

ON OUR SUSTAINABILITY PROMISE

Dear Customers & Partners,

Since many years Acciaierie Venete has been focusing on sustainability, doing everyday its best for the surrounding environment and for the community of stakeholders it interacts with.

As a solid proof of this constant commitment, we yearly publish a Sustainability Report, now in its fifth edition, where we present the goals achieved and the next steps to be taken concerning these important issues.

Pursuing the mission to continue improving the quality standards of our products and their relative environmental impact, we are currently planning several important actions, summarized for you in the next few lines.

We are presently collaborating with **enel x** to jointly design a new sustainable business model granting a responsible development of our group activities.

To achieve this objective, we started assessing the carbon footprint of our eight production sites, finding that the average Scope 1+2+3 emissions of the whole AV group 2021 (location-based approach) is 0.39 ton of CO₂ eq. every ton of steel passed through casting + rolling phase (considering the emissive impact of heat treatments and cold finishing).

This phase will be soon followed by a detailed roadmap through which we will define the route to increase the use of recycled materials and to improve the energy efficiency of our plants.

Riding on the sustainable transition, we will not only preserve our company future, but we will also create further value for those who follow in the steel value chain.

This comes in line with our philosophy: growing with sustainability and innovation by supporting our customers and partners' needs through increasingly high standard and carbon-free engineering steels.

In order to properly address our ambitions, and to inspire an even more engaged culture toward sustainability, we are in parallel operating, in partnership with **pwc**, a deep transformation of our corporate structure from an ESG perspective. In particular, we are now working on systems, processes, roles and responsibilities, with the aim to define a sustainability-driven strategy and action plan, which will be ruled by specific KPIs and controlled through a dedicated dashboard; also, Acciaierie Venete will soon rely upon a Sustainability Board which will be charged to guide our efforts toward this transition.

As a first result of this deep evolution, it may sound interesting for you to know that we will start selling individual certified zero-carbon castings by the second half of 2023, thanks to a dedicated project we launched with a well-known certification body.

Being this a work-in-progress initiative, we cannot disclose more information; for sure, you will be informed about the most important upcoming developments.

We would also like to underline that, according to recent studies, our EAF production process is at least 12 times more eco-friendly than that of blast furnace competitors.

Starting from scrap, and within the virtuous circular economy we manage, in which about 90% of waste is recycled, our steel already represents a responsible choice, but much is yet to come.

A strong stand must come from the whole industry: it is mandatory that all players of the value chain work together for a more sustainable steel.

We are open to support any of your initiatives toward this common goal, as this would enhance even more the meaning of our present and future commitment.

We obviously remain available for any further clarifications you may need.