and therefore a loss of expertise and skills. To mitigate these risks the Group is implementing modern strategies which go beyond legal requirements, both in contractual and training aspects. For example, companies provide extended notice periods, continuous training opportunities, structured skills reconversion plans, thereby ensuring employees' competencies remain relevant and valuable not only during operational changes within Duferco but also on the wider job market.

Metrics and measures in place

EMPLOYEES BY DIVISION



As of September 30th, 2024, Duferco employed 3,303 individuals, a significant growth which is mainly due to specific divisional developments as well as to reporting perimeter adjustments. More than a third of the employees worked for the Steel (33%) Division which saw a slight decrease in workforce due to specific contingencies linked to the difficulties of the steel sector, in particular regarding logistics and distribution. Another third was employed by the Energy (31%) Division which observed an increase to similar previous years, in spite of the unforeseen difficulties that significantly impacted the industry's economy. This continued rise was supported by the companies' ability to skillfully navigate market fluctuations and by renewable energy project development. The Shipping (28%) and Innovation (3%) Divisions continued on previous year's upward trends which saw a substantial acceleration in FY24 thanks to business expansion and market progression, thereby making a key contribution to the Group's growth.

13 *The category "Others" refers to Virtus Entella which is included in the reporting perimeter from FY2024.*

EMPLOYEES BY GENDER AND BY REGION (N. OF EMPLOYEES) - GRI 2-7

Employees	Employment contract type	Gender	2022			2023			2024		
			Italy	Europe	Other	Italy	Europe	Other	Italy	Europe	Other
Employees by employment contract as of 30th September	Permanent	Women	240	96	46	244	100	94	**270**	**115**	**146**
		Men	1,040	1,081	78	1,066	1,119	128	**1,067**	**1,371**	**205**
		Total	**1,280**	**1,177**	**124**	**1,310**	**1,219**	**222**	**1,337**	**1,486**	**351**
	Temporary	Women	1	2	0	5	2	0	**3**	**2**	**0**
		Men	32	4	0	14	14	0	**111**	**13**	**0**
		Total	**33**	**6**	**0**	**19**	**16**	**0**	**114**	**15**	**0**
Employees	**Employment contract type**	**Gender**	**2022**			**2023**			**2024**		
			Italy	**Europe**	**Other**	**Italy**	**Europe**	**Other**	**Italy**	**Europe**	**Other**
Employees by employment type as of 30th September	Full-time	Women	193	88	46	207	92	94	**227**	**106**	**146**
		Men	1,058	1,077	78	1,066	1,119	128	**1,147**	**1,370**	**205**
		Total	**1,251**	**1,165**	**124**	**1,273**	**1,211**	**222**	**1,374**	**1,476**	**351**
	Part-time	Women	48	10	0	42	10	0	**46**	**11**	**0**
		Men	14	8	0	14	14	0	**31**	**14**	**0**
		Total	**62**	**18**	**0**	**56**	**24**	**0**	**77**	**25**	**0**
Employees	**Employment contract type**	**Gender**	**2022**			**2023**			**2024**		
			Italy	**Europe**	**Other**	**Italy**	**Europe**	**Other**	**Italy**	**Europe**	**Other**
Total number of employees by region			**1,313**	**1,183**	**124**	**1,329**	**1,235**	**222**	**1,451**	**1,501**	**351**

Given Duferco's global reach, workforces are spread around the world, with the vast majority being located in Europe (1,501 employees) and Italy (1,451). Close to 10% of employees (351) work in the Group's international offices.

The proportion of permanent (96%) and full-time (97%) contracts facilitates business and employment stability, by reinforcing long-term and mutually respectful relationships with skilled and experienced workforces. These stable contracts also impact employee well-being, by ensuring that professionals can commit to their jobs and thereby, facilitating their positive contributions to business activities. The rise in the number of temporary contracts for men in Italy is largely attributed to Virtus Entella, as its employees, primarily football players, have been accounted for in the FY2024 reporting perimeter.

Part-time contracts (3%) are mainly based on employees' requests or specific job requirements, which also contributes positively to secure employment and well-being within the Group's companies thanks to flexible working arrangements aimed at meeting the needs of diverse workforces.

NON-EMPLOYEE WORKERS (N. OF EMPLOYEES) - GRI 2-8									
Type of contract			**2022**			**2023**			**2024**
	Italy	**Europe**	**Other**	**Italy**	**Europe**	**Other**	**Italy**	**Europe**	**Other**
Total number of interns	3	2	14	2	0	33	**2**	**3**	**32**
Total number of agency workers	54	0	0	50	0	0	**53**	**1**	**0**
Total number of self-employed persons	3	0	0	5	0	0	**15**	**2**	**0**
Total	**60**	**2**	**14**	**57**	**0**	**33**	**70**	**6**	**32**

Regarding non-employee workers, 108 individuals participated in the Group's activities in FY2024. Almost half were agency workers in Italy, and approximately one third were interns at Duferco's international offices. The Group highly values its workforce and believes that fostering strong, long-lasting and transparent relationships with business partners and employees, as well as providing young people with initial employment opportunities, are significant contributions to both economic value and social growth within Duferco's operations and beyond.

To further the Group's dedication to fostering positive work environments and further promoting employee rights and secure employment, the personnel's contracts can refer to collective bargaining agreements in accordance with applicable local legislation. In FY2024, 89% of employees were covered by collective bargaining agreements, thereby ensuring fair wages, equitable working conditions, structured internal dialogue and workforce representation.

NEW HIRES AND TURNOVER RATES BY AGE AND GENDER (%) - GRI 401-1[14]													
Age	**Gender**	**2022**				**2023**				**2024**			
		New hires		**Turnover**		**New hires**		**Turnover**		**New hires**		**Turnover**	
		Number	**Rate**	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**	**Number**	**Rate**
Less than 30 years old	Women	37	58%	14	22%	56	52%	8	7%	**51**	**44%**	**19**	**16%**
	Men	99	44%	42	19%	128	43%	45	15%	**174**	**46%**	**58**	**15%**
	Total	**136**	**47%**	**56**	**19%**	**184**	**45%**	**53**	**13%**	**225**	**45%**	**77**	**15%**
Between 30 and 50	Women	35	14%	18	7%	49	19%	34	13%	**89**	**27%**	**39**	**12%**
	Men	105	11%	70	8%	127	14%	96	11%	**162**	**16%**	**140**	**14%**
	Total	**140**	**12%**	**88**	**7%**	**176**	**15%**	**130**	**11%**	**251**	**19%**	**179**	**13%**
More than 50 years old	Women	2	3%	4	6%	5	6%	8	10%	**6**	**7%**	**5**	**6%**
	Men	29	7%	50	12%	35	7%	50	10%	**30**	**6%**	**63**	**12%**
	Total	**31**	**6%**	**54**	**11%**	**40**	**7%**	**58**	**10%**	**36**	**6%**	**68**	**11%**
Total		**307**	**16%**	**198**	**10%**	**400**	**19%**	**241**	**11%**	**512**	**21%**	**324**	**13%**

Duferco's focus on employee retention and talent acquisition is evidence by its low turnover and high new hires rates[15,16,17] which have led to a steady workforce growth over the years. In fact, 324 terminations occurred in FY2024, resulting in a 13% turnover rate. However, these departures were balanced by the 512 new employees joining the Group with a new hires rate reaching 21%.

The statistics further demonstrate the Group's firm belief that human capital growth must not only be driven by experienced individuals who embody the corporate values but also relies on generational change. As an example in FY2024, the low number of terminations for employees over 50 years old (including those due to retirement) were partially compensated by new hires in the same age range, and the new hires rate for young people under 30 reached 45% with 225 new hires compared to 77 departures (15% of turnover rate). Furthermore, personnel in the "between 30 and 50" age category shows the second highest rate of new hires with 19%, while the turnover rate for the same group stands at 13%.

Such numbers are the result of actions that the Group has been carrying forward for years to ensure a solid and lasting workplace for its employees, as well as to recruit the best talents.

14 *The number of employees in 2024 may differ from the balance between 2023 employees and 2024 new hires and turnover mainly due to the extension of the reporting perimeter.*
15 *Turnover rate: ratio between the number of contract terminations and the total number of employees in the same period.*
16 *Hire rate: ratio between the number of new hires and the total number of employees for each category and age of group in the same period.*
17 *Regarding the Shipping Division, data only includes hires and turnover of Lugano office employees, while seasonal workers were not considered.*

Focus on the skill reconversion plan in Giammoro

In line with the Group's commitments towards securing employment for its workforce, DTP has invested around 95 million euros in a conversion program for its Giammoro site. This plan includes three main areas: Logistics, Energy, and Infrastructure Services. In logistics, Duferco aims to develop efficient naval and logistical services through the Giammoro terminal. For energy, the plan involves building a low-impact natural gas Peaker plant - which was completed and became operational in FY2024 - developing a Hydrogen Valley to produce green hydrogen, investing 15 million euros in a battery energy storage system, and upgrading existing photovoltaic plants.

Lastly, infrastructure services will support Sicily's priority infrastructure projects, providing significant economic benefits to local construction companies and supply chains.
The extensive intervention program aims at pushing energy transition and sustainable development forward. In particular, the project involves a skill reconversion program for the employees of the Giammoro plant as well as multiple other training opportunities set out in collaboration with the region. This initiative thereby contributes to maintaining secure employment conditions for the local workforce and ensures skill relevancy.

Welfare initiatives are one of the key tools of Duferco's strategy to maintain and, if possible, increase employee retention. Various companies within the Group offer their employees the opportunity to benefit from numerous agreements with public transport companies and local businesses. Smart working and flexible working hours are often guaranteed. To support families, an allowance for children's nurseries and an extended paternity leave period are available on request.

Buddyfit and Duferco

In an effort to enhance the overall well-being of its employees, Duferco has provided access for all its employees, except Shipping Division, to the digital interactive training platform "BuddyFit".

"BuddyFit" is a versatile fitness, yoga, and pilates platform with over 1000 workouts, including classes and programs, guided by qualified personal trainers. These services are accessible to all employees, regardless of their location.

Duferco Group firmly believes that increased attention to corporate well-being leads to improved productivity, engagement, and motivation among its workforces.

In addition, some companies adopt extensive welfare policies. For instance, Duferco Energia has established a well-structured paid parental leave policy, ensuring that all parents can benefit from reduced working hours, thereby fostering employee satisfaction and healthy work-life balance. Moreover, since 2021, the company has been recognised as a Caring Company® by Lifeed. This acknowledgement awards businesses which prioritise employee well-being, welfare, flexibility and inclusivity in their strategic and organisational frameworks. As another example, DXT's paid parental leave extends to 16 weeks and surpasses the legal minimum by two weeks. The company also offers new mothers the opportunity for extended maternity leave or part-time working arrangements to support their career continuity. Additionally, DTP guarantees an agreement with the nursery and kindergarten of the municipality of San Zeno Naviglio, which includes a contribution equal to half of the annual fee. In FY2024, the company also signed an agreement with the Municipality of Poncarale to subsides summer camps for children of DTP's personnel.

To attract new talent, the Group's companies have also established multiple partnerships with universities in their region and surroundings. In the last few years, Duferco Energia further strengthened its collaboration with the University of Genoa. More recently in the context of its internationalisation process, particularly in North African countries, the company partnered with Mohammed VI Polytechnic University (UM6P) to support two internships. Furthermore, DXT has maintained solid relationships with Swiss universities such as the USI (Università Svizzera Italiana) and SUPSI (Scuola Universitaria Professionale della Svizzera Italiana). Lastly, DTP - who mainly hires blue-collar workers with very specific technical skills - promotes initiatives such as "Future 4 Steel" in collaboration with Randstad and other partner companies. This initiative involves in-company training for young graduates, leading to subsequent apprenticeship positions at the participating companies. This is an opportunity both for young talented individuals and for the companies that hire them. The former can enhance their skills and invest in their future within local companies, while the latter can start building their future with the help of the next generation and the contribution of new resources.

DIVERSITY OF EMPLOYEES (N. OF EMPLOYEES) - GRI 405-1

Employment contract type	2022					2023					2024				
	By age			By gender		By age			By gender		By age			By gender	
	< 30 years old	between 30 and 50 years old	> 50 years old	Women	Men	< 30 years old	between 30 and 50 years old	> 50 years old	Women	Men	< 30 years old	between 30 and 50 years old	> 50 years old	Women	Men
Executives	2	37	44	8	74	1	38	49	8	80	**2**	**36**	**54**	**8**	**82**
Managers	1	83	46	22	109	2	102	60	27	134	**3**	**129**	**52**	**41**	**143**
White collars	209	609	151	348	623	283	605	162	385	667	**318**	**771**	**195**	**454**	**824**
Blue collars	140	933	365	7	1,429	167	916	401	24	1,461	**316**	**945**	**482**	**33**	**1,718**
Total	**352**	**1,662**	**606**	**385**	**2,235**	**453**	**1,661**	**672**	**444**	**2,342**	**639**	**1,881**	**783**	**536**	**2,767**

As in previous years, the distribution of the workforce across job categories remained rather stable in FY2024. The predominance of blue collars (53%) mainly constituted of individuals over 30 years old was confirmed again, yet showing a noticeable 89% increase in employees under 30 compared FY2023. This category is mainly composed of employees of the Steel and Shipping Divisions which production sectors are significantly male dominated fields (98%).

The second largest category of employees is white collars (39%) primarily formed by individuals between 30 and 50 years old, however observing a much milder rise in younger employees (+12% since last financial year). In this case, the Energy Division sales and office staff make up a large portion of the category, with male representation (65%) reaching almost double the female population (35%).

Managers and executives represent around 8% of the corporate population. The proportion of women in the managers category increased by approximately 6% since FY2023, while the number of women executives remained stable.

Overall, the age structure within the Group highlights the preponderance of employees between 30 and 50 years old (57%), while showing a rather balanced representation of under 30 (19%) and over 50 (24%) employees. This illustrates Duferco's conviction that solid and sustainable growth is intrinsically linked to attaining an optimal balance between experienced loyal employees and skilled young professionals.

Women only represent around a sixth of the total workforce (16%) due to the companies' mainly male dominated fields of operation. However, Duferco's commitment to diversity as well as gender and age balance is outlined by the Group's and companies Code of Ethics and policies. In fact, the Group aims to contribute positively and proactively to equal access to professional opportunities for all regardless of ethnicity, gender and personal background, and to prohibit any form of discrimination along its entire value chain.

Dedicated Sustainability Plan initiatives further support and reinforce the Group's commitments. These actions aim at empowering women and ensure fair treatment and equal opportunities for all in the hiring process. Moreover, and in line with other initiatives of the Sustainability Plan, the Group is currently on a pathway specifically aimed at tackling gender equality within the companies. This strategy involves the formalisation of a common commitment within the Group, preceded by an assessment of the current situation to determine necessary actions.

Actions and targets

Dedicated actions of the Sustainability Plan aim to further tackle the challenges of secure employment, diversity and inclusivity, employee well-being, as well as talent attraction and retention.

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
People		Employee well-being Diversity & equal opportunities	**(S8)** Family plan	Group (company)	
		Diversity & equal opportunities	**(S9)** Equal career plan	Group	
		Employee well-being	**(S13)** Welfare plan	Group (company)	

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2024	DE	Requests for paternal leave [n.]	2022 baseline 0; 2024 status 5	-
		Number of employees who benefitted from the kindergarten bonus [n.]	2022 baseline 0; 2024 status 34	-
2024	DTP	Requests for paternal leave [n.]	2022 baseline 0; 2024 status 13	-
		Number of employees who benefitted from the kindergarten bonus [n.]	2022 baseline 0; 2024 status 16	-
2024	DXT	Requests for paternal leave [n.]	2022 baseline 0; 2024 status 6	-
2025	-	Qualitative initiative	-	-
2024	DE	Number of welfare initiatives in the Sustainability Plan [n.]	2023 baseline 12; 2024 target 15 ✔; 2024 status 17	●
2024	DTP		2023 baseline 10; 2024 status-target 11 ✔	●
2024	DXT		2023 baseline 5; 2024 status-target 6 ✔	●

Goal key: ● Completed ● In progress ● To be started ● Not started

Target key: ▼ Status ✔ Target achieved ► Target in progress ✔ Target not achieved

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
People	8 DECENT WORK AND ECONOMIC GROWTH 5 GENDER EQUALITY 10 REDUCED INEQUALITIES 3 GOOD HEALTH AND WELL-BEING	Talent attraction and retention	**(S14)** Talent recruiting	Group (company)	
		Employee well-being	**(S16)** Employees physical well-being (Buddyfit platform)	Group	

Intensifying its efforts towards diversity and equal opportunities, the Group is set to develop an Equal Career Plan (**initiative S9**) by the end of FY2025. As part of this initiative, Duferco will enforce its commitment through Board of Directors resolutions issued at Group and company level. These statements are aimed at defining formal guidelines specifically dedicated to guaranteeing equal career opportunities and ensuring the respect of stringent non-discrimination principles. This initiative will also involve an in-depth analysis of the current state of diversity, inclusion and equality within the Group according to the most recognised standards on the matter.

Diversity and equal opportunities in the workplace are themes which directly influence employee well-being. Duferco's Family Plan (**initiative S8**) lies at the intersection of these topics and has allowed employees of the Group to benefit from various family-related advantages, such as extended paternal leave and kindergarten bonuses aimed at supporting young parents and offering working conditions which meet their family needs. In FY2024, 50 employees benefited from the kindergarten bonus while 24 prolonged their paternal leaves.

To further protect employee well-being, the Group established a Welfare Plan (**initiative S13**) which includes already existing measures as well as new welfare initiatives. These actions encompass well-being, family support initiatives, and other contributions. Notably, all employees have access to the Buddyfit online fitness training platform to enhance their physical health and wellness (**initiative S16**). During this fiscal year, 32% of the workforce joined the platform which is a substantially stable value compared to the previous year. Regarding welfare initiatives, all existing measures were successfully carried out and additional measures implemented throughout FY2024.

To support young professionals, boost innovation and assure a variety of competencies within their personnel, companies are also developing and strengthening structural relationships with universities and research centers at both national and international levels, with the aim of enhancing the recruitment of top talent in the various fields in which Group Companies operate (**initiative S14**). Throughout FY2024, all existing partnerships were maintained and new collaborations were established.

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2024	DE	Number of partnerships and collaborations with academic and research bodies [n.]	2023 baseline 0; 2024 target 2; 2024 status 4	
2024	DTP		2023-2024-2024 baseline-status-target 2	
2026	DXT		2023-2024 baseline-status 2; 2026 target 4	
2023	Group	Total users in comparison to total number of employees who have access to the platform [%]	2023 baseline 35; 2024 status 32	-

Goal key: Completed In progress To be started Not started

Target key: Status Target achieved Target in progress Target not achieved

3.2 Development and safety of our people

3.2.1 Continuous growth

Impacts

Duferco's corporate culture underscores the significance of personal growth, employee training and career progression. In fact, investing in the professional and personal fulfillment of the personnel is essential for building thriving, competitive and forward-thinking businesses, especially considering the fast-moving sectors in which the Group operates. Two crucial areas significantly contribute to this growth and have a profound impact on the companies' relationships with their workforces: training programs and effective performance development systems.

Continuous training opportunities and structured skills development programs empower employees to stay competitive and adapt to evolving industry demands. By doing so, employees become more effective and productive in their roles, boosting their confidence and motivation. Furthermore, training fosters adaptability, enabling employees to respond swiftly to market changes and technological advancements, ultimately strengthening the company's competitive edge. These learning initiatives also contribute to a common understanding of the companies' fundamental principles. In addition, effective performance evaluation not only recognises and rewards employee contributions but also identifies areas for shared growth, and create a space for feedback on mutual expectations and open dialogue on common goals between the managers and personnel. This ensures that the workforce remains agile, competent and motivated, while giving companies opportunities to adjust their management strategies.

By investing in these areas, Duferco fosters a supportive and dynamic work environment able to drive innovation, ensure long-term success and enhance sustainability in rapidly changing business landscapes. These initiatives are vital for cultivating a motivated and skilled workforce that contributes to the Group's sustained growth.

Metrics and measures in place

TRAINING HOURS BY EMPLOYEE CATEGORY AND GENDER (N. OF HOURS AND AVERAGE HOURS BY EMPLOYEE) - GRI 404-1[18]

Employee category		2022		2023		2024
	Total	Average	Total	Average	Total	Average
Executives	560	7.3	419	5.1	**935**	**11.5**
Managers	691	6.1	1,471	10.0	**1,377**	**8.4**
White collars	9,608	10.5	14,067	14.1	**12,461**	**10.2**
Blue collars	7,846	9.8	12,811	15.3	**11,097**	**12.9**
Gender		**2022**		**2023**		**2024**
	Total	**Average**	**Total**	**Average**	**Total**	**Average**
Women	2,538	6.7	3,431	7.8	**3,102**	**5.9**
Men	16,166	10.6	25,337	15.6	**22,768**	**12.7**
Total		**2022**		**2023**		**2024**
	Total	**Average**	**Total**	**Average**	**Total**	**Average**
Total	**18,704**	**9.8**	**28,767**	**13.9**	**25,870**	**11.2**

After observing a particularly strong rise in FY2023, training hours amounted to 25,870 hours in FY2024 (over 11 hours for each employee), maintaining a stable trend, albeit showing a notable decrease in both total (-10%) and average (-20%) figures. However, it should be highlighted that the exceptional figures achieved last year were primarily a result of the intensive training program implemented for employees operating at the new San Zeno Naviglio rolling mill, an exceptional event in comparison to normal operations.

For this reason, in FY2024 white collars and blue collars training hours encountered a remarkable decrease of 11% and 13% respectively. Despite experiencing a slight reduction (-6%) in training hours since FY2023, managers still received nearly double the total number of training hours compared to FY2022. The consolidation of the continuous training development across companies and the sectorial mandatory courses contributed to stabilising the trend. Matrix's recent leadership development program also played a role in maintaining a total number of training hours close to the levels of FY2023. Finally, the most striking trend this year concerns executives. After a slowdown during the previous financial year, total training hours allocated to executives increased by 123% in FY2024. While a portion of it is linked to the inclusion of Virtus Entella in the reporting perimeter of the Group, the significant rise is primarily due to specific courses provided in the Energy and Innovation Divisions. In FY2024, Duferco Energia registered a higher number of compulsory training which accounted for a third of the company's learning programs for executives. Moreover, the entire corporate population of Duferco Engineering followed a mandatory course which included monthly modules. Furthermore, improved reporting tools also contributed to this year's trend by allowing employees of Duferco Wallonie to systematically register the hours of learning sessions they participated in.

18 As regards the Shipping Division, the data have not been included due to inherent challenges associated with collecting information specific to this sector. Regarding the Energy Division the total number of training hours was underestimated because of the current development of data collection system for specific companies.

The Group's approach to professional development involves a diverse range of training opportunities adapted to each Division specificities, and performed within the companies or with recognised external partners. FY2024 represents a transformative chapter in the sphere of workforce training, setting new standards in the pursuit of employee development with the launch of the Duferco Academy. This Group level continuous training centre is one of the Sustainability Plan's initiatives and will be accessible to all Duferco Group personnel. The modules are divided into three categories based on employee categories. On one hand, seminars and workshops for executives will focus on global concerns related to innovation, technologies and sustainability, while managers will receive specific training on managerial skill for performance support. On the other hand, courses available to all employees are set to include soft skill continuous training, language and digital education classes, as well as shared webinars on topical subjects. The development of the course program was based on a training needs self-assessment questionnaire sent to the entire corporate population.

While Duferco Academy primarily focuses on developing soft skills, additional training programs to enhance hard skills are continuously available within the four Divisions. These courses are tailored according to specific business requirements.

Regarding the Energy Division, last financial year, DXT Commodities launched a training campaign aimed at enhancing the dissemination of knowledge and expertise within the company which carried on throughout FY2024.This project allowed employees, managers and executives to engage in internal seminars dedicated to specific roles and missions in the company, join corporate communication training, take part in learning sessions focused on specific trading or technical topics, and benefit from language classes meant to facilitate and foster positive interactions within the international work environment. In FY2024, a slight deceleration due to the preparation of the Duferco Academy initiative was observed. However, language classes and trading-specific training were maintained.

Duferco Energia also supports training opportunities for its entire workforce, by providing both mandatory (e.g. Model 231 related courses) and specialised optional courses. In addition, the company gives young parents in the company the opportunity to join the Lifeed master courses, which aims at teaching them way to leverage the skills acquired through parenthood and extend their application to their work environment.

Since FY2023, the most significant change in the Steel Division's professional development strategy have been the construction and entry into operation of the new SBM rolling mill in San Zeno Naviglio. This development required the definition and implementation of an extensive training plan aimed at equipping the personnel with the necessary skills to operate the advanced processes and systems of the new facility. In addition, mandatory and voluntary continuous education is actively conducted, along with regular safety training, industry-related learning opportunities and courses dedicated to the use and implementation of production technologies.

Nova Marine Training Center

Last financial year, the Shipping Division was in the process of developing its own specialised training courses tailored to the specific concerns of cement ship crews, and the project is still under review. The initiative involved converting part of Lydia Mar Manila's recruitment office into a training facility equipped with simulation tools and devices designed by leading control system manufacturers and tailored for cement carriers.

In FY2024, seafarers participated in training modules provided by the company's Engine and Deck Officers as well as, by Wärtsilä Land & Sea Academy (WLSA), an external training institution.

For the first module, deck-related courses covered many topics such as healthy living onboard, safety precautions and good housekeeping on ships. The goal was also to provide employees with a safe space to express concerns, comments and corrections regarding well-being and safety.

The second module was designed for newly promoted engine crew members and open to other mariners interested in the topic. The objective of the course was to enhance seafarers' knowledge of the engine room, of the vessels' electrical system and automation, of bunkering operations, marine refrigeration and watchkeeping procedures.

Moreover, the WLSA training session also focused on electronic and electrical aspects of the fleet's most advanced engines, more specifically on the UNIC system, offering a comprehensive understanding of its primary functions and components, as well as essential knowledge regarding the Wärtsilä Engine Software Service Tool. The later is used by operators to precisely manage engine settings, optimise performance and promptly address any technical issues that may arise.

The amount of training provided to employees of the Innovation Division has significantly increased in the last two financial years. Upskilling sessions and continuous training on specific technical instruments (e.g. Power BI), Artificial Intelligence, technological advancement and other critical aspects of the innovation field are essential for the Division growth and for its workforce's professional development. Moreover, education on conflict management and communication skills for customer and sales teams were implemented in recent years to further guide and support the personnel through the Division expansion process.

In FY2024, two of the most significant programs were conducted by Mainsim and Duferco Engineering. The former provided intensive language courses in response to the rapid business expansion and intense internationalisation strategy of the company, which requires all staff members, particularly those in contact with the clients, to demonstrate high levels of language proficiency. For the latter, a mandatory CyberGuru course included monthly training sessions which are set to continue until April 2026. This comprehensive curriculum is designed to keep professionals in the field up-to-date with the latest advancements in cybersecurity, ensuring they stay informed about emerging threats and best practices.

Finally, Duferco Group's commitment to disseminating its fundamental values also drive companies' consistent investments in training programs on business ethics-related matters. Dedicated courses on working conditions and H&S, market abuse and corruption, management systems and other tailored learning opportunities are an integral part of the Group's strategy to foster a positive work environment for its personnel and to prevent any risks of breach of its Code of Ethics. Furthermore, the companies based in Italy and required to disclose their Organisational Model are also required to provide training programs on management systems and anti-corruption measures in accordance with the Legislative Decree 231/01 and relevant regulations.

EMPLOYEES RECEIVING REGULAR PERFORMANCE (%) - GRI 404-3[19]			
Employee category	**2022**	**2023**	**2024**
Executives	31%	30%	**24%**
Managers	38%	46%	**43%**
White collars	37%	43%	**43%**
Blu collars	51%	50%	**58%**
Gender	**2022**	**2023**	**2024**
Women	30%	45%	**40%**
Men	47%	47%	**52%**
Total	**2022**	**2023**	**2024**
Total	**45%**	**47%**	**50%**

19 *Regarding the Energy Division the total number of training hours was underestimated because of the current development of data collection system for specific companies.*

In FY2024, half of the companies within the Group adopted performance evaluation systems as a vital tool for professional development and skills enhancement. These assessments can vary across companies and may be institutionalised through formal procedures or take place as scheduled meetings during which staff members and their managers discuss performance expectations. In some cases, these discussions also involve prospective bonuses, providing additional motivation for employees to excel in their roles.

The Group highly values the personal development of its employees. To support continuous professional growth, specific times are allocated throughout the year for staff members to both provide and receive constructive feedback. These sessions enable employees to align with their managers on performance expectations and development objectives. This consistent dialogue helps promptly identify and address any issues, fostering a dynamic and energised work environment. Moreover, the process further underscores the Group's dedication to creating a supportive atmosphere in which employees feel valued and motivated to reach their full potential.

Actions and targets

In addition to the measures already implemented by Group companies, specific actions of the Sustainability Plan further support employee training and help enhance their performance at work.

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
People	4 Quality Education; 8 Decent Work and Economic Growth; 5 Gender Equality	Employee training & performance	**(S4)** Duferco Academy	Group	
			(S17) Leveraging parental experience with the company (Lifeed)	Energy	

One of the most challenging goals of the Plan has undoubtedly been the creation and launch of the Duferco Academy (**initiative S4**), a platform aimed at enhancing the skills and professional development of all Group employees. In FY2024 at the Civico Theatre of Tortona, the Duferco Academy was unveiled to all executives and managers, in collaboration with Wylab and The European House Ambrosetti. Subsequently, the initiative was communicated to all employees, along with the courses catalogue for FY2025. As this is a continuous training programme, the Group aims to monitor the number of training hours provided as part of the Duferco Academy on a yearly basis.

At the intersection of professional and personal development, Duferco Energia is a longstanding participant of the Lifeed project - previously known as Maternity As A Master (MAAM) - an online course which aims to equip the personnel concerned with the abilities to leverage the organisational and relational skills developed through parenthood (**Initiative 17**). In effect, scientific research shows that during maternity and paternity, parents acquire specific essential skills such as relational abilities (e.g. empathy, active listening, communication, conflict management), practical and organisational competencies (e.g. improved time and priority management, decision-making, delegation, complexity management) as well as innovation skills (complex problem solving, vision and change management, creativity, mental agility). These competencies have been proven to be crucial in professional interaction and mutually beneficial in the work environment. With this initiative, the company provides support to its employees by drawing on private experiences as a way of learning and transforming individual capabilities. In FY2024, 7% of Duferco Energia's personnel registered for the course.

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2025	-	Hours of trainings provided as part of the Duferco Academy [n.]	-	-
2023	DE	Total participants in comparison to total number of employees [%]	2023 baseline 18; 2024 status 7	-

3.2.2 A safe and healthy workplace

Impacts

Along with addressing internal concerns, companies are committed to ensuring safe, fair and ethical working conditions throughout their entire value chain. Given the scale of the Group's operations, its presence in numerous industries and its international reach, upholding high Health & Satefy (H&S) standards is a substantial challenge which requires a broad and comprehensive approach. Themes such as hazardous operations, injury risk, fatigue, stress, heavy schedules and workload are particularly relevant for field workers, mariners and blue collars in the Energy, Shipping and Steel Divisions.

Duferco's commitment to H&S involves continuous efforts to implement and enforce robust policies, specific strategies and detailed procedures, conduct regular audits and engage in transparent communication with stakeholders. By prioritising adequate working conditions, the Group aims to foster a sustainable and responsible business environment which not only complies with legal requirements but also actively promotes safety, social equity and the well-being of all individuals involved.

Through proactive measures and ongoing improvements, the Group strives to create a safe and supportive workplace for all its employees, contributing to the long-term sustainability and resilience of the organisation.

Goal key: Completed In progress To be started Not started

Target key: Status Target achieved Target in progress Target not achieved

Metrics and measures in place

NUMBER AND RATE OF WORK-RELATED INJURIES (N. AND RATE) - GRI 403-9	2022	2023	2024[20]
Number of recordable work-related injuries	48	44	**77**
of which fatalities	*0*	*0*	**0**
of which high-consequence work-related injuries	*1*	*1*	**2**
Worked hours	3,989,020	4,179,425	**5,032,022**
Rate of recordable work-related injuries[21]	**12.0**	**10.5**	**15.3**

FY2024 observed an overall increase in the rate of recordable work-related injuries which grew from 10.5 in FY2023 to 15.3. This rise is primarily due to a significant increase in the number of incidents (77 incidents were recorded, compared to the 44 registered in FY2023) which was not properly compensated by the albeit equally considerable increase in the number of worked hours (5,032,022 hours compared to 4,179,425 hours in FY2023). The significant increase in the number of injuries can be primarily attributed to the expansion of the reporting perimeter, notably the inclusion of the Virtus Entella football club. Therefore, activities such as training sessions and football matches are particularly prone to injuries which occasionally require extended recovery periods, into the reporting scope. Meanwhile, the growth in the number of hours worked by employees in the Group's offices, facilities and ships (+34%) stems, on one hand, from the expansion of the reporting perimeter and, on the other, from the year-on-year increase in workforce within the same perimeter. However, it is worth noting that, by considering the same reporting perimeter as FY2023, the rate of recordable work-related injuries declines considerably to 6.2 from 10.5 in the previous fiscal year due to the significant reduction in the number of injuries (30 injuries compared to 44 in FY2024). Consistently, none of the Group's Companies employees reported any occupational diseases during FY2024.

For some time now, most of the companies and facilities which are more susceptible to injury risks due to the nature of their activities have adopted a health and safety management system certified in accordance with ISO 45001. Specifically, the Steel Division facilities that have implemented these tools to properly address the issue throughout the supply chain include: the steel plant and rolling mill in San Zeno Naviglio, the rolling mill in Pallanzeno, the San Giovanni Valdarno site, and the company Emmebi. Additionally, both Duferco Energia and Duferco Biomasse also hold the certification, showcasing their commitment to addressing the issue despite their activities being less vulnerable to health and safety risks. As part of the implementation and subsequent maintenance of ISO 45001 certification, the Group carries out a series of regular initiatives aimed at ensuring continuous improvement on the matter.

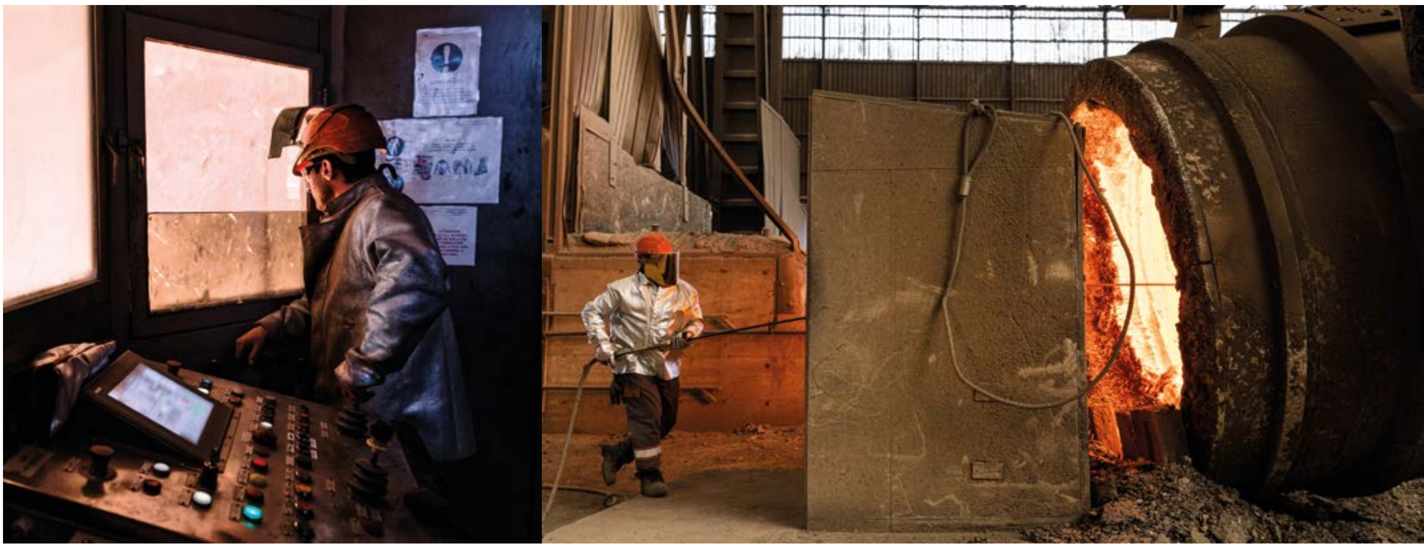
With the aim of identifying, assessing and managing in advance all the potential risks that can cause damage to health or threaten the employees' safety, and in accordance with the local legislation, the Duferco Group regularly maintains and updates its Risk Assessment Document (i.e. DVR). This document integrates the definition of prevention and protection measures as well as the development of an action plan. To further these objectives, several initiatives have been put in place, such as: reporting and analysis of incident trends, employees voluntary training on health and safety, internal and external audits by expert consultants and certification agencies specialising in safety management systems, interventions to enhance the performance of plants and equipment.

20 Considering the same reporting perimeter as FY2023 the rate of recordable work-related injuries amounts to 6.2.
21 The calculation was based on the formula: number of recordable work-related injuries / worked hours x 1,000,000

Moreover, additional protocols have been implemented to prevent possible injuries for new employees who lack experience and may be more exposed to incidents. Instead, if despite all the preventive and protective measures, an accident was to occur, remedial measures are undertaken following a thorough accident investigation which includes dedicated meetings with employees involved in accidents or near misses.

However, the rate of recordable work-related injuries has seen a widespread reduction only since last year and in almost all companies within the Steel Division. This demonstrates the effectiveness of the measures the Group has implemented to reverse the trends of previous years, particularly in FY2024 within the Steel Division. Firstly, within the production facilities, top management committed to raising awareness among all employees to strengthen the culture of health and safety, as well as to reaffirm the Group's dedication to achieving the zero-injury target. As a concrete action, companies have significantly increased non-mandatory health and safety training, especially for roles most involved in this area such as supervisors. Additionally, aware that employees themselves play a crucial role in health and safety prevention and protection, an observation plan has been initiated to empower employees, promote transparency and encourage a proactive workplace safety management approach. Such observations consist of overseeing determined activities within the facilities and drafting reports to flag specific issues and to document instances of potential danger or near misses encountered during specific tasks.

Duferco Group supports its employees by safeguarding their safety and health beyond regular working hours. Duferco Travi e Profilati Group has access to the metalworking industry's supplemental healthcare fund which offers additional medical treatments beyond those provided by the National Health Service. Additionally, both DTP and Duferco Energia provide their employees with insurance coverage for professional and non-professional accidents. The same companies and DDS also give employees immediate access to psychological support for work-related or private concerns. Duferco Energia has launched an informational campaign dedicated to employees on various topics such as nutrition, cardiovascular diseases and healthy daily habits. At Duferco Danish Steel all employees are covered by a private insurance that offer free and faster medical treatments beyond those provided form the National Health Service and in case an employee has frequent illnesses, the HR department schedules a meeting to discuss strategies for reducing sick days, possibly resulting in the creation of a tailored working arrangement and health program. Within the initiatives connected to the improvement of employees' nutrition, DTP carried out a renovation of the new canteen in San Zeno Naviglio which every day offers a meal to the entire personnel in exchange of a symbolic contribution.



Actions and targets

To address health and safety concerns and challenges in the most effective and comprehensive way possible, Duferco also defined targeted efforts in its Sustainability Plan.

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Health & Safety	3 GOOD HEALTH AND WELL-BEING	Occupational Health & safety	**(S1)** Health and Safety	Group (company)	

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2024	DE	Number of H&S related initiatives [n.]	2023-2024-2024 baseline-status-target 2	●
2024	DTP	Number of accidents [n.]	2023 baseline 16; 2024 status 6; 2024 target 0	●
		Rate of recordable work-related injuries [n. injuries/worked hours x 1.000.000] - San Zeno Naviglio site	2024 target < 16.7; 2023 baseline 11.8; 2024 status 4	●
		Rate of recordable work-related injuries [n. injuries/worked hours x 1.000.000] - Pallanzeno rolling mill	2024 target <19.3; 2023 baseline 14.2; 2024 status 8	●
		Rate of recordable work-related injuries [n. injuries/worked hours x 1.000.000] - Giammoro rolling mill	2023 baseline 19.5; 2024 target <19.3; 2024 status 0	●
		Rate of recordable work-related injuries [n. injuries/worked hours x 1.000.000] San Giovanni Valdarno site	2023 baseline 32.7; 2024 target <24; 2024 status 14.9	●
		Number of training hours [n.]	2023 baseline 2,347; 2024 status 5,177	-
		Number of "observations" [n.]	2023 baseline 0; 2024 status-target 8	●
2024	DXT	Number of H&S related initiatives [n.]	2023 baseline 0; 2024 status-target 2	●

Goal key: ● Completed ● In progress ● To be started ● Not started

Target key: ▼ Status ✔ Target achieved ► Target in progress ✔ Target not achieved

The topic of health and safety is equally important to all the companies within the Group. However, their varied nature of operations and their associated risks, which may be more or less significant depending on the sector, required distinct and specific objectives. Therefore, the Health & Safety Sustainability Plan initiative (**initiative S1**) includes projects tailored according to each relevant Division particular needs. The Steel Division focuses on consolidating trends in accident indices in the plants and other work environments through various initiatives, while the Energy Division - less prone to accidents - aims to launch initiatives primarily involving health and safety information programmes in addition to legal obligations.

More specifically, Duferco Travi e Profilati remains steadfast in the pursuit of its ambitious "zero injuries" target, bringing the number of injuries in FY2024 down to 6. Thanks to that, the company successfully managed to meet the target for the recordable work-related injuries rate across all its plants. The Brescia site recorded a rate of approximately 4.0 compared to the benchmark threshold value of 16.7. Pallanzeno and Giammoro rolling mills reached indices of 8 and 0 respectively (with a threshold set a 19.3), while San Giovanni Valdarno also performed nearly 10 points below the threshold (14.9 compared to 24). These results were achieved also thanks to the increase in both mandatory and voluntary training. Voluntary training in particular saw a considerable increase from approximately 2,300 hours in FY2023 to nearly 5,200 hours in FY2024. Another step in achieving these results was the implementation of an observations plan thanks to which all 8 scheduled observation campaigns were carried out during the fiscal year.

Given the low risk of injuries due to predominantly office-based activities, Duferco Energia and DXT have focused their efforts on health-related initiatives. Both companies planned and completed an informational campaign on health disease prevention for their employees in FY2024. Additionally, Duferco Energia conducted training courses on the use of newly installed defibrillators at their locations.

3.3 Connection with the communities

Impacts

The Group has made significant strides in driving economic development and supporting the communities in which it operates, creating substantial value in the process. In fact, relationships with local communities are at the heart of the Group's fundamental values. Engaging directly with communities has led to better understanding and identification of local concerns, ensuring that the companies' initiatives are relevant, impactful and aligned with the local realities. These relationships have fostered trust and collaboration, enabling the Group to contribute positively to local economic development, address specific needs and support continuous dialogue with local communities.

Through its operations, Duferco contributes to the generation of employment opportunities for the local community. By integrating local talent, skills and expertise into their workforces, companies not only strengthen the social fabric, but they also promote long-term economic resilience for both the communities and the Group's business purposes. Furthermore, the relationships with key stakeholders along the value chain (e.g. customers, local associations, public authorities) in its processes also contribute to local employment growth.

Duferco has demonstrated an enduring commitment to charity, health care, culture and sports, recognising their essential role in enriching and sustaining community life. Investments in local infrastructures, sponsorships of local sports teams and cultural events, as well as support for charity and underprivileged populations, enhance the quality of life, support resilience and strengthen social cohesion. Additionally, youth empowerment is a significant focus of Duferco's community support efforts. By providing training and internships, as well as financial resources to youth associations, the Group fosters a network of skillful young individuals ready to meet potential future recruitment needs, while enabling them to access fulfilling opportunities, reach their personal goals and build a sustainable future.

In every endeavour, the Group strives to balance economic progress with a deep social responsibility, demonstrating its role as a driver of value creation and community well-being. This comprehensive approach ensures a meaningful and lasting impact on both economic and social dimensions.

Metrics and measures

Economic growth and local employment are vital priorities in the industrial landscapes in which Duferco operates. For instance, in FY2024, the inauguration of the SBM rolling mill exemplified the strong community engagement and the important position of the San Zeno Naviglio plant in local development by involving nearly 700 people in the event, including Brescia's local authorities, regional institutions as well as representatives of the Italian Government. The commissioning of this innovative facility, paired with the related implementation of a skill reconversion program, created valuable opportunities for both direct and indirect local employment. Additionally, this project contributed to enhancing internal mobility within DTP, reinforcing the Group's commitment to workforce integration and regional development.

Among numerous initiatives, Group companies also organise internal events aimed at offering employees opportunities to connect and share experiences beyond their professional setting. Yearly company conventions, dinners, team-building activities and other personnel-focused gatherings play an essential role in fostering a collective spirit, enhancing engagement and strengthening interpersonal relationships at work. These efforts contribute to shaping a positive organisational culture grounded in collaboration, unity and shared purpose. For instance, in FY2024, DTP hosted the Sagra del Fèr in Brescia, creating a meaningful occasion that fostered social cohesion among the employees of the steel company and their families. Beyond bringing the community together, the event also served as a fundraising initiative to support the San Zeno Naviglio kindergarten as it navigated a challenging period.

Duferco's approach to community support involves allocating a portion of the value it generates to local communities. This support may be provided through donations, which could include volunteering from Duferco employees, financial contributions, as well as sponsorships particularly towards local sports organisations.

The Group commitment also includes the companies's active participation and contribution to local industry development. Events and working groups on both environmental and social topics, such as renewable energy development, circular economy or diversity and inclusion, are an integral part of the Group strategy on the matter. For example, DTP has deep-rooted connections with local communities, confirmed by its sustained presence and active engagement in associations and events in the Brescia region and surrounding areas.

Duferco Travi e Profilati's impact on the local territory

In FY2024, DTP became a member of the "Comunità Pratica" association and working group, formed by a network of local companies in the Brescia area. The Communità Pratica meets periodically to brainstorm ideas, develop projects and foster collaborations aimed at generating a positive impact on the communities in which they operate and creating value sustainably for the territory.

As a few examples of the initiatives led by the Comunità Pratica: the Group contributed to the "Settimana nazionale delle discipline STEM" at the UniBS which was aimed at highlighting the importance of science, technology, engineering and mathematics in tackling sustainable development challenges, including the women representation in scientific fields. Developed in partnership with the Association Chirone, the "STEM in Genere" event engaged primary schools via interactive science activities with a strong emphasis on gender inclusion. This collaboration is designed to nurture curiosity in STEM fields while reinforcing the importance of diversity and equal opportunities. Additionally, the association's member set up an exhibition and panel discussion titled "Le Donne Invisibili" to raise awareness of violence and gender stereotypes issues, while promoting equality through meaningful dialogue focused on opportunities for actionable change.

Besides its involvement in the local working group, DTP also joined an event centered around environmental sustainability and organised by the "Hub della Conoscenza". The goal of the event was to give voice to young people's perspective of sustainable development, and to foster a constructive dialogue between the younger generation, adults and businesses in order to collectively define the path to tackle pressing environmental challenges.

Health care and caritative action support are key components of the Group's local involvement as well. Companies financially support local hospitals, associations and foundations dedicated to tackle specific issues and social concerns such as violence against women, medical care, well-being of the elderly, support for the underprivileged, humanitarian aid, and many more.

Entella nel Cuore

Entella nel Cuore is a charitable association founded by the Virtus Entella football club. Established in 2016, the charity focuses on solidarity, education, strengthening community ties and addressing local needs, blending the unifying power of sports with meaningful social impact and philanthropy.

For instance, the Entella association and Duferco Energia have been instrumental in raising funds for causes like the Giannina Gaslini Pediatric Hospital, contributing around 300,000 euros in the past few years. In FY2024, donations were made to the Cardiology department of hospital, the Neurology department as well as to "La Band degli Orsi" organisation dedicated to supporting children receiving treatment and their families through logistic support, entertainment performances and emotional care.

Through its various initiatives and financial support over the years, Entella nel Cuore acts as a pillar of hope and generosity for Chiavari and its surrounding areas.

To further strengthen social cohesion, Group companies also promote local cultural events and activities (e.g. festivals) and contribute to cultural and heritage conservation associations. As an example, Duferco Energia made a significant contribution to support the renovation of the Chiavari Cathedral in FY2024, thereby enhancing the preservation of this historic landmark and its cultural heritage. In addition, for many years now, DXT has been supporting the Lugano Arte e Cultura (LAC) association, the largest cultural centre in the city of Lugano, focused on artistic production and the interplay of arts, with particular attention to theatre, music and visual arts. Furthermore, the BIIM the hybrid boat - built in August 2023 at Cantieri Navali del Tigullio - continued to serve the Consorzio Cinque Terre Navigazione dei Poeti whose aim is to offer a sustainable touring experience to passengers.

The Group firmly believes that the practice of sports can help address territorial, socio-educational, and psychological challenges linked to societal fragmentation while promoting individual development and community integration. For this reason, Duferco is also strongly involved in supporting local and national sports initiatives by sponsoring basketball, football and volleyball teams, endorsing tennis, golf and sailing associations, or by funding athletics competitions and infrastructure renovations.

Through its football club Virtus Entella, Duferco Group significantly contributes to creating value for the local community of Chiavari, benefiting both internal stakeholders and the broader community through various socio-economic impacts. Very recently, the football club supported and took part in the inauguration of a nursery in Chiavari named "I Diavoletti", marking it as the first nursery in Italy to be supported by a football team. This nursery which was set up in partnership with Hakuna Matata - an organisation with over a decade of experience in childcare services - aims at meeting the needs of the local community by offering essential services to families. The particularity of the infrastructure is that it offers an educational environment focused on sports, health and well-being, while increasing the availability of nursery places, a pressing issue in the region. With the support of FIGC, Sport e Salute, and other corporate partners, Virtus Entella funded the renovation of the premises and committed to covering its running costs in the years ahead.

Virtus Entella is deeply committed to youth development, investing strategically to foster growth. The club equips young players with the tools to pursue professional football while providing education, support, discipline and values such as teamwork and respect, essential for raising responsible individuals and performing athletes.

The Entella boarding school is based at the Benedetto Acquarone Center, an institution which not only takes care of young Biancocelesti players but also serves as a rehabilitation center for people with disabilities, a protected residential community for the elderly and an educational care facility. The boarding school also provides both academic and psychological support, helping young athletes balance their studies with training. Dedicated teachers assist with coursework and academic learning, while a specialised psychologist offers continuous guidance to support mental well-being throughout their stay.

In addition, the club occasionally welcomes primary school students for a "Classe allo Stadio", a 90-minute immersive experience. After a guided stadium tour, students step into the role of journalists, taking part in a mock press conference with a first-team player inside the stadium's media room. The experience continues with a drawing workshop and concludes with a penalty shootout on the field, offering children a dynamic and engaging introduction to the club's world.

Actions

The Group's Sustainability Plan also includes initiatives focused on offering adequate support to local communities and fostering the development of the local territories in which companies operate.

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Local communities & territory	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES	Generated value & community support	**(S2)** External engagement	Group (company)	
			(S3) Relationships with local communities	Group (company)	

To build strong relationships with local communities and positively impact them, the Group has defined the state-of-the-art in terms of memberships to national or international associations concerning social or sectorial aspects and, where appropriate, has initiated annual or multi-year development programs aimed at intensifying connections with these communities (**Initiative S2**). In FY2024, the number of memberships remains high, especially where the Group has long had a strong presence on the territory.

Furthermore, the Group aims to consolidate and strengthen relationships with local communities through an increase in the number of partnerships via liberal donations or sponsorships with entities, associations, NGOs, or local organizations (**Initiative S3**). Over the years, Duferco, through its various companies, has established solid relationships with the communities where it operates. In FY2024, the various companies have maintained or even increased their contributions. Duferco Energia, in particular, saw almost a doubling (+90%) of the value distributed compared to net profit, while DTP increased the overall value of contributions from 46,000 USD to 67,000 USD (+46%), despite the difficulties encountered by the sector during the year.

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2024	DE	Number of memberships in associations or partnerships [n.]	2023-2024 baseline-target 23; 2024 status 18	Completed
2024	DTP		2023 baseline 12; 2024 status-target 13	Completed
2025	DXT		2023-2024 baseline-status 5; 2026 target 7	In progress
2024	DE	Value distributed to local communities in comparison to net profit [% and USD]	2022 baseline 0.41 (408,994 USD); 2024 status 0.78 (472,428 USD)	-
2024	DTP		2022 baseline 0.06 (45,851 USD); 2024 status N.A. (66,815 USD)	-
2024	DXT		2022 baseline 0.31 (266,967 USD); 2024 status 0.12 (158,666 USD)	-

Goal key: Completed | In progress | To be started | Not started

Target key: Status | Target achieved | Target in progress | Target not achieved

4. The integrity of our business

Duferco Group operates in various industries and markets. Its multisectoral presence entails thorough attention to sector-specific laws and regulations, as well as to wide-ranging best-practice guidelines.

In fact, given the current context, in which investors and stakeholders expect strong ESG strategies and credentials, the reputational advantages ensuing not only from compliance with sustainability regulations but also from voluntary virtuous corporate behaviours are significant and essential for organisations. Moreover, corporate responsibility and ethical practices not only eliminate regulatory risks, sanctions, and potential consequential market drawbacks, but also create a safer market and industry environment in which each participant and stakeholder can thrive and benefit from evolving trends. Considering such, and notwithstanding the journey that lies ahead, the Group is continuously updating its approach to governance in order to respond to the multitude of challenges and regularly assesses the best tools to enhance transparency and integrity within its companies and along its partnerships.

To achieve its objectives and grow its businesses diligently, the Group has implemented policies and voluntary instruments, and formed governance bodies which ensure ethical business conduct and bolster the commitment to Duferco's corporate values. Fighting any type of corrupt or unethical practices (e.g. anti-competitive behaviour, illegal practices, fraud, money laundering...) is an integral part of Duferco's governance approach, from both a compliant and voluntary standpoint.

4.1 Business conduct

Our Code of Ethics and policies

With the aim of outlining the fundamental principles which all employees, officers, managers, directors, representatives, companies, stakeholders, suppliers and partnerships should abide by in order to conduct operations in the most responsible and ethical way, the Duferco Group has established its own **Code of Ethics** (CoE). This formal document expresses Duferco's core values and sets forth the rights, duties and responsibilities of every participant in the business organisation, providing clear and concrete guidelines on legal, ethical, social and environmental matters, as well as provisions in case of non-compliance with the CoE. With this binding charter, the Group also strives to offer a unified vision of some of its central concerns and interests: integrity, transparency and sustainability.

The principles stated in the CoE lay out the foundation of Duferco's business and corporate culture. Therefore, each of the **Group companies' own Code of Ethics or Code of Conduct** (CoC) is embedded in this set of fundamental values and develops further provisions to address the company's specific concerns.

This important governance tool is inspired and based on **9 principles** that guide Duferco's organisation and business practices, and drives the Group's behavioural rules and relationships with third parties.

The 9 principles

1. LEGALITY
2. DIGNITY AND EQUAL OPPORTUNITIES
3. INTEGRITY AND PROFESSIONALISM
4. FAIR COMPETITION
5. MANAGEMENT OF ACCOUNTS AND TRACEABILITY OF TRANSACTIONS
6. MANAGEMENT OF HR
7. SAFEGUARDING OF ASSETS
8. PREVENTION OF CONFLICTS OF INTEREST
9. CONFIDENTIALITY AND INSIDER INFORMATION

In line with the Code of Ethics, a **Policy of Business Conduct** (PoBC) furthers the Group's commitment to impeccable and exemplary corporate behaviour by providing guidelines and procedures within the frame of the CoE, designed to support managers and employees in the performance of their duties.

Although most of the major topics are covered by the CoE and PoBC, additional **specific policies, guidelines and procedures** have been developed by the Group and its companies as further safeguards, either as voluntary measures or to achieve compliance with local laws and regulations, in order to address specific challenges with greater detail.

Additionally, the Group companies with headquarters located in Italy have an obligation to create and disclose their corporate **Organisation, Management and Control Models**[22] (Organisational Model or 231 Model). Organisational Models serve as a proactive instrument to deter potential crimes committed by directors, executives or employees, in the interest of or to the advantage of companies. To further prevent any infringement of the Group's fundamental values and ensure that the company is not held liable for potential unethical or illegal conduct carried out independently by its collaborators, the Code of Ethics was integrated as a part of the companies' 231 Models. With this scope, a Supervisory Body was set up to assess the functionality of the Organisational Model and oversee its update as required.

Governance Bodies

To ensure conformance with the CoE and other policies, the Duferco Group and its companies established several internal governance bodies.

These include a **Board of Directors** (BoD) at **Group-level and within the companies**, each of which plays a crucial role in providing strategic direction and oversight, as well as ensuring the company's vision and goals are met. The BoDs also monitor management performance, oversee financial health and manage risks to guide the organsation towards sustainable success.

With the expansion of the Group's reporting perimeter, the number of Board of Directors members has increased. Despite this change, and while acknowledging the path that lies ahead, the representation of female BoD members remains unchanged. Currently, the total of number of Board members across all BoDs is 119, of which 11 are women and 108 are men, primarily distributed across the "between 30 and 50 years old" and "over 50 years old" age groups.

DIVERSITY OF GOVERNANCE BODIES (n. of employees) - GRI 405-1				
Gender	**AGE**	**2022**	**2023**	**2024**
Women	< 30 years old	0	0	**0**
	between 30 and 50 years old	10	10	**10**
	> 50 years old	3	2	**1**
	Total women	**13**	**12**	**11**
Men	< 30 years old	0	0	**0**
	between 30 and 50 years old	25	28	**33**
	> 50 years old	64	65	**75**
	Total men	**89**	**93**	**108**
Total		**102**	**105**	**119**

22 The Organisational, Management and Control Model ("Modello 231") is mandatory for Italian Companies, in compliance with the Italian Legislative Decree 231/01.

The companies which are required to implement an Organisation, Management and Control Model (or 231 Model) also involve the creation of an autonomous, independent and qualified **Supervisory Body** (SB) in charge of overseeing the integration of the Model 231 and preventing any compromising situation, by ensuring that the business operations align with the provisions of the Organisational Model and by monitoring its effectiveness over time. In this regard, the SB also provides a channel for any potential whistleblowing that may arise. In fact, all the companies' stakeholders who face harassment or discrimination, or witness behaviour contrary to the principles of the Code of Ethics, are strongly encouraged to report it to the Supervisory Board through the anonymous whistleblowing platforms in place.

To specify the companies that have integrated the SB are: Duferco Italia Holding and its subsidiaries Duferco Energia, Duferco Sviluppo, Duferco Biomasse, Duferco Engineering, Duferco Dev and Mainsim, Duferco Travi e Profilati, Travi e Profilati Pallanzeno, Acofer Prodotti Siderurgici, Acciai Rivestiti Valdarno and Ferriere Bellicini.

Additionally, most of these companies also set up a **Board of Statutory Auditors** (BoSA) which is responsible for guaranteeing that the Directors' duties and activities are performed in compliance with applicable laws and regulations, internal principles and fundamental values, rules of correct administration and adequate accounting systems.

Within the framework of Duferco's sustainability strategy (cf. chapter *"Sustainability at Duferco"*), defined **Sustainability Governance Structures** have also been implemented within the companies, in addition to the Group-level SSC and Sustainability Team (ST). A Focal Point (Team) and several Project Owners were identified as primary contacts for ESG matters and entrusted with the implementation and monitoring of the Sustainability Plan's initiatives. The role of these company-level reference figures is also to report on any new sustainability-related projects and inform the ST about their progress status.

Certified management systems

To further Duferco's commitment towards fair business practices, the daily operations of the Group and its companies are handled in alignment with some of the most widely recognised certified ISO management systems and product certifications. These standards - most of which are based on sector-specific criteria - mainly cover overall quality and processes, as well as environmental, health and safety concerns.

The following summary table showcases the key certified management systems on quality, environmental, health and safety-related aspects for which the companies within the Group have obtained certification.

DIVISION	COMPANY	ISO 9001	ISO 14001	ISO 45001	ISO 27001
Steel	DTP: San Zeno Naviglio Headquarter	✔	-	-	-
	DTP: Giammoro plant	✔	-	-	-
	DTP: San Giovanni Valdarno plant	✔	✔	✔	-
	TPP: Pallanzeno plant	✔	✔	✔	-
	TPP: San Zeno Naviglio plant	✔	✔	✔	-
	Duferco Danish Steel	✔	-	-	-
	Acofer Prodotti Siderurgici	✔	-	-	-
	Acciai Rivestiti Valdarno	✔	✔	✔	-
	Ferriere Bellicini	✔	✔	-	-
	Duferco Thionville	✔	-	-	-
	Emmebi	✔	✔	✔	-
Energy	Duferco Energia	✔	✔	✔	-
	Duferco Biomasse	✔	✔	✔	-
	EBS	✔	-	-	-
Shipping	Nova Marine Carriers	-	✔	-	-
Innovation	Duferco Engineering	✔	-	-	-
	Mainsim	✔	-	-	✔

In addition to the certified management systems, each Division within the Group has adopted sector-specific process or product certifications based on their main potential impacts.

Within the Energy Division, the production and sale of biomass is the activity that could potentially have the most significant impacts in terms of biodiversity. For this reason, the Division adopts dedicated process and product certifications. The **Sustainable Biomass Program** (SBP) provides assurance that the biomass (wood pellet, chips, biochar and other wood-based products) meets regulatory requirements and sustainability criteria, promoting responsible sourcing practices. Another example is the **REDcert²** which focuses on certifying sustainable biomass, biofuels, bioliquids and agricultural raw materials for use in the food, biomass and chemical industries. Moreover, dedicated product-specific credentials are also used by some Group companies to further their commitment to sustainable forest management. The **Programme for the Endorsement of Forest Certification** (PEFC) is globally recognised and ensures that forests are managed according to rigorous environmental, social and economic standards, while the **Forest Stewardship Council** (FSC) certification attests to sustainable forest management which preserves biological diversity, benefits the lives of local people and sustains economic viability along the entire supply chain.

Besides biodiversity-related concerns, the **UNI CEI 11352** certification ensures that Energy Service Companies (also known as ESCOs) meet criteria for offering energy efficient services. The aim is to help customers identify qualified entities for their energy management needs and warrant that said companies reach the organisational, technical and financial requirements set out by the Italian standard.

The Steel Division also adopts further best-practice certifications, such as the **Eco-Management and Audit Scheme** (EMAS), a voluntary EU initiative designed to improve environmental performance while requiring the publication of an environmental statement reviewed by an independent assessor, thereby ensuring credibility and transparency. It complements ISO 14001 by incorporating its requirements and adding stricter criteria, such as employee involvement and public environmental reporting. Moreover, during 2024, several companies of the Group initiated the calculation of their GHG inventory, encompassing scope 1, 2 and 3 emissions, in accordance with the most recognised standards, namely the **GHG Protocol** and **ISO 14064**. Regarding steel products, an **Environmental Product Declaration** (EPD) has been obtained for steel beams, corner beams, and merchant bars. This instrument systematically identifies, assesses and reports on the environmental impacts associated with a product through the Life Cycle Assessment (LCA) methodology, ensuring comprehensive and comparable environmental data.

In the Shipping Division, the **Safety Management Certification** (SMC) lies at the intersection of environmental and H&S concerns. Stemming from the International Maritime Organisation (IMO), the SMC attests to the implementation of a *Safety Management System* (SMS) and adherence to the *International Safety Management* (ISM) *Code*. The ISM Code is an international set of guidelines and regulations on safe ship operations and prevention of marine pollution, which is mandatory and requires shipping companies to set up an SMS that includes detailed policies, procedures and protocols to ensure safety at sea and to prevent pollution.

On the Innovation front, the major potential impacts and risks for companies are tied to the management of the vast amounts of data handled daily through various IT tools and the security of this information. Therefore, the Division has started the process to achieve the ISO 27001 certification, demonstrating a robust *Information Security Management System* (ISMS) which meets international standards. Furthermore, to cover the activities of land rehabilitation of the Division, the **Safety & Quality Assessment System** (SQAS) evaluates the performances of logistic service providers and chemical distributors regarding overall quality, security, safety and sustainability.

Actions

Along with Duferco's long-standing commitments and practices aimed at ensuring business integrity, several initiatives have been defined within the context of the Sustainability Plan.

SP PILLAR	SDGs	MATERIAL TOPIC	INITIATIVES	DIVISION	GOAL STATUS
Business ethics		Innovation & business development Customer privacy	**(G1)** Cyber risks mapping and policy	Group (company)	
		Business integrity & transparency	**(G4)** ESG Rating	Group (company)	
			(G6) Whistleblowing policy	Group (company)	
Digitalisation		Innovation & business development	**(G2)** Assessment and development of the Group's digitalisation	Group (company)	

GOAL FY	COMPANY	KPI	KPI PROGRESS VS TARGET	TARGET ACHIEVEMENT
2025	DE	Qualitative initiative	–	
2025	DTP	Qualitative initiative	–	
2023	DXT	Qualitative initiative	–	
2022	DE	ESG Score	2022 baseline BBB; 2024 target A	
2026	DTP	To be defined	–	
2025	DXT	To be defined	–	
2023	DE	Qualitative initiative	–	
2023	DTP	Qualitative initiative	–	
2025	DXT	Qualitative initiative	–	
2025	DE	Qualitative initiative	–	
2024	DTP	Qualitative initiative	–	
2024	DXT	Qualitative initiative	–	

Goal key: Completed In progress To be started Not started

Target key: Status Target achieved Target in progress Target not achieved

As part of the "Business Ethics" pillar of the Sustainability Plan, the Group is working on several initiatives that address various governance aspects.

Cybersecurity is a crucial topic for the Group, especially for companies who have access to and handle sensitive personal data or corporate information daily, especially in light of the ever-evolving digital landscape and ever-growing risk of data misuse or cyberattacks. For this reason, the Group plans to identify cyber risks and define robust policies accordingly (**initiative G1**).

Regarding its sustainability performance, the Group is dedicated to continuous improvement and has planned to obtain an ESG rating (**initiative G4**) via certified and accredited third parties for all the companies included in the perimeter of the Sustainability Plan. This initiative will allow companies to better identify their main ESG-performance-related improvement opportunities and the key focus areas to address while enhancing stakeholder and investor trust.

Duferco Energia's ESG Rating

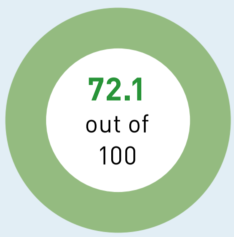
As in the previous year, Duferco Energia re-examined its sustainability-related achievements and progress through a in-depth assessment based on rigorous criteria conducted by Cerved Rating Agency. ESG Ratings are structured and standardised metric instruments which allow companies to measure and communicate their Environmental, Social and Governance performance along the whole value chain in all business operations and activities.

This financial year, the company - which is listed in the rating agency's "Industrials" category - maintained its A rating and reached a score of 72.1, consolidating and improving its position in Cerved's high-ranking tier thanks to its ability to manage ESG topics. As a comparison, the results for FY22 and FY23 were respectively BBB with a score of 69.2, and A with 70.2.

ESGe RATING

ESGe RISK MANAGEMENT CAPABILITY

ESGe SCORE



ESGe RATING CATEGORIES AND RISK MANAGEMENT CAPABILITY

AAA	AA	**A**	BBB	BB	B	CCC	CC	C	D
Very High		High		Medium		Low		Very Low	

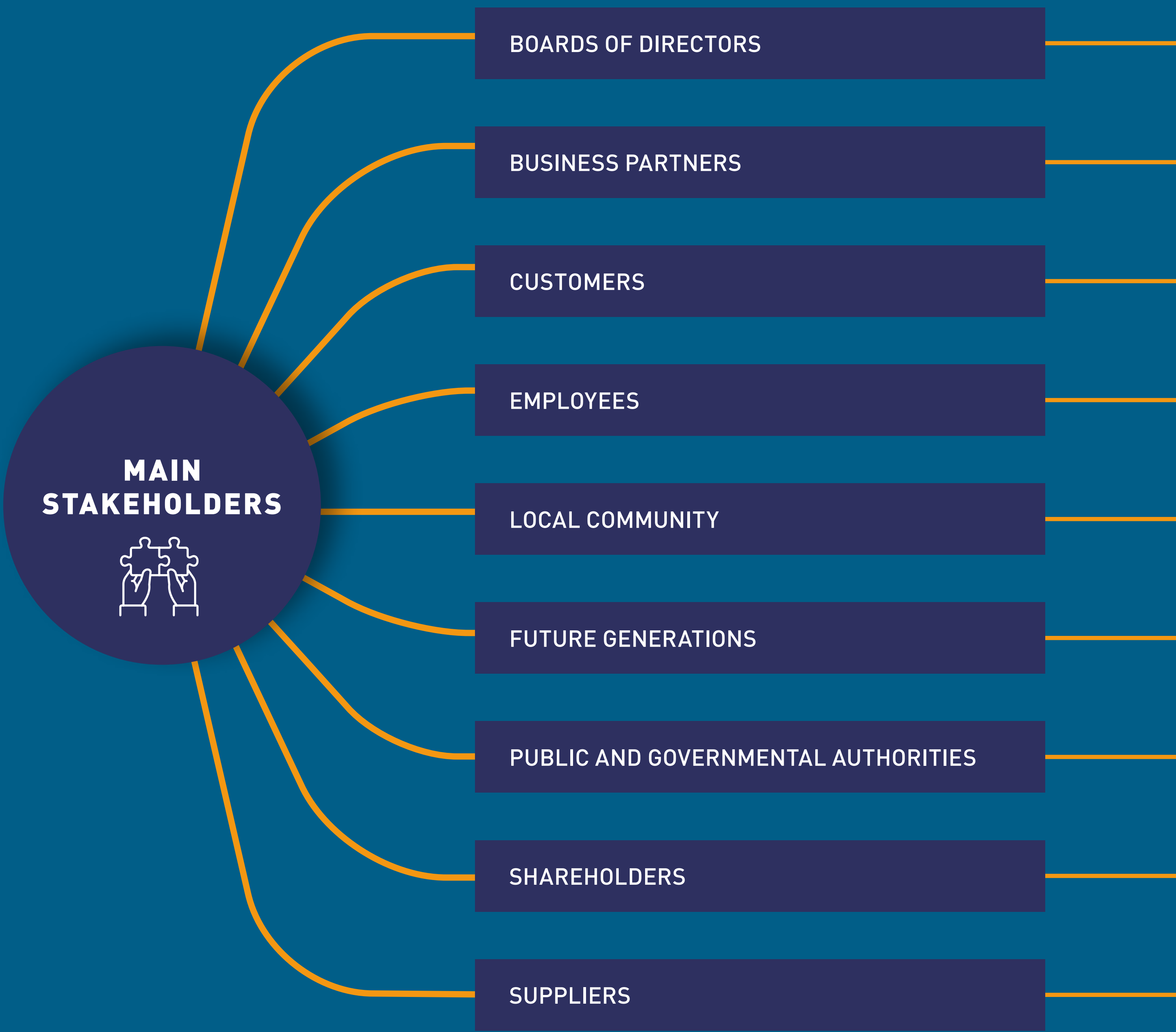
Furthermore, Duferco is also expanding upon its CoE and PoBC to include new guidelines and procedures regarding whistleblowing issues (**initiative G6**). This initiative aims at defining a stringent policy aligned with sectorial best-practices and includes - when applicable - the definition of a targeted action plan. By encouraging whistleblowing, Duferco aims at creating an environment in which every participant can report unethical or illegal activities without fear of retaliation. This ensures that companies uphold high ethics standards, prevent corruption, and that all subsidiaries and joint-ventures operate in a fair and lawful manner.

Regarding the "Digitalisation" pillar, Duferco Group aims to further enhance digitalisation processes (**initiative G2**), providing internal communication and collaboration tools, and designing solutions tailored to its companies' specific needs, in order to optimise workflows, machinery usage and resource consumption. This project also allows for the development of internal shared know-how, which would benefit the companies' stakeholders and participants.

4.2 Along the value chain

Mapping and engaging with stakeholders

Building relationships of mutual trust, transparency and prosperous collaboration is a key priority to guarantee a solid business. Therefore, Duferco ensures continuous and active dialogue with all its stakeholders by carefully taking into consideration their particularities, implementing engagement methods and communication channels that meet the needs and expectations of each stakeholder.



The main categories of the Group's stakeholders were mapped in order to define both their level of influence and dependency, as well as the engagement methods. To reinforce its commitment to sustainability reporting, the Group has started to identify and better engage with key stakeholders, with the aim of understanding their perspectives on the Group's significant issues and integrating these insights into the materiality assessment.

ENGAGEMENT METHODS AND COMMUNICATION CHANNELS

Meetings - Corporate Reports

Meetings - Collaborations - Conventions

Customer service - Exhibitions and events - Meetings - Questionnaires
Satisfaction surveys - Website, social media, and brochures - Duferco Sparks

Benefits - Code of Ethics - Conventions and meetings - Intranet and direct communication
Policies - Trade unions - Training - Employee survey - Newsletter and press review
Duferco Day - Duferco Sparks

Activities in the territories - Guided tours in the plants - Sponsorships

Career days - Extra-curricular internships - Open day

Follow-up on request - Collaborations and projects - Meetings

Annual Shareholders Meeting - Company website - Corporate Reports
Consolidated Financial Statement

Audits - Code of Ethics - Collaborations and projects - Company website - Duferco Sparks

Sharing values and business culture

Over the past forty years, the Duferco Group has grown steadily, not only as a result of sound decision-making and astute strategic planning, but also thanks to reliable business relationships and strong alliances, which play an influential role in the growth and success of international corporations. For this reason, the Group carefully selects its partners upstream and downstream in the value chain through an evaluation process based on both technical and ethical criteria, thereby laying the foundation for dependable and mutually beneficial partnerships aligned with Duferco's fundamental values and strategic vision. During FY2024, the Group expanded its network, engaging with numerous new partners and totaling almost 400,000 business connections.

In this context, the Code of Ethics and Policy of Business Conduct serve as frameworks of reference for any new collaboration. In both documents, a dedicated section outlines the principles and obligations to be observed, by and towards the Group, when establishing agreements with third parties; all suppliers, partners and stakeholders have to comply with these guidelines, which prescribe the expected standards of legality, integrity, fairness and sustainability. To ensure transparency, documented selection processes and regular monitoring reviews are essential, emphasising the necessity of maintaining and nurturing open communication with all parties involved. Any breach or infringement of Duferco's CoE and PoBC, or of its companies' own Code of Conduct, is considered to be a valid reason for disciplinary action, sanctions or severance of any business partnership.

Among Duferco Group's panel of stakeholders, the following three categories represent a numerically significant portion of the interested parties: suppliers, clients and sectorial associations.

Engaging with suppliers

Regarding relationships with suppliers, the Group recognises that symbiosis with partners is crucial to sustaining competitiveness, achieving operational excellence and ensuring mutual growth. While strongly valuing and prioritising existing collaborations, Duferco actively researches and explores potential new opportunities for cooperation.

In addition to adherence with the CoE and PoBC, suppliers are subject to technical, financial and ethics-related screenings. During the supplier selection process, business characteristics and operations are examined, oftentimes involving on-site assessments and documentation inspections. Environmental considerations along the entire value chain are given particular attention. Once new suppliers have been assessed, audits can be performed in order to ascertain and confirm the validity and legitimacy of the initial evaluation. During FY2024, 122 audits on suppliers and subcontractors were conducted.

Some of the Group companies have also developed their own specific instruments and policies to tackle potential unethical practices along their whole value chain. All together, these tools help defining the companies' approach to direct and indirect procurement, promoting fair dealing, assessing respect for human rights, guaranteeing health and safety management and raising environmental impact awareness, while ensuring that due diligence is performed on all counterparties.

Strengthening customer approach

Given the wide range of its operations, Duferco interacts with a very diverse customer base worldwide, which includes end-users, intermediaries, industry peers and companies within or outside the Group. Nonetheless, Duferco's unwavering commitment to offering efficient and dependable solutions tailored to its clients' priorities remains. To cater to the needs of such a heterogeneous clientele, each company developed its own client-specific products, offers and services, using customisation as a key business differentiator.

Moreover, to further reinforce their customer relationships, companies focus intently on monitoring client satisfaction levels through various instruments, such as survey and data analysis. These tools are used to deepen the understanding of their clientele's requirements and preferences, by determining the degree to which client expectations have been met, while tracking trends to better shape future customer strategies.

In recent years, the Group has experienced a significant rise in sustainability-related inquiries from its stakeholders, particularly from customers of all types. This steadily increasing trend reflects the growing emphasis on ESG matters and compels the Group to integrate sustainability into all facets of its business relationships. For this reason, sustainability has become a driving force and integral part of Duferco Group's business strategy and corporate culture, transversally permeating every aspect of its operations across all Divisions.

Fostering industry development and relationships

Duferco Group maintains a consistent cross-sectoral presence in major national trade organisations across its various divisions.

Within the Steel Division, Duferco Travi e Profilati is affiliated with *Federacciai*, the national organisation for the iron and steel industry in Italy. Federacciai represents over 120 member companies and promotes industrial policies that support sectorial development. In France, Duferco Morel is a member of the *Fédération Française de la Distribution et de la transformation des Métaux* (FFDM), the local metals distribution federation which defends the material interests of its members and provides training for leaders and employees in the sector. Duferco Danish Steel is a member of *Dansk Industri* (DI), Denmark's largest confederation for private enterprises in the manufacturing and service industries, which offers multiple support and training activities to companies and aims to improve business conditions in the sector.

On the energy front, Duferco Energia and DXT are active members of several industry associations whose main objectives revolve around enhancing fair competition, transparency, innovation and a favorable business environment in their fields. These industry associations include *Confcommercio Imprese, Confindustria,* the *Energy Traders Europe* (ETE, formerly EFET), *RECS Energy Certificate Association* (formerly *RECS International*), and the *Italian Association of Energy Wholesalers* and *Traders* (AIGET).

This extensive network of affiliations underscores the Group's commitment to active participation in relevant sectorial organisations, fostering collaboration and driving industry advancements and interests while promoting viable growth and innovation.

Appendix

1. Note on methodology

The 2024 Annual and Sustainability Report (from here on also A&SR) is referred to Duferco Participations Holding SA and the list of companies included in the "Reporting Scope" paragraph. The A&SR covers the 2024 fiscal year (1st October 2023 - 30th September 2024). In the document, this period can also be named "FY2024". Figures and information are reported compared to the 2022 and 2023 fiscal years. The document includes both the business and sustainability disclosure respectively reported within the section "Annual Report" (AR) and the section "Sustainability Report" (SR). The A&SR, published annually, has been prepared in accordance with the GRI Standards 2021.

It is worth noting that the reporting scope, in addition to all the companies included in the 2024 Consolidated Financial Statement, also includes: Matrix Energy Participacoes S/A, Ferriere Bellicini Srl, Nova Marine Holding SA and its subsidiaries, Mainsim Srl, and Duferco Wallonie SA.

However, exceptions to this scope could occur if qualitative or quantitative information (i.e. *Universal or Topic Standards*):

- is not applicable to one or more companies;
- is not available due to technical reasons with the data collection;
- is negligible for one or more companies.

Notably, data on economic performance and the economic value generated and distributed are based on the Duferco Participations Holding SA Consolidated Financial Statement as of 30th September 2024.

Reporting scope

The reporting scope refers to the list of companies reported on the table below.

DIVISION	COMPANY
Holdings	Duferco Participations Holding SA
	Duferco Italia Holding SpA
	DXT International Investment SA
	Duferco Middle East DMCC
	Duferco Finance B.V.
Energy	Duferco Energia SpA
	Baslab Srl
	Comal SpA
	Company for trade and Services Duferco MK DOO Skopje
	Duf Algerie Eurl
	Duferco Albania ShPK
	Duferco Hellas Renewables Single Member SA
	Duferco Hellas SA
	Duferco Mobility Srl
	Duferco Pobreg ShPK
	Duferco Shquiperia ShPK
	Duferco Solar Giammoro Srl
	Duferco Solar Puglia Srl
	Duferco Solar Srl
	Duferco Solar Trieste Srl
	ELCA Srl
	Energia & Territorio Srl
	Energy Plus ShPK
	Genova Car Sharing Srl
	Hec - i Kabash Porocan ShPK
	Idroelettrica Sud Srl
	Immobiliare Le Clarisse Srl
	IS ECO Srl
	LDL Srl
	Maritime Trading & Brokerage Srl
	Neoestense Srl
	The Adviser Srl
	Duferco Sviluppo SpA
	Duferco Sviluppo Rinnovabili Srl
	DSR 1 Srl
	DSR 2 Srl
	DSR 3 Srl
	DSR 4 Srl
	Duferco Biomasse Srl
	Duferco Biomasse Brasil Ltda
	Energy Biomass Sourcing Sas
	DXT International SA
	DXT North American Investments LLC
	DXT Commodities North America Inc.
	Duf Enerji Ticaret A.Ş
	DXT Investments SA
	DXT Commodities SA
	DXT Climate Solutions Limited
	DXT Forestry Solutions Limited
	Aroha Agri Resources SA
	DufEnergy Ukraine LLC
	DXT Commodities (Asia) Pte. Ltd.
	GraphSight SA
	Matrix Energy Participacoes S/A

DIVISION	COMPANY
Steel	Duferco Travi e Profilati SpA
	Acofer Prodotti Siderurgici SpA
	Travi e Profilati di Pallanzeno SpA
	Società Agricola Macina Srl
	Duferco Terminal Mediterraneo SpA
	Elio Srl
	Duferco Sertubi SpA
	Acciai Rivestiti Valdarno Srl
	Ferriere Bellicini Srl
	Emmebi Srl Sistemi per l'ambiente
	Duferco Danish Steel A/S
	Duferco Morel SA
	Duferco Morel Quincallierie SAS
	Morel Distribution Profils SAS
	Duferco Thionville SAS
	T.P.S. Lux Trade SA
	Duferco France SNC
	Ormose SAS
	DUFERMOSL SAS
Shipping	Nova Marine Holding SA[1]
	Nova Ship Tech SA
	Nova Marine Carriers SA
	Sidernavi SpA
	Norschif Lda
	Nova Ship Invest Lda
	NovaAlgoma Cement Carriers Limited
	NovaAlgoma Short-Sea Holding Limited
	Aug. Bolten GmbH & CO KG
	Lydia Mar Shipping CO SA
	Rominder Bulk Invest GmbH & CO KG
	NBO Agency Limited
Innovation	Duferco Engineering SpA
	Duferco Dev Srl
	Mainsim Srl
	Duferco Wallonie SA
Others	Virtus Entella Srl

1 For clarity, within the Shipping Division, only major companies of Nova Marine Holding SA are listed; however, the reporting scope encompasses all subsidiaries associated with the mentioned companies where Duferco Gruppo holds an ownership of 25% or more (i.e. 50% or more by Nova Marine Holding SA).

Materiality principles

This sustainability disclosure has been prepared according to the principles for defining the contents of the report defined by the GRI Standards 2021:

- **Accuracy**: the level of detail of the contents reported in the document is adequate for understanding and assessing the Group's sustainability performance in the reporting period.
- **Balance**: the contents of this document report in a balanced way Duferco Group's performance in the reporting period.
- **Clarity**: the choice of a clear language and the use of infographic contributions to represent the performance of the Group make this document available and easy to understand for stakeholders.
- **Comparability**: the indicators are reported for the 2022-2024 three-fiscal year period and are presented with comments relating to their performance in order to allow comparison and comparability of the Group's performance over time.
- **Completeness**: the material issues discussed in the report are covered in their entirety and represent the most relevant environmental, social, and economic impacts generated by the Group's activities, thus allowing a complete assessment of Duferco's performance in the reporting year.
- **Sustainability context**: the performances of the Duferco Group presented in this sustainability disclosures are included in the broader context of sustainability.
- **Timeliness**: besides what happened during the fiscal year, sustainability disclosure takes into consideration events occurring after 30 September 2024 that may be significant for the assessment of the Group's sustainability performance by stakeholders.
- **Verifiability**: the information reported has been gathered, recorded, compiled, and analyzed in such a way that they can be examined to establish the quality.

Material topics

The contents of this document reflect the results of the materiality analysis, as required by GRI Standards 2021 and described in the chapter "Sustainability at Duferco".

According to the GRI Standards 2021, organizations that draw up sustainability reports are required to define the content on which to set up reporting after the identification of the material topics.
As defined by the standards, material topics are those that represent an organization's most significant impacts throughout the entire value chain, considering the economy, environment, and people, and including impacts on their human rights.

The assessment process consists of four different steps, starting from the understanding of the context in which Duferco operates. Secondly, actual and potential, negative and positive impacts are identified and ranked based on their significance, for reporting purposes. Finally, significant impacts are clustered into material topics.

In the **first step**, an initial high-level overview of the Group's activities and business relationships has been carried out and the sustainability context in which these occur has been analyzed.

All the analyses have been performed considering the four Divisions that compose the diverse Duferco's ecosystem. This provided critical information for identifying all actual and potential impacts. In particular, the following analyses have been conducted:

- **Sector analysis**: review of key sustainability documents published by relevant international sustainability organizations, and documents edited by sector specific associations and organizations.
- **Benchmark analysis**: review of sustainability and social responsibility reports and similar sources of publicly available information from Duferco competitors to identify the most widely discussed sustainability issues.
- **Media analysis**: review of publicly available articles related to relevant sustainability areas in order to identify the impact of public opinion and the media.
- **Legislative analysis**: review the current and future legislation that may impact the organization in the next years.

In the **second step**, all actual and potential impacts on the economy, environment, and people, including impacts on human rights have been identified and listed across all organization's operations and commercial partnerships.

Actual impacts are those that have already occurred, whereas potential impacts are those that may result from the operations and initiatives undertaken. These impacts can be both positive and negative, short-term, and long-term, intended and unintended, reversible and irreversible, taking into account all conceivable scenarios.

In the **third step**, the significance of the impacts found have been evaluated, in order to rank and categorize them as relevant and not relevant. Prioritization allowed to address the effects while identifying all the material topics for reporting. Both quantitative and qualitative analyses were used to determine the impact's significance.

The assessment of the negative impacts is the result of the combination of two main variables: severity and the likelihood of the occurrence of the impact.

The **severity** of an actual or potential negative impact was determined by the following characteristics:

- **Scale**: how severe the impact is;
- **Scope**: how widespread the impact is;
- **Irremediable character**: how hard it is to counteract the resulting harm.

For potential negative impacts, also the **likelihood** (the chance of the impact happening) variable was considered, determined quantitatively. In fact, the likelihood of an impact can be generally measured or determined qualitatively or quantitatively and it can be described using general terms or mathematically using probability or frequency over a given time period.

In the case of positive impacts, the concept of severity is not applicable. Indeed, the scale of an impact refers to how beneficial the impact is or could be, and the scope refers to how widespread the impact is or could be. Also in this case, the likelihood variable was taken into account.

In the **fourth step** all the impacts have been prioritized based on their significance to determine the material topics for reporting. A threshold has been defined to determine which of the impacts will be objects of reporting. The output is a list of the so-called material topics, meaning that they have been considered highly relevant from the internal or the external point of view.

Finally, the material topics have been linked to the relevant GRI Disclosures. For each material topic, Duferco Group has mapped the links between the GRI topic-specific Standard and has identified the reporting boundaries, i.e. the impacts generated both within and outside the Group.

DUFERCO GROUP MATERIAL TOPIC	GRI MATERIAL TOPIC	SCOPE OF THE TOPIC		LIMITATIONS OF THE SCOPE
		Internal	External	
DIVERSITY & EQUAL OPPORTUNITIES	GRI 405 Diversity and Equal Opportunity	Duferco Group	-	-
EMPLOYEES TRAINING, PERFORMANCE & WELL-BEING	GRI 404 Training and Education	Duferco Group	-	-
OCCUPATIONAL HEALTH & SAFETY	GRI 403 Occupational Health & Safety	Duferco Group	-	-
TALENT ATTRACTION AND RETENTION	GRI 401 Employment	Duferco Group	-	-
AIR POLLUTANT EMISSIONS	GRI 305 Emissions	Duferco Group	-	-
CIRCULAR ECONOMY & MATERIAL CONSUMPTION	GRI 301 Materials	Duferco Group	-	-
ENERGY EFFICIENCY AND CLIMATE CHANGE	GRI 302 Energy	Duferco Group		Energy consumption of certain small offices
	GRI 305 Emissions	Duferco Group	Suppliers	GHG emissions of certain small offices
ACCESSIBILITY TO ENERGY AND SUSTAINABLE MOBILITY	GRI 302 Energy	Duferco Group	-	-
WATER RESOURCE MANAGEMENT	GRI 303 Water and Effluents	Duferco Group	-	-
WASTE MANAGEMENT	GRI 306 Waste	Duferco Group	-	-
BIODIVERSITY CONSERVATION	GRI 304 Biodiversity	Duferco Group	-	-
BUSINESS INTEGRITY AND TRANSPARENCY	GRI 206 Anti-competitive Behavior	Duferco Group	-	-
CUSTOMER PRIVACY	GRI 418 Customer Privacy	Duferco Group	-	-
HUMAN RIGHTS PROTECTION	-	Duferco Group	-	-
INNOVATION AND BUSINESS DEVELOPMENT	-	Duferco Group	-	-
GENERATED VALUE & COMMUNITY SUPPORT	GRI 201 Economic performance	Duferco Group	-	-
	GRI 413 Local communities			
SUSTAINABLE SUPPLY CHAIN	GRI 308 Supplier Environmental Assessment	Duferco Group	-	-
	GRI 414 Supplier Social Assessment			

Reporting process and methodology

The preparation of 2024 A&SR and collection of data and information were coordinated and managed by the Group's Sustainability Team with the support of focal points within operating companies. Notably, qualitative information presented in the A&SR have been collected through internal interviews with functions at corporate and company level. Quantitative information have been gathered with the support of a specific sustainability reporting package based on selected GRI indicators to cover material aspects in line with GRI Sustainability Standards.

The main calculation methodology and assumptions used to determine performance indicators and figures have been reported below, in addition to those that already are indicated in the related sections. It should be noted that, where necessary, a restatement has been made compared to the information and data for fiscal years 2022 and 2023 based on better available data or updated calculation methodologies.

Duferco Group's employee's related figures are represented as headcount as of 30th September of the reporting periods and not as Full-time equivalent (FTE) data.

For environmental data the Group adopted a conservative approach in the assumptions made, resulting in the adoption of the worst environmental performance of Duferco Group and its related companies. In particular, greenhouse gas emissions calculations have been carried out based on principles included in the GHG Protocol Corporate Accounting and Reporting Standard and determined in the table below. It should be noted that within the A&SR terminology, "CO_2" has been used without distinction for "CO_2" or "CO_{2eq}" for clarity of presentation.

SCOPE 1 - DIRECT GHG EMISSIONS			
SOURCE	**ACTIVITY DATA**	**EMISSION FACTOR**	**GWP**
Diesel, Gasoline, GTL fuel, Heating oil, Natural gas, Very Low Sulphur Fuel Oil (VLSFO)	Fuel consumption	- Ministry of the Environment - 2024 National standard parameters table - DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered.
Leakages from air-conditioning systems of refrigerant gases	Leakages	-	Global Warming Potentials (GWPs) are taken from DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set. The GWPs used in the calculation of CO_{2eq} are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period so that the Conversion Factors are consistent with current national and international reporting requirements.

SCOPE 2 - ENERGY INDIRECT GHG EMISSIONS			
SOURCE	**ACTIVITY DATA**	**EMISSION FACTOR**	**GWP**
Electricity purchased from national grid-location-based method	Electricity consumption	- EEA (European Environment Agency) - Greenhouse gas emission intensity of electricity generation, country level 2023 - Terna-Confronti Internazionali, 2020 - 2019 Data (Total gross production) - CBAM default values for electricity mixes	Only CO_2 emissions were considered
Electricity purchased from national grid-market-based method	Electricity consumption	AIB (Association of Issuing Bodies) - European Residual Mixes 2023 For non-EU countries location-based factors were used	Only CO_2 emissions were considered

Regarding Scope 3 GHG emissions: (i) Category 1 includes only natural gas and LNG purchased through physical trading; (ii) Category 3d includes only electricity purchased and sold for retail purposes, therefore electricity purchased and sold for trading purposes is excluded as stated within the GHG Protocol guidance "A Corporate Accounting and Reporting Standard"; (iii) Category 11 includes only natural gas sold to end users. In fact, as stated in the GHG Protocol guidance "Technical Guidance for Calculating Scope 3 Emissions", this category refers to GHG emissions from the use of sold products by the end users where the term "End users" include "both consumers and business customers that use final products". Volumes of natural gas and LNG sold for trading purposes are therefore excluded.

SCOPE 3 - OTHER INDIRECT GHG EMISSIONS			
SOURCE	**ACTIVITY DATA**	**EMISSION FACTOR SOURCE**	**GWP**
Category 1: Purchased goods and services	Mass of purchased goods Value of purchased services	- DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set - Ecoinvent v3.10 - Suppliers' primary data	CO_{2eq} emissions were considered
Category 2: Capital goods	Mass or value of capital expenditures	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 3a: Upstream emissions of purchased fuels	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 3b: Upstream emissions of purchased electricity	Electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered

SCOPE 3 - OTHER INDIRECT GHG EMISSIONS			
SOURCE	**ACTIVITY DATA**	**EMISSION FACTOR SOURCE**	**GWP**
Category 3c: Transmission and distribution (T&D) losses	Electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 3d: Generation of purchased electricity that is sold to end users	Electricity purchased and sold to the end user	Ecoinvent v3.10	CO_{2eq} emissions were considered
Category 4: Upstream transportation and distribution	Mass of goods transported Distance travelled	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 5: Waste generated in operation	Mass of waste	Ecoinvent v3.10	CO_{2eq} emissions were considered
Category 6: Business travel	Distance travelled	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 7: Employee commuting	Distance travelled	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 9: Downstream transportation and distribution	Mass of goods transported Distance travelled	DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set	CO_{2eq} emissions were considered
Category 10: Processing of sold products	Mass of sold products	Clients' primary data	CO_{2eq} emissions were considered
Category 11: Use of sold products	Mass of sold products	- DEFRA (Department of Environment, Food & Rural Affairs) - UK Government GHG Conversion Factors for Company Reporting, 2024 full set - Ecoinvent v3.10	CO_{2eq} emissions were considered
Category 12: End-of-life treatment of sold products	Mass of sold products	Ecoinvent v3.10	CO_{2eq} emissions were considered

For further information and comments on the report, please contact Duferco Participations Holding SA at the following address: **sustainability@duferco.com**

2. GRI Content Index

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	Note on methodology AR: 1.1 The Group			
	2-2 Entities included in the organization's sustainability reporting	Note on methodology			
	2-3 Reporting period, frequency and contact point	Note on methodology. The reporting period is aligned to the reporting period of the financial statement. This report is published on May 2024.			
	2-4 Restatements of information	Restatements are explained in the Note on methodology or reported directly within the text.			
	2-5 External assurance	This report is not subject to external assurance.			
ACTIVITIES AND WORKERS					
	2-6 Activities, value chain and other business relationships	SR: 4.1 Along the value chain AR: 1.1 The Group			
	2-7 Employees	SR: 3.1 A world within a company.			
	2-8 Workers who are not employees	SR: 3.1 A world within a company			
GOVERNANCE					
	2-9 Governance structure and composition	AR: 1.5 Duferco organisation SR: 4.1 Business Conduct SR: 1.1 Duferco's sustainable path and value creation.	Point c.	Information not available or incomplete.	The information was not collected for this year.
	2-10 Nomination and selection of the highest governance body	The Highest Governance Body is nominated and selected according to strict criteria based on expertise and competencies.			
	2-11 Chair of the highest governance body	The Chairman of the Board of Directors of DPH is not a senior executive in the organization.			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
	2-12 Role of the highest governance body in overseeing the management of impacts	The Board of Directors has not a direct role in overseeing sustainability related impacts of the Group. The Sustainability Steering Committee is in charge of this responsibility and multiple members of the Board of Directors are part of it.			
	2-13 Delegation of responsibility for managing impacts	The responsibility related to the management of organization's sustainability impacts is delegated to the Group's Sustainability Steering Committee and to each Company's focal points.			
	2-14 Role of the highest governance body in sustainability reporting	The responsibility related to the reviewing and approving of the reported information is delegated to the Group's relevant function and Companies' focal points.			
	2-15 Conflicts of interest	As stated in the Group's code of Ethics: "Recipients must behave impartially in all business dealings and carry out their tasks in favor of Duferco, avoiding any conflict of interests, even merely potential or partial, meaning by that, a situation in which there may be an interest other than that of Duferco, or the Recipient may obtain undue personal advantage for himself or for others from information obtained as a result of the office held. Any existing or potential conflict of interest must be disclosed to the direct supervisor by the interested party"			
	2-16 Communication of critical concerns	Related to concerns from stakeholders, Duferco Group manages a public contact point at this link: https://www.duferco.com/contacts/ Critical issues are communicated to the Board of Directors on the basis of their relevance.			
	2-17 Collective knowledge of the highest governance body	Since the responsibility in terms of sustainability is delegated to the Sustainability Steering Committee, no actions were implemented to expand the collective knowledge of the highest governance body on sustainable development.			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
	2-18 Evaluation of the performance of the highest governance body	In 2024, no procedures aimed at evaluating the performance of the highest governance body in relation to the overseeing of the management of Duferco Group's impacts on the economy, the environment and people were implemented.			
	2-19 Remuneration policies		All	Confidentiality constraints	For reasons of confidentiality, the Group preferred not to publish the data required by this disclosure.
	2-20 Process to determine remuneration		All	Confidentiality constraints	For reasons of confidentiality, the Group preferred not to publish the data required by this disclosure.
	2-21 Annual total compensation ratio		All	Confidentiality constraints	For reasons of confidentiality, the Group preferred not to publish the data required by this disclosure.
STRATEGY, POLICIES AND PRACTICES					
	2-22 Statement on sustainable development strategy	Message from the Chairman			
	2-23 Policy commitments	Reference is made to the Code of Ethics publicly available on the Group's website. Further commitments are published at operating companies' level.			
	2-24 Embedding policy commitments	SR: 4.1 Business Conduct			
	2-25 Processes to remediate negative impacts	SR: 4.1 Business Conduct			
	2-26 Mechanisms for seeking advice and raising concerns	SR: 4.1 Business Conduct			
	2-27 Compliance with laws and regulations	During the current reporting year no significant case of noncompliance with laws and regulations for which financial or non-monetary penalties were imposed. Minor legal noncompliance fines totalled 103,850 €.			
	2-28 Membership associations	SR: 3.3 Connection with communities SR: 4.2 Along the value chain			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
STAKEHOLDER ENGAGEMENT					
	2-29 Approach to stakeholder engagement	SR: 4.2 Along the value chain			
	2-30 Collective bargaining agreements	SR: 3.1 Caring for our people			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR: 1.1 Duferco's sustainable path and value creation			
	3-2 List of material topics	SR: 1.1 Duferco's sustainable path and value creation			
ENVIRONMENTAL TOPICS AND INDICATORS					
CIRCULAR ECONOMY & MATERIAL CONSUMPTIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	SR: 2.2 The Green challenge: Resource use and circular economy			
ENERGY EFFICIENCY AND CLIMATE CHANGE; ACCESSIBILITY TO ENERGY AND SUSTAINABLE MOBILITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR: 2.1 The Green challenge: Energy transition and climate change			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR: 2.1 The Green challenge: Energy transition and climate change			
	305-2 Energy indirect (Scope 2) GHG emissions	SR: 2.1 The Green challenge: Energy transition and climate change			
	305-3 Other indirect (Scope 3) GHG emissions	SR: 2.1 The Green challenge: Energy transition and climate change			
WATER RESOURCE MANAGEMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR: 2.3 The Green challenge: Preservation of the environment			
	303-2 Management of water discharge-related impacts	SR: 2.3 The Green challenge: Preservation of the environment			
	303-3 Water withdrawal	SR: 2.3 The Green challenge: Preservation of the environment			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
BIODIVERSITY CONSERVATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	SR:2.3 Preservation of the environment			
AIR POLLUTANT EMISSIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SR:2.3 Preservation of the environment	Point a, b, c.	Information not available or incomplete.	Monitoring of pollutants, where present, is based on spot measurements and is therefore not representative of the actual annual emissions.
WASTE MANAGEMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 306: Waste 2020	306-3 Waste generated	SR: 2.2 The Green challenge: Resource efficiency and circular economy			
	306-4 Waste diverted from disposal	SR:2.2 The Green challenge: Resource efficiency and circular economy			
	306-5 Waste directed to disposal	SR: 2.2 The Green challenge: Resource efficiency and circular economy			
SOCIAL TOPICS AND INDICATORS					
TALENT ATTRACTION AND RETENTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR: 3.1 People around Duferco: Caring for our people			
OCCUPATIONAL HEALTH & SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR: 3.2 Development and safety of our people			
	403-2 Hazard identification, risk assessment, and incident investigation	SR: 3.2 Development and safety of our people			
	403-3 Occupational health services	SR: 3.2 Development and safety of our people			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR: 3.2 Development and safety of our people			
	403-5 Worker training on occupational health and safety	SR: 3.2 Development and safety of our people			
	403-6 Promotion of worker health	SR: 3.2 Development and safety of our people			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR: 3.2 Development and safety of our people			
	403-9 Work-related injuries	SR: 3.2 Development and safety of our people			
	403-10 Work-related ill health	SR: 3.2 Development and safety of our people			
EMPLOYEES TRAINING, PERFORMANCE AND WELL-BEING					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR: 3.2 Development and safety of our people			
	404-3 Percentage of employees receiving regular performance and career development reviews	SR: 3.2 Development and safety of our people			
DIVERSITY & EQUAL OPPORTUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR: 3.1 People around Duferco: Caring for our people SR: 4.1 The integrity of our business: Business conduct			
GENERATED VALUE & COMMUNITY SUPPORT					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 201: Economic performance 2016	201-1: Direct economic value generated and distributes	AR: 2.2 Business results: Economic value generated and distributed			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/ NOTES		
			Requirement(s) omitted	Reason	Explanation
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR: 3.3 People around Duferco: Connection with the communities			
GOVERNANCE TOPICS AND INDICATORS					
BUSINESS INTEGRITY AND TRANSPARENCY					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 206: Anti- competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In reference to 2024, no legal actions occurred, neither closed, nor pending, for anticompetitive behaviour, anti-trust, and monopoly practices.			
SUSTAINABLE SUPPLY CHAIN					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	At Group level, on the perimeter indicated in the Note on methodology, the percentage of new suppliers that were screened using environmental criteria in FY2024 was 11%.			
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	At Group level, on the perimeter indicated in the Note on methodology, the percentage of new suppliers that were screened using social criteria in FY2024 was 6%.			
CUSTOMER PRIVACY					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	8 complaints concerning breaches of customer privacy were registered in FY2024 within the organization.			
OTHER MATERIAL TOPICS					
HUMAN RIGHTS PROTECTION					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			
INNOVATION AND BUSINESS DEVELOPMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	SR: 1.1 Duferco's sustainable path and value creation			

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