



**SUSTAINABILITY
REPORT
2021**



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Dear Stakeholders,

In this Sustainability Report, our second one, we will deal with the changes that took place during 2021, although it is not possible to disregard the events that occurred during 2022, when the document was drawn up. However, the desire to report the efforts made by our Group to virtuously reconcile business objectives and achievements in the social and environmental spheres remains.

The Group has always operated by combining ESG aspects with business activities and the current context increasingly directs the Group's efforts towards energy efficiency and the reduction of the impact that its activities has on the environment. In the rest of the document, the reader will find information and commitments in line with the Sustainable Development Goals of the UN 2030 agenda.

The energy market and its trends affect the Group's business, which does its best to pursue the efficiency of its processes and activities. Climate-altering gas emissions into the atmosphere are certainly not a minor phenomenon. Climate change, with increasingly frequent extreme weather conditions, cannot be forgotten because it results in economic damage and distress for the population. In this context, the Covid-19 pandemic, which still had a major influence in 2021, must not be forgotten. This is another reason why attention to occupational health and safety remains one of the focuses for activities supporting operational ones.

With people always in mind, the commitment to increase the intangible assets relating to knowledge will continue to develop in the Corporate School "*Officina Pittini per la Formazione*", and in the Pittini Group Foundation "*Fondazione Gruppo Pittini*".

We have continued to invest in our industrial plan, directed towards useful innovation, in view of Industry 4.0. Our target remains to be confirmed as one of the international leaders of the steel industry, anticipating the standards of industrial excellence through technological innovation.

Enjoy the read!

Federico Pittini
Pittini Group Chairman



HIGHLIGHTS



Pittini tells his story

We are producers of steel for the construction and mechanical sectors. Our aim is to be at the forefront of sustainable steel production. We want to be a reliable partner for all our Stakeholders and build a better future.

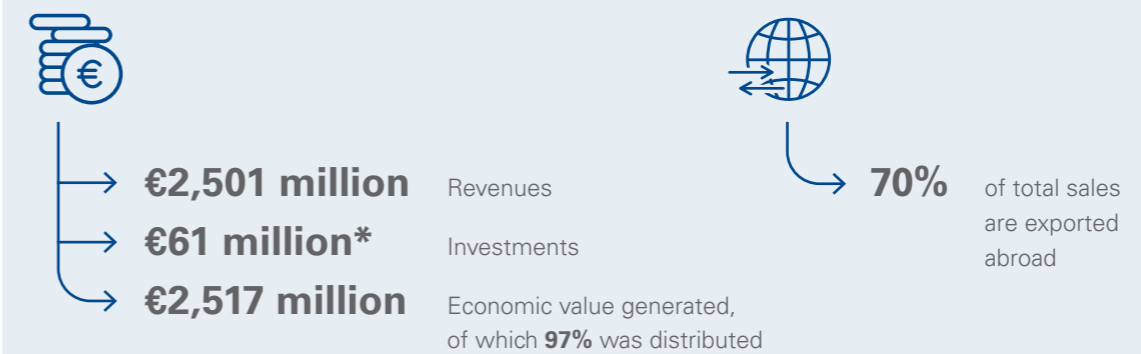
THE GROUP TODAY

Data referring to 2021 in relation to 2020 for Compagnia Siderurgica Italiana S.r.l. (sub-holding of the Pittini Group).



ECONOMIC PERFORMANCE

Data relating to the 3 companies: Ferriere Nord S.p.A. (Osoppo), Acciaierie di Verona S.p.A. (Verona) e Siderpotenza S.p.A. (Potenza).

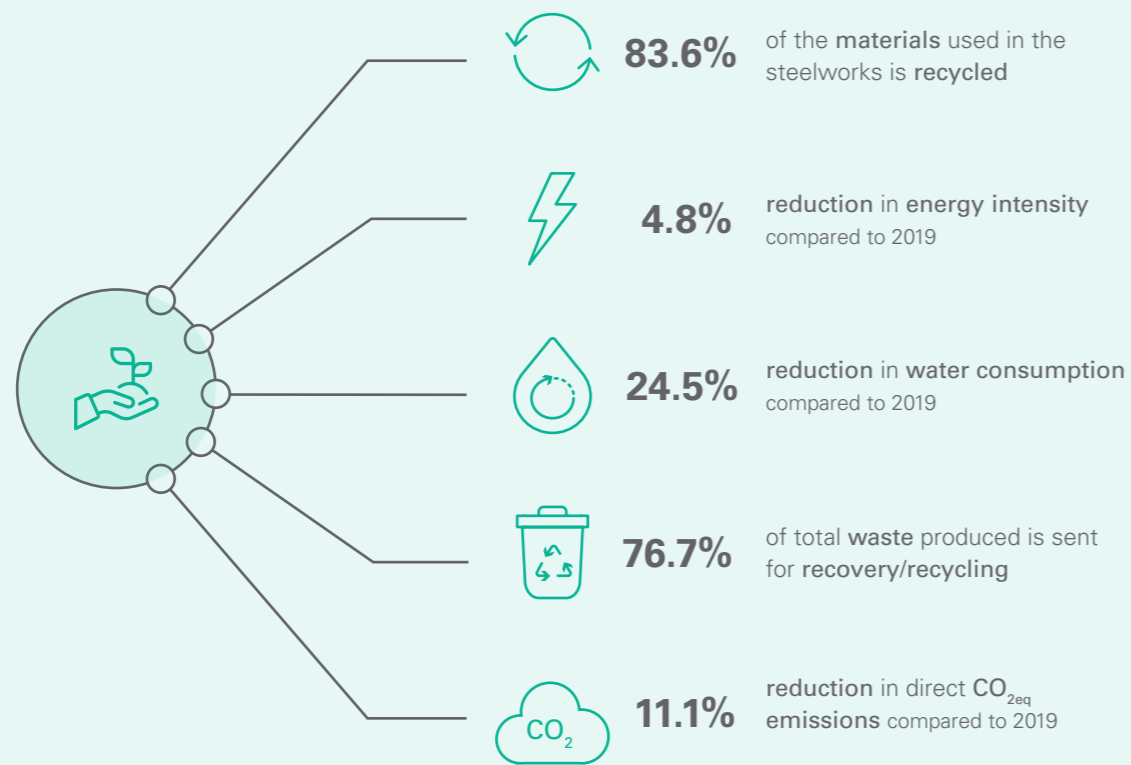


** Figures for Compagnia Siderurgica Italiana S.r.l.; investments for the 3 reporting companies amount to €55.7 million.*



ENVIRONMENTAL PROTECTION IN 2021

Data relating to the 3 companies: Ferriere Nord S.p.A. (Osoppo), Acciaierie di Verona S.p.A. (Verona) e Siderpotenza S.p.A. (Potenza).



STEEL: A CIRCULAR ECONOMY



100%

steel is completely recyclable



100%

steel can be recycled infinitely without losing its properties



0 WASTE

the policy of turning potential residues into products



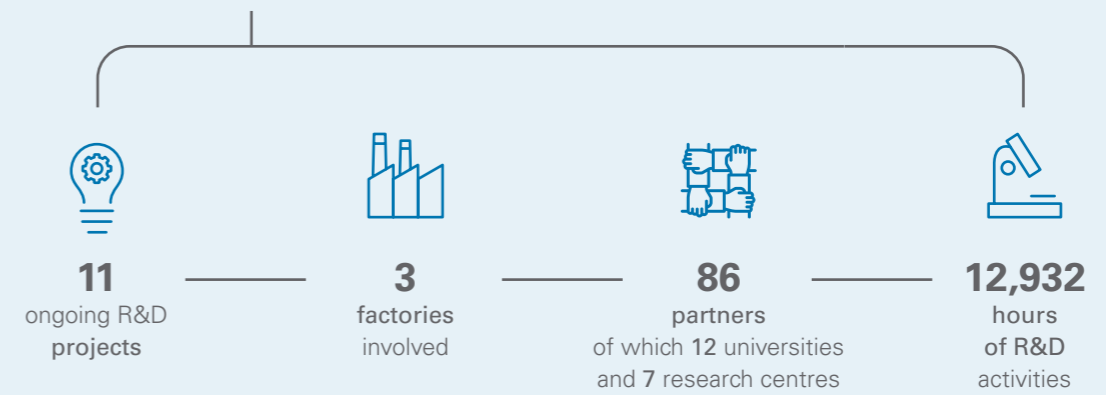
549.000

tonnes of potential residues turned into resources



RESEARCH AND INNOVATION

Data relating to the 3 companies: Ferriere Nord S.p.A. (Osoppo), Acciaierie di Verona S.p.A. (Verona) e Siderpotenza S.p.A. (Potenza).



OUR PEOPLE IN 2021

Data relating to Compagnia Siderurgica Italiana S.r.l. (sub-holding of the Pittini Group).



94 new recruits



1,788 employees



95% with open-ended contract



-11% work-related accidents recorded compared to 2019



36,124 total hours of training provided during the year



1/ PITTINI GROUP



2021 SUSTAINABILITY REPORT

2021 SUSTAINABILITY REPORT



Company profile

The Pittini Group, with its main headquarters in Osoppo (Udine), is a steel group with a strong international vocation that bases its production processes on the electric furnace. With over 3 million tonnes of steel produced, it is the leading Italian producer of long steel products for the construction and mechanical sectors (in steel industry terminology, long products refer to steel products including wire, wire rod, bars; they differ from flat steels for their shape), accounting for **12.6% of the entire national production** and 28% of the production of long steel products¹. The Group consists of nine companies and eighteen production plants and three sales and logistics service facilities for product distribution. This composition is true as of 31 December 2021. Ferriere Nord, Siderpotenza and Acciaierie di Verona are the most representative companies and they are based in Italy.

Meltshops and Rolling mills

Ferriere Nord

- Osoppo (UD), Italy
- Meltshop with electric arc furnace
- Wire rod rolling mill
- Rebar rolling mill

Acciaierie di Verona

- Verona, Italy
- Meltshop with electric arc furnace
- Wire rod rolling mill

Siderpotenza

- Potenza, Italy
- Meltshop with electric arc furnace
- Rebar rolling mill

Cold steel processing

Ferriere Nord

- Osoppo (UD), Italy
- Electro-welding wire mesh plant and recoiling plant

Ferriere Nord

- Verona, Italy
- Recoiling plant

Ferriere Nord

- Nave (BS), Italia
- Electro-welding wire mesh plant

La Veneta Reti

- Loreggia (PD), Italy
- Electro-welding wire mesh plant and recoiling plant

Bstg

- Linz, Austria
- Electro-welding wire mesh plant

Bstg

- Graz, Austria
- Electro-welding wire mesh plant

Kovinar

- Jesenice, Slovenia
- Electro-welding wire mesh plant

Siat

- Gemona del Friuli (UD), Italy
- Cold drawn wire and flat production

Pittarc

- Divisione di Siat
- Gemona del Friuli (UD), Italy
- Welding wires production plant

Aggregate production plants

Ferriere Nord

- Osoppo (UD), Italy
- Granella® plant

Siderpotenza

- Potenza, Italy
- Granella® plant

Sales offices and distribution centres

Siderpotenza

- Ceprano (FR), Italy
- Distribution centre

Pittini Stahl

- Aichach, Germany
- Sales office

Pittini Siderprodukte

- Geroldswil, Swiss
- Sales office



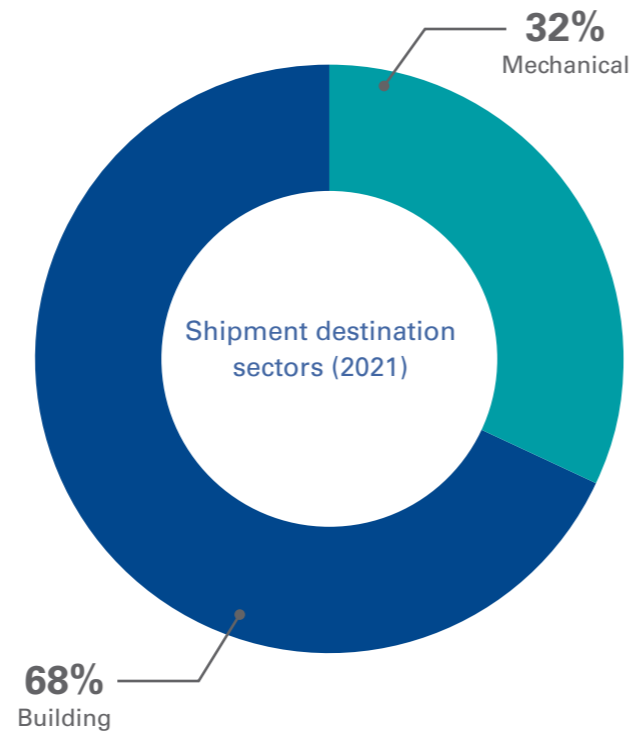
¹ Percentages calculated based on the 2021 steel economic situation published by Federacciai.

The Group produces **3 million tonnes of steel every year**, with constant growth based on three fundamental pillars:

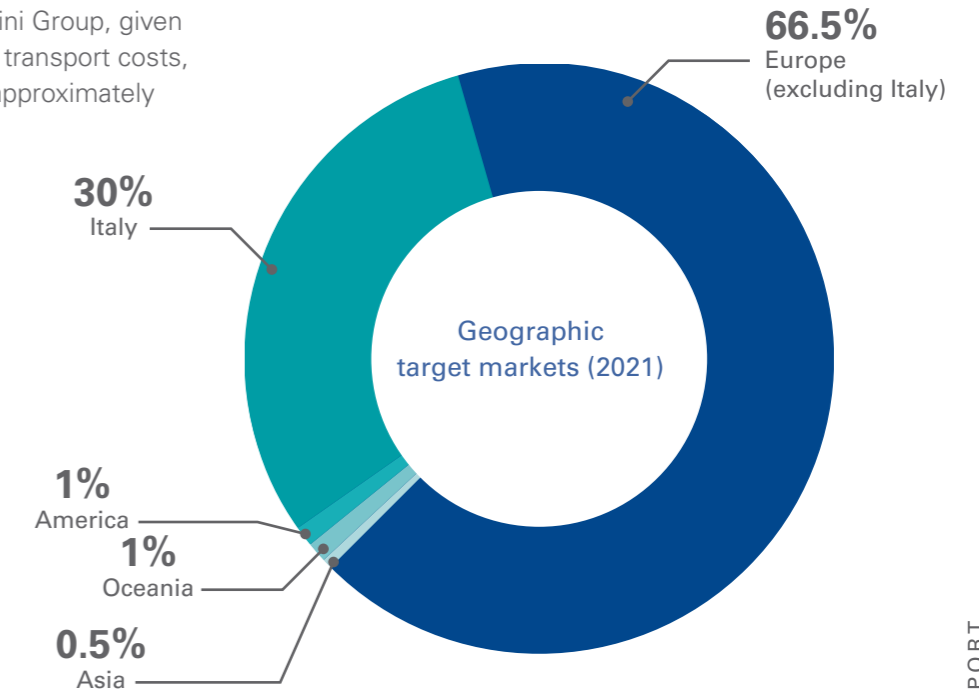
- the pursuit of an increasingly solid production **verticalisation**;
- **continuous investments** in product and process innovation also aimed at environmental protection;
- a strong **dedication to people**.

The construction, infrastructure and mechanical industries are the main target markets for the Group's products, for which steel is specifically designed and manufactured.

The range of steel solutions offered by the Pittini Group is one of the most complete found on the market and can meet every need.








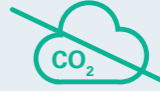
The reference market of the Pittini Group, given the type of product and the high transport costs, is the **European** market where approximately **97%** of sales are concentrated.



The size of the Group and the unique know-how it has developed over the years allow it to offer a wide and specialised range of products, which are marketed under different brands:

- PITTINI** → Wire rod and Concrete reinforcing steel produced by Ferriere Nord, Siderpotenza, Acciaierie di Verona, La Veneta Reti
- BSTG** → Electro-welded mesh for the Austrian market
- KOVINAR** → Electro-welded mesh for the former Yugoslavian market
- SIAT** → Cold-drawn and cold-rolled steels
- PITTARC** → Welding wire

SUSTAINABLE LOGISTICS

 - 72,290 trucks that did not travel by road, thanks to the expansion of rail transport	 > 2,000,000 tonnes of goods transported by rail in 2021
 + 5% increase in the number of wagons used compared to 2020	 44,375 tonnes of carbon dioxide not emitted thanks to the use of rail transport
 -77.3% primary energy saved thanks to the reduction of the transport of goods by road in favour of rail transport	 -90% reduction in CO ₂ emitted thanks to the choice of transporting goods by rail instead of truck

source: Mercitalia Rail & DB, data referring to the Pittini Group, 2021



BUSINESS SECTORS



Mechanical

Pittini is a reference in the market for the production of quality **wire rod** with low, medium and high **carbon** content. The wire rod produced by the Osoppo and Verona plants is used in the mechanical industry where it is then turned into a wide variety of products and components for everyday use. The wire rod produced has obtained the **EPD - Environmental Product Declaration** certification.



Steel for building

The Group stands out for its innovations in this sector:

- contribution to the industrialisation of reinforcements in the '60s, with the introduction of **lattice girder** and **electro-welded mesh**;
- in 2002, the Group was the first producer in the world to make **hot-rolled coils**, creating a new reference point in the sector with **Jumbo®**, the rebar in coils that, since 2015, is also available in a 5 tonne version to better meet the logistical and production needs of the Group's partners;
- introduction, in the late '90s, of the **HD brand**: high-ductility steel developed for earthquake-resistant constructions.





Road paving solutions

The Group provides a series of solutions for the construction of roads and viaducts that stand out for their sustainability, innovation and ease of laying. In particular, Pittini is one of the first steel producers to reinterpret the production cycle with a view to the **Circular Economy**, also involving potential industrial residues to use them in new ways. Electric furnace slag has been the subject of continuous analysis and research, which has led to it being appreciated as an actual product for which the **Granella®** brand was registered in 2009. Granella® is used as an aggregate when making bituminous coverings, cement mixes

and concrete mixes (for more information, see Section 2 “The circular economy and raw material recycling”), allowing it to replace valuable aggregates of natural origin such as basalt, diabase and porphyry. In this way, millions of tonnes of slag, otherwise headed for disposal, have become a valuable component in many new projects, with a positive environmental impact.

Granella® was the first aggregate deriving from steel mill slag with a **certified environmental product declaration**.



Cold drawn and cold rolled products

The Group’s verticalisation process aimed to expand its offer with a wide range of cold-drawn and cold-rolled steel products. These **SIAT-branded** products are made for the window and door, household appliance, automotive and construction industries. Their versatility is such that rolled plate is used in the production of enamelled grilles for hobs as well as for the reinforcement and protection of off-shore submarine cables.



Welding wire

Thanks to almost 50 years of experience, the **PITTARC division** has developed technologies, plants and production processes that make it a leader in the welding wire sector, using wire rod from the Pittini Group’s steel mills. The welding wires are made for the mechanical, pressure vessel, piping (in particular Oil&Gas), energy and heavy and light carpentry industries.



Our production process

Steel, a ferrous alloy essentially made of iron and carbon, is the basis of a country's industrial activity, and the level of its production helps define its degree of industrialisation.

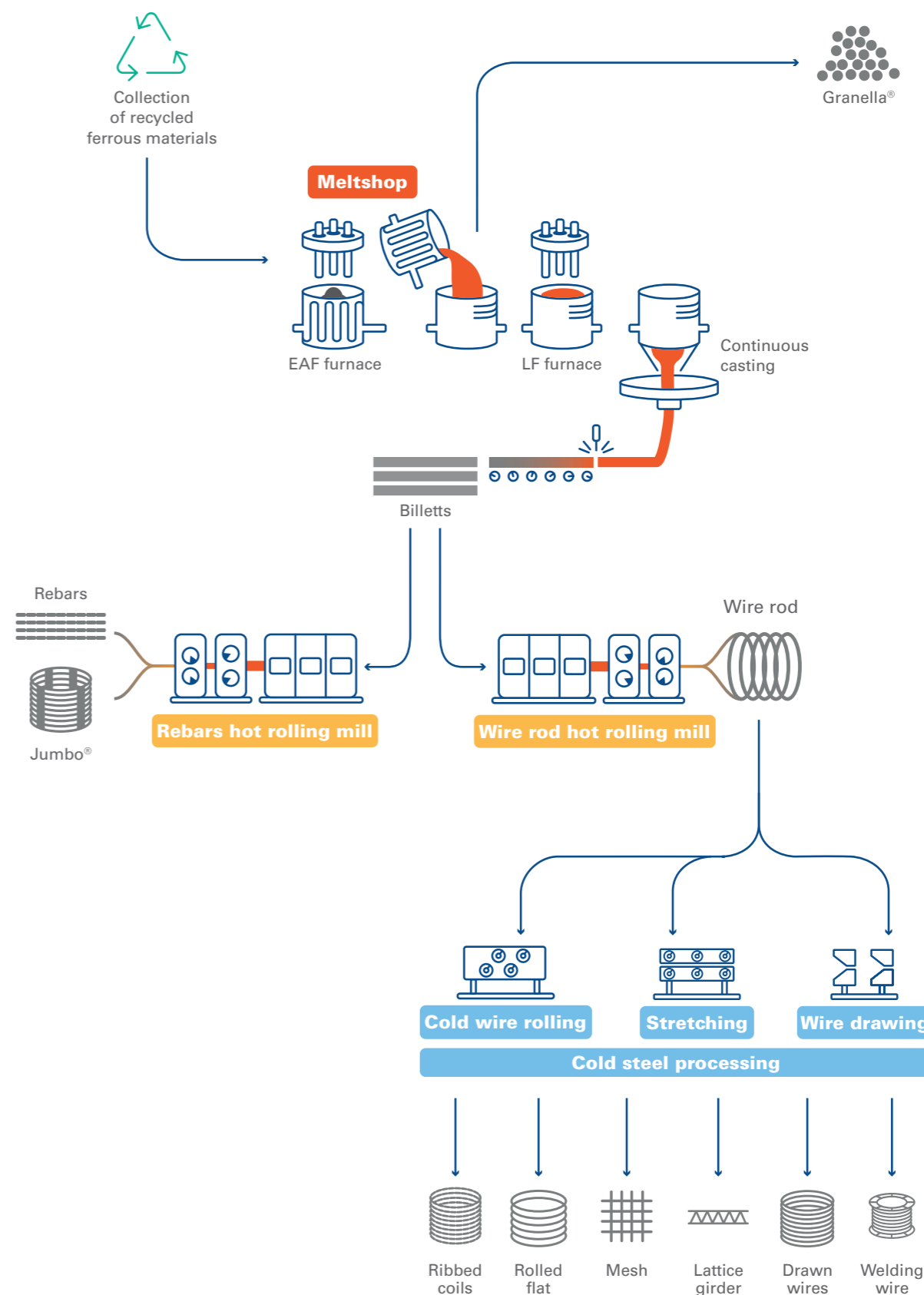
The most important distinction in the steel production process is made between blast furnace (LD) production and electric arc furnace (EAF) production. In the blast furnace, cast iron is produced from iron ore and carbon coke, which is then turned into steel in the converters. The EAF produces steel from recycled ferrous material. It is the most sustainable and environmentally friendly technology for this type of production, because it ensures better energy management and reduced emissions compared to the blast furnace, and it is also an example of circular economy. Thanks to the complete control of the production cycle, the Group is able to pursue and work according to a "circular" development model and offer a wide range of products that meet high quality standards.

The Pittini Group, which started from an artisan approach where human contribution was essential to ensure correct machine performance, has pursued a continuous technological evolution at plant level that has allowed, starting from the first casting in 1975, to reach high levels of automation. Today, the operators are supervisors and bring added value to the plant, thus increasing productivity, the efficiency of the system and the quality of the finished products.

Steel mills, hot processing plants (rolling mills), cold processing plants (production of electro-welded mesh, rewound reels and rolled/drawn products) and aggregate production plants are being constantly modernised and upgraded both to continuously improve safety standards and work environments and to prepare the entire production structure for the digital transformation of the manufacturing industry.

This approach has resulted in the Osoppo steel plant being recognised as one of those with the highest productivity in relation to the installed power on a single furnace, and in the new rolling plant built at the Acciaierie di Verona site being considered an application model of Industry 4.0.

Steel is a material that can be **100% and infinitely recycled** without losing its properties.



The figure shows each step of the production model, from the input of raw materials – recycled ferrous materials –, to the output, consisting of the end product



Ethical values and Philosophy

For the Pittini Group, the continuous improvement of its processes, the protection of health at the workplace, the protection of the environment and respect for the local area, are fundamental principles that are at the root of the three principles that guide its activities:

- **reliability:** which allows for objectives to be achieved by guaranteeing professionalism and quality, meeting the expectations of all Stakeholders;
- **innovation:** which means evolving constantly, in production methods, processes and organisation in order to anticipate and be ready for the challenges that the future holds;
- **people:** which means feeling part of the organisation, developing one's full potential and doing one's best to help achieve the company's results.

The companies belonging to the Pittini Group have undertaken a process aimed at adopting their own **Code of Ethics** and **Organisation, Management and Control Model**, also in order

to comply with the provisions of the **Italian Legislative Decree no.231/2001**.

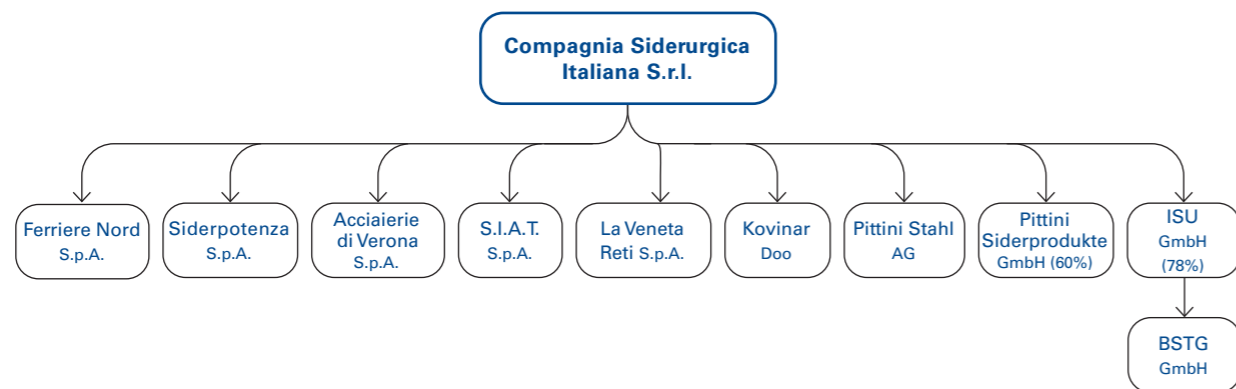
By adopting the Code of Ethics, the companies of the Pittini Group intend to disseminate the values that have always marked their respective activities and by which their employees, collaborators and partners are constantly inspired. For this reason, the principles contained in the Code of Ethics and in the Organisation, Management and Control Model guarantee the development and reliability of the companies of the Group.

This process will help further disseminate the ethics and culture of the Pittini Group, in the belief that these values are the necessary foundations for constant growth based on high-tech investments, product innovation and a careful sustainability policy. Along this path, Ferriere Nord S.p.A. has already adopted an Organisational Model in accordance with the Italian Legislative Decree no.231/2001, which includes the Code of Ethics.

The Governance structure

The Pittini Group has started to review its governance system to support the overall strategic development of the various manufacturing companies. In particular, the reorganisation process has developed along two lines: the revision of the governance mechanisms of the Parent Company and of

the subsidiaries and the rethinking of the organisational model, with a specific focus on information systems. The corporate reorganisation of the Group was aimed at launching policies aimed at a more advanced integration of the supply chain and a growing and organic production specialisation.



The reorganisation first involved the creation of the sub-holding company **Compagnia Siderurgica Italiana S.r.l.**, which took over the management and coordination of the subsidiaries, making it possible to simplify the decision-making processes and the administrative aspects of the Group. The management bodies of the individual operating companies report to the Corporate structure and

perform their functions consistently with the strategic guidelines defined by the Group's top management. Finally, to ensure an overall view of the Group's dynamics, the **"Organisation"** function was established, under the direct supervision of Compagnia Siderurgica Italiana. The new function coordinates the IT area and will develop specific skills to examine and improve the Group's business processes.

The management systems

In relation to the quality of its processes and activities, the Pittini Group has chosen to certify its Management Systems in accordance with the applicable Standards described below for the companies indicated.

Environment Sector	UNI EN ISO 14001:2015	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo) • Acciaierie di Verona S.p.A. • Siderpotenza S.p.A. • S.I.A.T. S.p.A. • La Veneta Reti S.p.A.
	Reg. CE 1221/2009 (EMAS)	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo) • Acciaierie di Verona S.p.A.
	UNI EN ISO 14021:2016 Environmental assertions on the percentage of recycled material in finished products	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. • Acciaierie di Verona S.p.A. • Siderpotenza S.p.A.
Energy Sector	Reg. 333/11	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo) • Acciaierie di Verona S.p.A. • Siderpotenza S.p.A.
	Energy UNI CEI EN ISO 50001:2018	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo)
Quality Management Systems	UNI EN ISO 9001:2015	<ul style="list-style-type: none"> • All companies of the Group
Occupational Health and Safety Management Systems	ISO 45001:2018	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo) • Ferriere Nord S.p.A. (Nave) • Acciaierie di Verona S.p.A.
	UNI 10617	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo)
Competence of testing and calibration laboratories	ACCREDIA accreditation according to Standard UNI CEI EN ISO IEC 17025:2005	<ul style="list-style-type: none"> • Ferriere Nord S.p.A. (Osoppo) • Siderpotenza S.p.A.



Relationship with Stakeholders

Stakeholders are the people who are actually or potentially significantly affected by the Group's activities and expect the Group to evaluate its decisions also in consideration of their needs.

The Pittini Group has engaged in a series of activities to identify its Stakeholders and the sustainability issues they are interested in.

Six types of Stakeholders and ten topics (important both for the Pittini Group and for the Stakeholders) have been identified.



The Pittini Group has identified the **topics** subject to reporting, which are listed below divided by area:

ENVIRONMENT

- MANAGEMENT OF RAW MATERIALS
- PROTECTION OF WATER
- ENERGY SAVING AND EMISSION CONTROL
- WASTE MANAGEMENT

SOCIAL ASPECTS

- OCCUPATIONAL HEALTH AND SAFETY
- TALENT MANAGEMENT
- SKILLS ENHANCEMENT

ECONOMIC AND GOVERNANCE ASPECTS

- RESPECT FOR ETHICAL PRINCIPLES
- INVESTMENTS IN INNOVATION
- DISTRIBUTED VALUE



Strategic guidelines for the Sustainability of the Pittini Group

The sustainability strategy of the Pittini Group is characterised by continuity with the actions carried out in the past and is attentive, in particular with regard to environmental aspects, to the evolution of the global situation, with attention to the vision developed at national and European level by industry bodies such as ESTEP (European Steel Technology Platform) which has developed the Clean Steel Partnership Road Map.

For an industry characterised by high energy and material consumption such as that of the Pittini Group, the focus is on four areas: Energy, Circular Economy, CO₂ Emissions, Water Resource Use. They are closely related and synergic with each other. Much work has been done in the past, often with cutting-edge aspects in the sector, but they still need to receive attention, also by means of the computerisation and increased automation of the industrial processes and by implementing industrial symbiosis principles.

Circular Economy

- The pursuit of research activities on materials, dissemination, technological development and promotion for an increasingly technically appropriate use of steel slag processing products.
- Maximisation of the reintegration of its residues into the same or different production cycles.

Energy

- The pursuit of the minimisation of specific energy consumption.
- Recovery of energy from thermal processes, allowing it to be reused inside or outside the process and the plant.

Reduction of CO₂ emissions

- Plant development allowing for the maximisation of energy efficiency, resulting in less use of fossil fuels, or allowing for the partial or total replacement of the energies used, preferring renewable ones.
- Replacement of methane of fossil origin with biomethane.
- Research, design and development of technological applications in the production process by replacing conventional fuels based on the oxidation of carbon-based materials.
- Replacement of fossil carbons used in the EAF process with carbon-based materials derived from the processing of plant biomass.
- Preferential choice in the supply of energy and materials that allow for lower CO₂ emissions in an overall product life cycle analysis.

Use of the water resource

- Automation and computerisation of qualitative and quantitative monitoring methods and development of tools for analysing consumption and discharge data in order to ensure the continuous and adequate use of the resource.
- Increased efficiency of the water resource by integrating the circuits of the different sections of the same plant, transfer of water to circuits with progressively less restrictive requirements, treatment/purification systems capable of restoring water quality to process requirements, pursue of a high degree of recirculation in the same circuit.

Enhancement of the local area and communities

- The company is committed to building partnerships and positively integrating its plants within the local area, respecting and enhancing its special features. This is with the aim of **strategically positioning** itself and, above all, representing an element of value for the community and for the entire supply chain, ensuring economic solidity, qualified jobs, skills development, well-being and safety for all collaborators.

Value of people

- The responsible and transparent management of collaborators, together with the internal enhancement of their skills, are essential elements for the growth and development of the entire organisation.

Skills management and talent development

- The company focuses on the growth of its people, considering training an essential lever of development for the individual collaborator and for the entire organisation.

Safety

- The promotion of a safe and secure workplace for all the Group's workers with constant attention to accidents at work.

Economic value

- The creation of value for the communities in which the industrial plants are integrated, with particular attention to its supply chain, supporting suppliers, especially local ones, with financial support actions.
- Continuous innovation to improve product quality and the energy efficiency of the plants, with a view to Industry 4.0.



2/ ENVIRONMENTAL PERFORMANCE



Steel production processes have a **non-negligible impact** on the environment: the most significant aspects are energy consumption, atmospheric emissions, production waste management and water resource management.

Investors are now particularly attentive to sustainability assessments and have started to use specific indicator systems to assess the actions taken by organisations and to make predictions about the risks deriving from incipient environmental and socio-economic changes.

In the context of steel production and processing activities, **reconciling industrial development with environmental protection** is a challenge that has always continuously stimulated all the people who have worked for the Group and those who still work for it today.

Over the years, the containment of emissions in any environmental compartment (air, water, soil, noise, waste), the rational use of resources, the sustainable management of plants and their positive relationship with the local area, have been a constant and every-growing priority addressed thanks to **research on plants, processes and materials**.

The BATs (Best Available Techniques) are the reference for environmental authorisations issued by the authorities and they represent the prerequisite to be able to operate. In the Group's plants, the continuous effort is not only to implement the BATs, but also to seek the possibility of exceeding them by anticipating regulatory indications. Some examples of work carried out or in progress in some plants are the following:

- the installation of "ultra low NOx" burners in reheating furnaces;
- the installation of activated carbon systems to abate organic micropollutants and control process parameters;
- the continuous revamping of steel mill extraction systems;
- the installation of continuous scrap feeding technology at the steel mill's melting furnace to reduce the potential for fugitive emissions;
- the transfer of billets from continuous casting to the pre-heating furnace of the wire rod rolling mill to obtain the energy savings associated with hot loading.

The management of environmental protection and the related protection of the area in which the Group operates is developed in line with the specific legislative provisions and regulations defined at a European, national and regional level. In fact, the activities of plants equipped with Steel Mills and Rolling Mills are subject to the **Integrated Environmental Authorisation (IEA)** issued by the authorities in accordance with the best technologies available for each type of production in Europe (**BAT**).

The Group, determined to improve its environmental performance over time, achieve high objectives and continuously monitor the results achieved as well as its own performance, wanted its Companies to adopt an **Environmental Management System (EMS)** complying with Standard UNI EN ISO 14001, which has been implemented at various levels in all plants.

A further step towards transparency and sustainability was the decision to adhere to the **Eco-Management and Audit Scheme (EMAS)**¹ in the Verona (2020) and Osoppo (2021) plants, with the registration of the relative sites and publication of the respective statements.

The Group's approach to preventing potential impacts from production activities has translated into significant investments in environmental protection, as well as worker safety and product quality. In this regard, one example is the recent three-year investment plan called "Green Steel" dedicated to the Potenza plant.

¹ The Eco-Management and Audit Scheme (EMAS) is a voluntary instrument created by the European Community and regulated by Regulation (EC) no.1221/2009 and subsequent amendments and integrations, to which organisations (companies, public bodies, etc.) can voluntarily adhere in order to assess and improve their environmental performance and provide the public and other interested parties with information on their environmental management.



Companies operating in the steel sector contribute at European level to defining the state-of-the-art of processes in terms of environmental performance. The result is a document in which all the best available techniques (BREF - BAT Reference Documents) are identified; this document is public and accessible on the portal of the **European body EIPPCB**.

The BATs are transposed within the individual integrated authorisations.

For the Group's activities, there are essentially two applicable BREFs:

- **BREF for Iron and Steel production (IS)** for steel meltshops.
- **BREF for the Ferrous Metals Processing industry (FMP)** for rolling mills.

From an organisational point of view involving environmental aspects, the Group is structured with a **strategic HSE Manager** at Corporate level and Environmental Managers appointed for each plant.

The application of the Deming cycle for continuous improvement (Plan-Do-Check-Act) provides for the involvement of Top Management, which, during specific meetings, checks the progress of the objectives set and, once they have been achieved, sets new ones. In this way, the PDCA model takes the form of a virtuous spiral which, by repeating improvement, reaches increasingly higher levels.

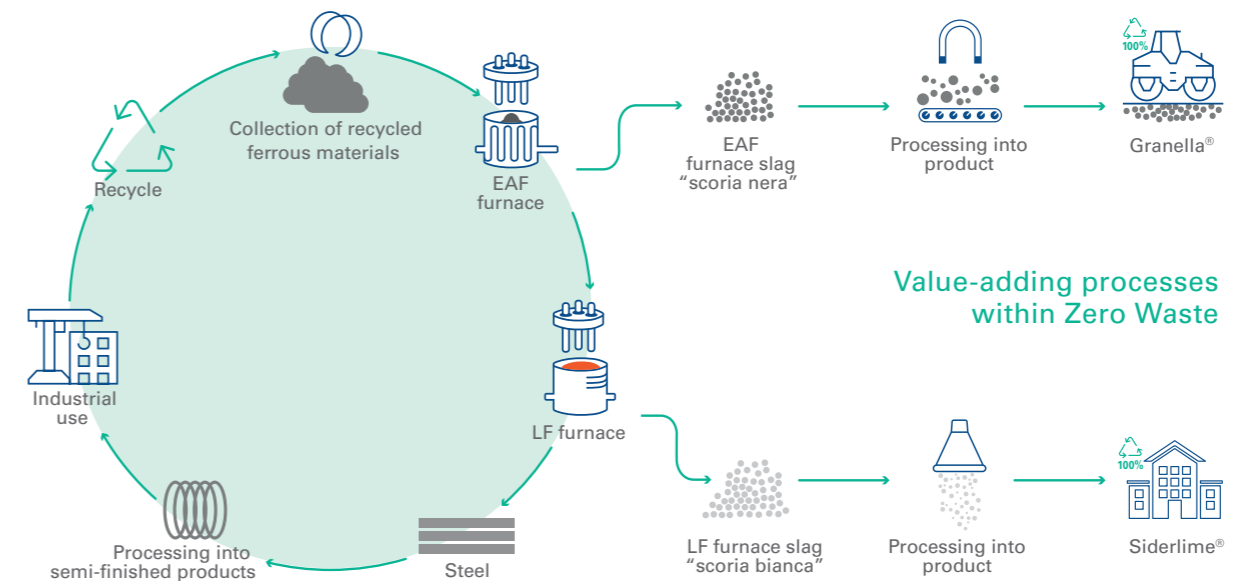
The Group's policies are made known to all its collaborators. Moreover, dedicated training sessions, in which the Group's collaborators are invited to participate in order to strengthen their behaviour and consequent professional practices, are also essential for their effective implementation.



Circular economy and raw material recycling

When creating new steel products, the continuous reduction in the use of raw materials of natural origin, together with the recovery/recycling of residual products in internal processes and "industrial symbiosis" practices, are a real objective for companies in this sector, both for the economic opportunities that derive from them and for the aspects related to the reduction of the environmental impact. It should be pointed out that, once produced, steel can be recycled and reused due to the fact that it is a **permanent material**, i.e. capable of maintaining its strength, ductility and formability intact over time. Steel is considered to have an overall recovery rate of **more than 78% and 100% of its by-products are suitable for recycling**². It is a perfect example of circular economy. The materials used in the EAF production process are mainly and essentially made up of ferrous

scrap (material classified as "end of waste"³ according to EU Regulation 333/2011), cast iron and pre-shredded steel, as well as some additives. The **"Zero waste"** initiative, which started in the mid-90s at the Osoppo site and later extended to other Group production sites and continued to evolve over the years until today, aims at minimising waste by continuously enhancing its positive qualities, resorting to a specific innovation of processes, plants and materials. Zero Waste mainly focuses on the most important materials in terms of quantity, such as electric furnace slag, ladle furnace slag, fume abatement dust, scale and refractories. Secondary materials that today, thanks to the results of the project, are appreciated within and outside the production cycle, as they can be used to replace other raw materials such as basalt, porphyry, limestone, iron ore and zinc ore.



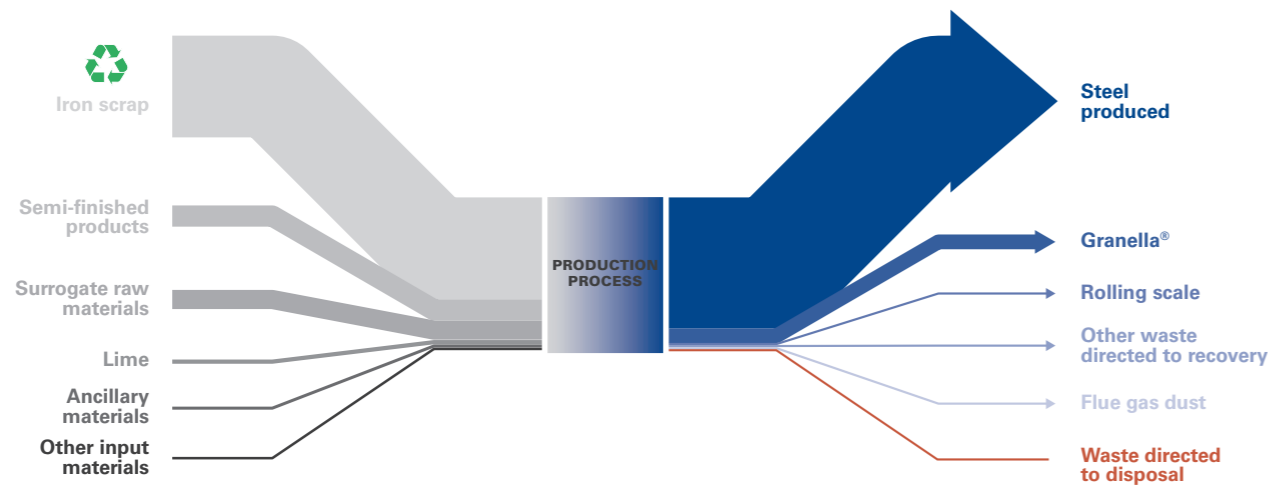
² According to the White Book of Steel published by the World Steel Association, the steel recovery rate identifies the percentage ratio between the amount of scrap recovered and the amount of scrap available

³ EU Regulation 333/2011 sets the criteria - such as scrap quality, waste used as material in the recovery operation, and treatment processes and techniques - according to which certain types of scrap iron, steel, aluminium and aluminium alloys cease to be waste and are therefore defined as "end of waste".



As a result, the portion of material entering the production process, mainly ferrous scrap from recycling, that does not become finished steel product:

- becomes **Granella®**, or **Siderlime®**, two new construction products,
- remains within the production cycle (such as ladle furnace slag fed back into the EAF instead of lime),
- is recovered by third parties with the aim of industrial symbiosis,
- only a small part cannot be recovered and is sent for disposal.



Qualitative representation of the flow of materials into and out of the production process of the 3 plants in question. The thickness of the arrows is proportional to the total weight

Only 23%
of production waste is sent for disposal

83.6%
of the raw materials used in processes in meltshops comes from recycling

78.3%
of the semi-finished products used in rolling mills comes from recycled material

For Pittini, recovery and recycling activities are made possible thanks to a production process mainly focused on electric furnace technology based on scrap recovery. The entire melting and refining process in the meltshops used a total of 3,327,843 tonnes of raw and related materials in 2021, of which 83.6% came from recycled material (compared to 82.2% in 2020).

The raw steel produced by the steel mills (billets) constitutes the raw material (semi-finished product) for the Group's rolling mills to produce wire rod, reinforcing bars in bars and Jumbo® coils, using hot rolling processes. In 2021, the production of hot rolled products in the Group was achieved with semi-finished products, 78.3% of which from recycled materials (compared to 79.1% in 2020).

Below are the main results achieved from recovery processes in the logic of the circular economy:

- **EAF slag:** in 2021, about 400,000 tonnes of Granella® were used instead of natural materials that would otherwise have to be extracted from quarries. The use of Granella® in long-lasting water draining pavements also led to the appreciation of the new material and consolidated a positive relationship with the local area. Another advantage is that an equal amount of material was not sent to landfills.
- **Ladle slag and refractories:** these materials are also used within the cycle in quantities over 45,000 tonnes per year, otherwise they would be destined for disposal. Otherwise, part of the ladle slag is processed into a product called Siderlime®.
- **Steel mill fume abatement dust** (about 52,000 tonnes per year) is sent for recovery at third parties for the extraction of zinc and other materials, reducing the use of ore and other metals.
- **Scale:** about 52,000 tonnes per year are sent for recovery at third parties, saving materials from mining sites.

THE RESULTS OF THE ZERO WASTE PROJECT

400k tonnes
of Granella®
produced each year

45k tonnes
of ladle slag and refractories
reused in the production cycle
each year

52k tonnes
of steel mill fume abatement dust
recovered each year

52k tonnes
of scale recovered each year

about
549k tonnes
of natural materials saved
from extraction each year



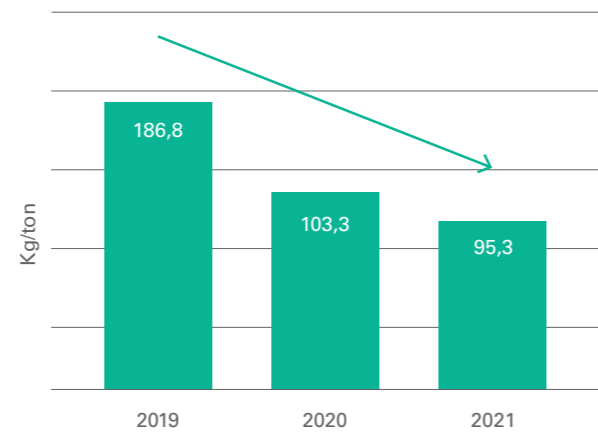
Waste treatment

Steel production with an electric arc furnace is normally associated with a significant production of residues, the main ones being slag, fume abatement dust, rolling mill scale and refractories. Thanks to the **Zero Waste** initiative, this waste has been turned into new products or reintroduced into other production processes with a view to the **Circular Economy**.

In Europe, steel mills with electric arc furnaces produce between 80 and 400 kg/tonne of specific waste⁴. The Italian steel sector is characterised by an average residue production of about 150 kg per tonne of steel⁵. At the Pittini Group, the Zero Waste initiative has made it possible to give value to the waste produced in larger quantities, turning it into new products or recycling it within the process. As a result, the specific production of waste corresponds to the lowest values within the context of European steel mills, and almost one third of the national average in the sector. **In fact, in 2021, the total waste produced was 59.7 kg per tonne of rolled steel, in line with the 2020 figure (59 kg).**

This important reduction is the result of the transformation, at the Osoppo plant, of part of Acciaierie di Verona's slag into Granella®. This activity, which started in 2019, will continue and will be increased over the coming years, with the aim of using all possible slag as product.

Total waste produced by Acciaierie di Verona



In the graph, relating to the Acciaierie di Verona plant, it can be seen that the amount of waste produced during the three-year period 2019-2021 has decreased significantly. Another consequence of the Zero Waste initiative was the attempt to recover most of the remaining waste through forms of industrial "symbiosis": Fume abatement dust and mill scale are sent to third parties that recover and enhance the substances they contain.

⁴ The BREF for steel production reports the following specific waste production values: furnace slag 60-270 kg/tonne, ladle furnace slag 10-80 kg/tonne, fume abatement dust 10-30 kg/tonne, spent refractories 1.6-22.8 kg/tonne.

⁵ Source: Sustainability Report 2021 published by Federacciai for the entire Italian steel industry, including the full-cycle steel industry.

SIDERLIME®

SIDERLIME®, thanks to its high CaO content, is used in the cement production cycle as a partial replacement of natural raw materials (typically marl and/or limestone) in the preparation of the raw mixture fed to the portland cement clinker kiln; thanks to its hydraulic properties, it is the basic constituent of all types of cements and hydraulic binders. Thanks to its already decarbonated calcium oxide content, **SIDERLIME®**, contributes to the **reduction of process CO₂ emissions** resulting from clinker burning.



GRANELLA®

With a view to extending its knowledge of the impacts associated with the manufacture of its products throughout their entire life, the Group has, since 2018, launched a Life-Cycle Assessment progressively intended to be extended to the entire production of all plants. Thanks to this activity, it is possible to derive environmental statements such as carbon footprint, water footprint and the Environmental Product Declaration (EPD) according to Standard UNI EN ISO 14025 on environmental product performance.

GRANELLA® Pittini

Already bearing the CE mark, in accordance with EU Regulation 305/2011 and Standards UNI EN 13043, UNI EN 12620 and UNI EN 13242 (relating to aggregates for bituminous and cement mixes and for use in civil engineering works and road surface construction), in 2018 Granella® obtained the



Environmental Product Declaration (EPD) and became the first aggregate derived from steel mill slag with a certified environmental product declaration.



Energy and emissions

Steel is vital to modern economies, and so the global demand for steel is expected to grow in the coming decades to meet the growing needs for social and economic well-being.

Meeting this demand presents challenges for the steel sector such as trying to follow a more sustainable path while remaining competitive. The sector is currently responsible for around 8% of the global final energy demand and 7% of the energy sector's CO₂ emissions (including process emissions)⁶.

However, through innovation, the use of low CO₂ emission technologies (EAF) and an efficient use of resources, the steel industry has the opportunity to reduce energy consumption and greenhouse gas emissions, develop more sustainable products and improve its competitiveness.

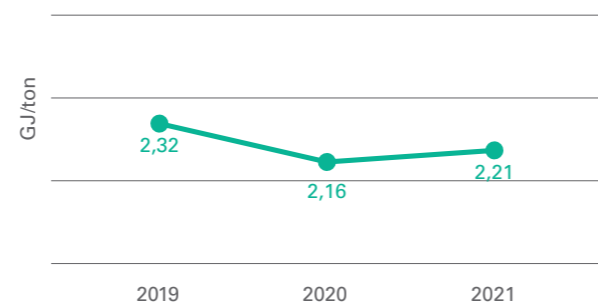
Steel production and processing activities are highly energy-intensive and impactful in terms of environmental and economic impacts. In 2021, the Electrical Energy requirements of the entire national steel industry amounted to 7% of the total E.E. Requirements in Italy⁷.

Starting from the end of 2019, with the entry into force of the Integrated National Energy and Climate Plan 2030 (NECP) and from the beginning of 2020 with the approval of the European Green Deal, the implementation of an industrial decarbonisation process is considered increasingly urgent: for this reason, companies with high energy consumption must move towards new, increasingly efficient and sustainable consumption models.

Heat recovery from Acciaierie di Verona plants heats over **700 homes**, saving **760 thousand tonnes of gas** and avoiding **1,300 tonnes of CO₂ emissions**.

For this purpose, the **Zero Waste Energy** project – launched in 2010 - has led to the census of all energy sources and consumption, resulting in the largest company of the Pittini Group, Ferriere Nord, implementing an Energy Management System (EMS) – in accordance with Standard UNI EN ISO 50001 – and adopting the relative Energy Policy. Energy consumption is basically made up of electricity, mainly absorbed by the electric arc furnaces in the steel mills, and natural gas, used mainly in the pre-heating furnaces in the rolling mills to heat the billets before the rolling process. **The consumption of electricity per tonne of rolled product (this ratio is called energy intensity) during 2021 was 2.22 GJ/t.** Projects to improve plant efficiency and to install **LED lamps** have been implemented at the Pittini Group over the years. Another contribution was made by a **photovoltaic system** installed at the Ferriere Nord site in Osoppo, which generated 1,180 GJ of self-produced electricity in 2021 (more panels are planned to be installed). On the basis of an agreement with the municipal company AGSM, Acciaierie di Verona built a **district heating plant** for the benefit of the urban context of Verona, which produced 52,692 GJ of energy in 2021.

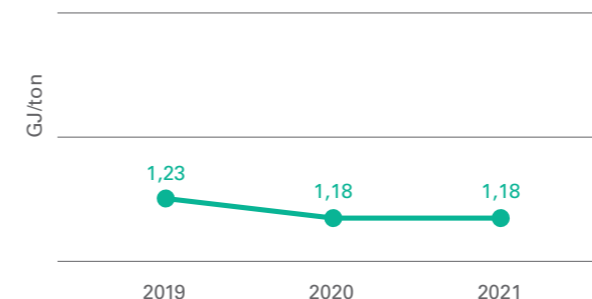
Average energy intensity of EE



As for the **use of natural gas**, mainly used in the rolling mills, **1.18 GJ per tonne of rolled product was used in 2021**. Savings on natural gas consumption are possible thanks to heat recovery and the loading of still hot billets into the pre-heating furnace (hot loading). Heat from the melting process is recovered through district heating towards company buildings (in Osoppo) or to the benefit of the "city of Verona" and through the production of cool air for the process (in Verona).

The energy intensity data for natural gas, described by production site and over the three years considered, shows a value lower than the national average, which for the iron and steel sector stands at 2.86 GJ/tonne⁸.

Energy intensity of natural gas



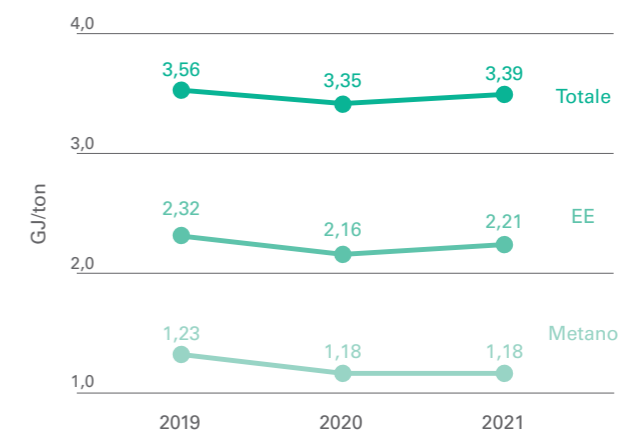
Each year, the average natural gas energy intensity of Pittini Group's plants is **59% lower** than the national average for the steel industry⁸.

In 2021, electricity and natural gas saving interventions were carried out (shown in the table on page 38), resulting in a **reduction of the total energy consumption at our plants of 474,977 GJ equal to 4.5% of the total consumption**.

The following graph refers to the trend in overall energy intensity (electricity, natural gas) net of the above mentioned savings during the three years under review (for reasons of consistency, the energy intensities have all been related to tonnes of rolled product), which is **34% lower** than the sector data for scrap-fuelled EAF production⁹.

This result places Pittini Group's plants **among the most energy-efficient in the world**.

Energy intensity of EE and natural gas



GJ is the abbreviation of Giga Joule = 1,000,000,000 joules. It is a unit of measurement of energy. 1 GJ is worth 0.277778 MWh.

⁶ Data for 2021 according to IEA in the "Iron and Steel Technology Roadmap" report.

⁷ Source: Terna Statistica Yearbook referring to 2020.

⁸ Source: Sustainability Report 2021 published by Federacciai.

⁹ The World Steel Association report gives a value of 5.2 GJ/tonne.



As part of the energy management system and the **Zero Waste Energy** project, the companies of the Group have implemented further energy efficiency measures with the aim of reducing consumption. The implementation of some of these measures has been favoured by obtaining white certificates, i.e. negotiable securities

certifying the achievement of savings in the final use of energy through interventions and projects, which made the investment sustainable. The effectiveness of the interventions is verified by specially installed monitoring systems. The **main interventions carried out** are summarised below.

Company (plant)	Energy source	Initiatives carried out
Ferriere Nord (Osoppo)	Electrical energy	<ul style="list-style-type: none"> • Implementation of a new water system (steel mill) to replace the cooling system serving the meltshop. • Revamping of the flue gas system, i.e. improvement of the flue gas extraction system from the steel mill by replacing motors and fans. • Addition of a new chiller, replacing a refrigeration unit serving the Trellis section for process cooling. • Introduction of a new air compressor at the Metallurgy Department. • Replacement of a new air compressor at the Trellis Department. • Revamping of the casting pumps, i.e. replacement of the motors of some of the meltshop's auxiliary service pumps. • Installation of LED lamps (at two plant departments).
	Natural gas	<ul style="list-style-type: none"> • Recovery of heat from production plants for space heating. • Hot loading operation at the rolling mills, which consists in coordinating meltshop and rolling mill productions in such a way that the meltshop's product reaches the rolling mills already pre-heated, thus allowing for significant gas savings for the material reheating furnace.
Siderpotenza (Potenza)	Natural gas	<ul style="list-style-type: none"> • Hot loading operation to the rolling mills (as above).
Acciaierie di Verona (Verona)	Electrical energy	<ul style="list-style-type: none"> • Production of cool air for the cooling process by means of heat recovery: the heat that would be dissipated by a cooling system is recovered by special machines that can then cool other utilities. • Installation of LED lamps (at one plant department).
	Natural gas	<ul style="list-style-type: none"> • Recovery of heat from production plants for space heating. • Hot loading operation to the rolling mills (as above).



Greenhouse gas emissions

The production of steel involves the emission of CO₂ into the atmosphere. This concerns both **direct emissions (scope 1)** mainly affected by the carbon content of the materials used, particularly coal, natural gas, scrap/cast iron/pre-shredded steel and electrodes, and **indirect emissions (scope 2)** mainly deriving from the use of electrical energy and, in this sense, particularly impactful for the Group, considering its production activities using electric arc furnaces.

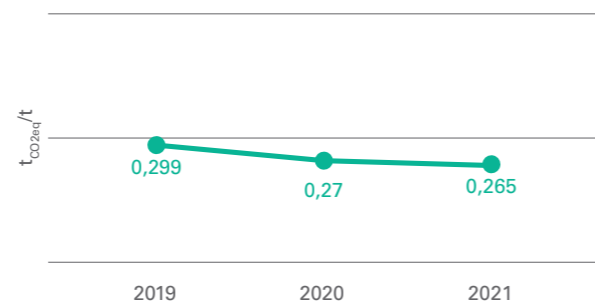
In 2021, the Group's CO₂ emissions – both direct (scope 1) and indirect (scope 2) – amounted to **0.265 tonnes of CO_{2eq} per tonne produced** (reference is made to rolled products), progressively decreasing over the years. In particular, there was an 11% reduction compared to 2019 and a 2% reduction compared to 2020. In addition to this, the figure is lower than the average CO₂ emissions recorded for scrap-fuelled EAF steel producers like the Pittini Group, in particular consumption is 11.7% lower than the figure of 0.3 tCO_{2eq}/t according to the surveys carried out by the World Steel Association and the International Energy Agency (IEA)¹⁰.

Emissions **11.7% lower** than the average for EAF steel producers

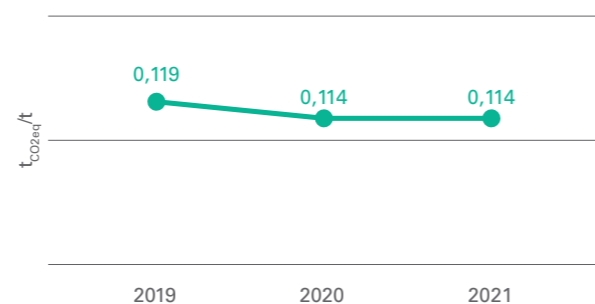
Compared to 2019, CO₂ emissions per tonne of steel produced were **reduced by 11%**

As for direct emissions (scope 1 only), the average value for 2021 was **0.114 tonnes of CO_{2eq} emitted per tonne of rolled product**, with a slightly decreasing trend over the three-year period under review, which corresponds to about **a quarter of the emissions compared to the national reference average** for the sector (0.4 tCO_{2eq}/t_{steel})¹¹.

Specific CO_{2eq} emissions (scope 1 and 2)



Specific CO_{2eq} emissions (scope 1)



24,900 tonnes of CO_{2eq} avoided in 2021

Reduction of greenhouse emissions

Constant efforts to improve the efficiency and innovation of production plants and organisational interventions aimed at energy optimisation have made it possible to avoid the emission of significant quantities of **direct and indirect greenhouse gases** over the years. During 2021, considering only the emissions due to plant activities (scope 1) and energy savings (scope 2), almost **24,900 tonnes of Co_{2eq} were avoided**, whereas, when considering the entire

three-year period 2019-2021 under review, the avoided emission amounts to more than **68,700 tonnes of CO_{2eq}**. During 2022, further efficiency projects were initiated, which include, among others, the commissioning of a new photovoltaic system and the increase of hot loading by improving the transfer of semi-finished products from the steel mill to the rolling mills.



¹⁰ The data refers to the publication "Iron and Steel Technology Roadmap" issued by the IEA.

¹¹ Source: Sustainability Report 2021 published by Federacciai for the entire Italian steel industry, including the full-cycle steel industry.



The water resource

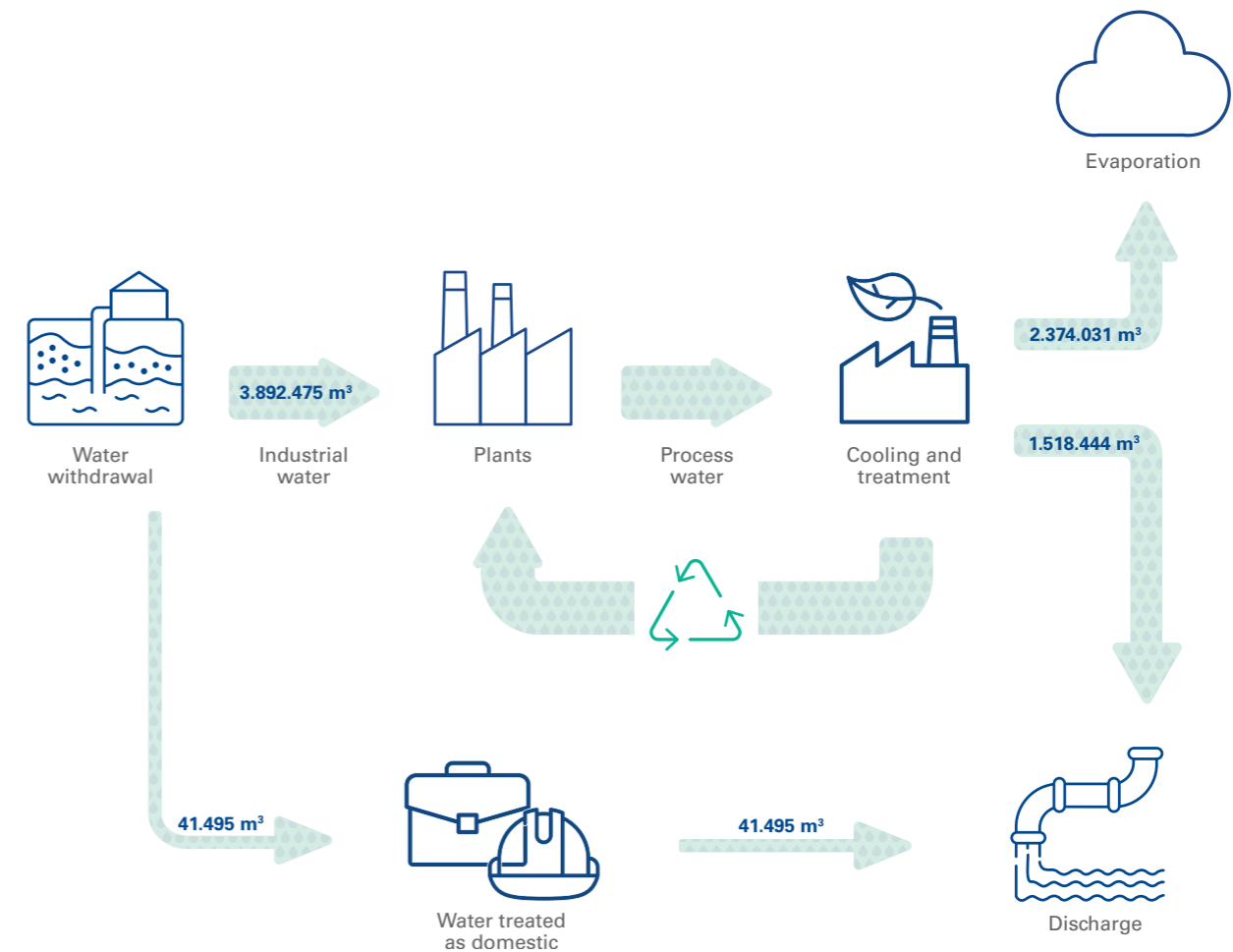
The activity of steel mills involves the use of water mainly to cool the plants and treat semi-finished and finished products. The impacts related to the use of water resources mainly concern the withdrawal of groundwater and discharge into the sewer system of water with quality characteristics lower than its original ones. A very important share evaporates as a result of the plant cooling processes. All plants submit the data on the quantity and quality of all water drawn and discharged to the competent authorities. The Osoppo and Verona plants draw the water serving their industrial plants from the underground water table through wells, whereas the Siderpotenza plant receives water from third parties (Lucano Aqueduct). In these plants, the cooling water is recovered, treated and recirculated in the circuits and then it is partially reintegrated.

A quantity of **waste water**, after adequate treatment, is discharged into the sewer system or, in the case of Verona, into surface water. Chemical-physical analyses are carried out periodically to check the quality of the discharged water in relation to the limits set by the individual authorisations and applicable legal provisions. The minimum standards for the discharge of water for industrial use are set by national and local regulations and reported in the Integrated Environmental Authorisations. The industrial discharges from Osoppo and Potenza are managed by a consortium for the industrial area, whereas the discharges from Verona are managed by a company **water purifier** that discharges it into surface water.

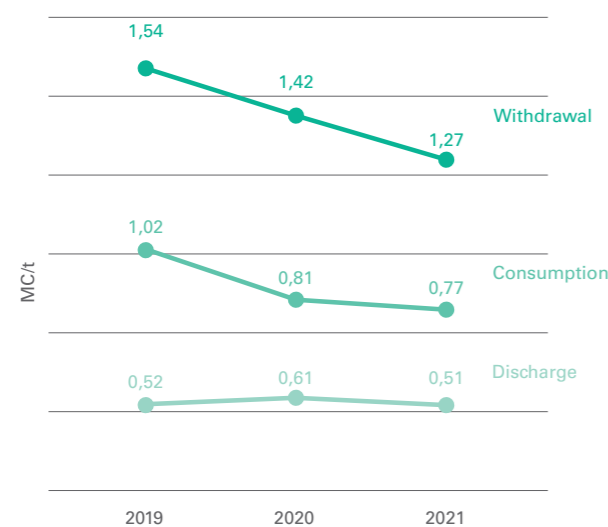
Water for human consumption is withdrawn, for all plants, from private or public aqueduct services in the area.

Rainwater is appropriately collected in the ferrous scrap and finished product storage yards, treated and discharged.

Water cycle in the Group's production plants



Use of the water resource in the Group



Water consumption per tonne of steel produced decreased by 24.5% in 2021 compared to 2019

Water withdrawal per tonne of steel produced decreased by 17% in 2021 compared to 2019

Water	Quantity - 2021
INPUT: Water for industrial use	3.892.475 m ³
INPUT: Water for domestic use	41.495 m ³
OUTPUT: Industrial discharge	1.518.444 m ³
OUTPUT: Domestic/sanitary water discharge	41.495 m ³
CONSUMPTION: Evaporated	2.347.031 m ³



3/ SOCIAL PERFORMANCE



Partnerships and collaborations: enhancement of the local area and communities

Synergic integration in the local area in which the Group operates is a key element in defining its actions and in fulfilling its values. **Reliability, responsibility, commitment, innovation and growth** guide the internal culture, promote interaction with local communities and constitute guidelines for the selection of initiatives with a strong social value supported by the Group. The company is indeed committed to building partnerships and positively integrating its plants within the territory, respecting and enhancing its special features. This is with the aim of strategically positioning itself and, above all, representing an element of value for the community and for the entire supply chain, ensuring economic solidity, qualified jobs, skills development, well-being and safety for all collaborators. Some examples of this are the close relationships developed with the **world of education**, which have resulted in counselling and work experience at the company aimed at students of secondary schools, universities and technical institutes, as well as collaborations with other companies in the same sector and trade representatives at local and national level.

Human resources management includes a wide range of activities defined and carried out at Group level, to ensure the dissemination of a **shared corporate philosophy** that can be recognised in all locations. The functions responsible for this area are a point of reference for each affiliated company and are committed to ensuring compliance with the same quality standards and equal opportunities for growth and development.

People represent one of the three founding values of the Pittini Group. The same attention given to them within the organisation can also be found outside it: towards customers, suppliers, Stakeholders and potential employees. **Putting the human element at the centre** is the principle that guides every phase of our work and is essential for development in the path of continuous innovation.

The strategic objectives pursued by the Group attempt to virtuously **reconcile business and Corporate Social Responsibility**, in order to have a positive impact on society by taking on economic and ethical-social commitments that contribute to common well-being. With the aim of strengthening **solidarity activities** and giving back to the community part of what was received from it, in June 2019 the **Fondazione Gruppo Pittini** was established, with the strong desire to express its responsibility towards people and the local area in a concrete way. A passing of the baton between the company and the foundation with the same name, which configures a concrete and real interest in the people who are part of the Group, for the benefit of local communities and towards specific situations of fragility.

As for training, it is the Group's corporate school, "**Officina Pittini per la Formazione**", that continues its activities in favour of the local area, by means of training courses aimed at companies and individuals, specific professional refresher courses and regional funded training projects.



PITTINI GROUP FOUNDATION

The Pittini Group Foundation is a **nonprofit corporate body** of the Pittini Group and it deals with the development of innovative projects for the community, aimed at **connecting territory, solidarity and training**. The Foundation aims to become, over time, a significant player in philanthropy and in the third sector in Italy, contributing to the growth of communities by **disbursing funds** and **promoting socially relevant initiatives**. Its activities embrace all of Italy and Europe, with a particular focus on the areas where the Pittini Group is present with its plants. Promoting innovation, applying new approaches and trying to provide solutions for the challenges of the future, is an intent that is also recognisable in the Foundation's mission - **embracing the future** - which highlights the desire to enhance human and local resources in order to build cohesive communities that are able to look towards the future in a proactive manner.

Many initiatives have already been implemented by the Foundation in its first years of activity, especially towards the Group's collaborators and their families. Commitment to people translates into concrete gestures that ensure closeness when it matters most and enhance excellence in every field: examples of this are the bonus given each year to the Group's new parents, the disbursement of scholarships to students who have won the national student Olympics, and the support of social, sporting and artistic-cultural activities in partnership with other companies in the public and private sector. In terms of education, of particular importance is the **"Pittini Challenge"** project, launched by the Foundation in collaboration with "Pittini Workshop for Training", the Pittini Group and schools from all over Italy. The originality of the offer and the training methodologies adopted earned the Pittini Challenge a "Special Mention" at the 2021 **Dual Excellence Award promoted by the German-Italian Chamber of Commerce (AHK Italien)** supported by the German Ministry of Education and Research (BMBF) and the German O-cc for international Cooperation in Vocational Education and Training (GOVET). Moreover, at the first edition of the initiative, 19 students were awarded **individual scholarships**, offered and given to them by the Pittini Group Foundation.

The value of people

People represent **the most valuable asset** and are placed at the centre of all Pittini Group projects. The **responsible and transparent management of collaborators**, together with the **internal development of their skills**, are essential elements for the growth and development of the entire organisation. In particular, the ability to **attract new talents** with different skills and professionalism and to cultivate their potential over time is an important strategic lever in building the Pittini Group of the future.

The actions carried out with a view to attracting candidates and positioning the company as a workplace pay attention to the values of fairness and respect for individuality, as well as for the age and cultural characteristics of the workforce considered as a whole.

A **plurality of generations** with different needs and expectations coexist within the company. It is precisely the intergenerational exchange, the transfer of skills between senior and junior profiles and reciprocal mentoring that the Group encourages and that represent an

essential enriching element at a personal and professional level.

Even the **recruitment process** consists of various phases and activities aimed at the positive integration of each person within the organisation. The entire selection process is managed internally: this ensures professionalism, transparency and clarity in the Employee Value Proposition for future employees through a direct and constant relationship with Human Resources specialists from the first contact. At the same time, for a successful continuation of the career path, the company is committed to ensuring that everybody feels welcome from their first day at the company, and new recruits are accompanied even after their placement, in particular by means of initial training and on-the-job training sessions for all technical and operational figures placed in the production departments. Similarly, during the first period of employment, individual monitoring interviews are scheduled to provide feedback on the progress of the work experience from the employee's point of view.

Knowing how to develop talents, making them grow within the Group and making them aware of their importance as people, before numbers and results, represents an important long-term investment both in terms of motivation and operational performance. Precisely with a view to creating a link between objectives, skills management and employee involvement, the year 2021 represented an opportunity for the Group to develop a **performance assessment process**, which promotes better management of people and their motivation; this is achieved through clear expectations, shared indicators, alignment between individual and corporate objectives and meetings between collaborators and managers.

Particular attention is also paid to the well-being of internal staff by promoting a correct work-life balance and building positive relationships between collaborators and the company, based on **mutual trust**. In this direction, smart working is a work method that the Pittini Group has embraced and that has required a change in

mentality before the actual instrumental change. Activated for employees, smart working has required the company to invest in the necessary equipment for remote work and training for the employees concerned, while making the management of teams and physical spaces more lively.

In the year of reporting, the Pittini Group includes **1,788 collaborators**. With specific reference to the companies under review, the number of **staff employed on full-time permanent contracts was 95%**, in line with the previous years. The **total turnover rate** is, on the other hand, **6%**. In 2021, despite the Covid emergency, the Group continued to stabilise its fixed-term contracts and also to consolidate the professionals working at the various locations.

The Pittini Group is aware of the importance of guaranteeing stability and it applies the National Contract for the category (**National Collective Employment Contract - CCNL metalworking industry**) to all collaborators, who can consequently benefit from an extensive system of second level bargaining concerning both economic aspects and other aspects of the employment relationship such as safety, training and professional development. The contractual conditions and remuneration of each employee are in line with the levels defined in the reference National Collective Employment Contract and take into account the professional figure, the skills required for the specific role and the experience gained. Moreover, constructive dialogue with the Workers' Representatives and with the Social Partners is facilitated and encouraged within the organisation.

1,788
total
employees

95%
with permanent
contracts



Talent management and skills enhancement

In line with the Pittini Group's mission, which states "Investing in the training, growth and development of skills of its collaborators and supporting the creation of an internal culture that guarantees the achievement of the corporate objectives", the company **focuses on the growth of its people**, considering training an essential lever of development for the individual collaborator and for the entire organisation. The management of staff training is entrusted to the **Corporate School "Officina Pittini per la Formazione"**, founded in 2003, which takes care of all projects within the Group according to specific training needs and the annual budget allocated to them.

For Pittini, investments in training play a strategic role: increasing the technical know-how, keeping skills up-to-date and creating customised development plans are all activities capable of developing a sense of belonging, building people's loyalty to the organisation and guaranteeing a positive future. Upskilling and reskilling are opportunities offered by the Group to all employees, who are thus empowered to direct their own career path and, thanks to the internal job posting tool, they can apply for new roles. The decision to train internally, ensuring **high quality standards**, also has positive repercussions on staff recruitment and selection activities. In fact, it benefits the company in two ways: it makes it easier to integrate hard-to-find professional figures and it limits turn over phenomena.

Considering the shortage of technical profiles with specific skills in relation to the growing needs of the production departments, the Pittini Group collaborates with various local schools and offers **highly specialised training-work opportunities** aimed at recent graduates from technical schools and recent engineering graduates, where theoretical sessions in the classroom alternate with on-site training and shadowing. It is precisely the Pittini Group's commitment to enhancing the training of new generations through dedicated projects that has allowed two of its affiliated companies to obtain important awards from Confindustria, confirmed also in the year of reporting. Since 2018 **Ferriere Nord Osoppo** is proud to have received the **BAQ stamp (for Quality Alternation)** and the **BITS stamp (for Business at Technical Institutes)**, while **Acciaierie di Verona** has received the **BITS stamp** since the year 2020. The training provided by the Corporate School is carried out both in the classroom, at the company's premises, and remotely, thanks to the **MyOPF** e-learning platform activated in 2020. During the year and in the three companies, a total of **36,124 hours of training** were provided: an increase of 50% compared to the previous year, with an average of 26.11 hours per collaborator. This commitment is also confirmed by the **investments in training**, which **increased by 56% compared to 2020 for a total of 718,500 €**.



The BITS (Technical Institute stamp) and BAQ (Quality Alternation stamp) certifications were obtained and maintained in recent years.

Officina Pittini per la Formazione

"Officina Pittini per la Formazione" is a **nonprofit organisation** founded in 2003 as a **corporate school of the Pittini Group**. It is one of the first corporate schools created in Italy and, in 2004, it obtained **accreditation from the Training Department of the Friuli-Venezia Giulia region**. Training the Group's collaborators is the most important activity carried out by the Pittini Workshop, which is responsible for mapping, organising and managing the **training courses of each affiliated company** with a special focus on innovation, safety, digitalisation and sustainability of processes. The courses provided range from safety to plant-related technical training, also offering Industry 4.0-oriented modules in line with the evolving sector. Language and transversal skills are also topics dealt with, thanks to the many opportunities for personal development.

In its role as an **accredited training organisation**, the Pittini Workshop has also expanded its **activities outside the Group**, and today it is a professional learning laboratory for the benefit of the local area, private individuals and companies. Over the years, it has become a key player in the integration process between the world of education and the world of work, promoting the dissemination of an entrepreneurial culture aimed at innovation. It is precisely the wide range of training courses, which are always up-to-date from a technological and organisational point of view, that allowed the "Pittini Workshop for Training" to obtain two more accreditations in 2021. The **National Council of Italian Engineers (CNI)** has accredited the school as a provider authorised to organise continuous professional non-formal, frontal and distance training activities, valid also to obtain

credits to update professional skills. On the other hand, the **Italian Association of Occupational Safety Trainers** has accredited the "Officina Pittini per la Formazione" as an AIFOS Training Centre (CFA) for the issue of certifications in the field of occupational health and safety pursuant to the Italian Legislative Decree 81/2008.

Last but not least, an essential element of competitiveness of the Pittini Workshop for Training is quality, and it has chosen to have its own **Quality Management System (QMS)** certified ISO 9001, an internationally recognised Standard.



36,124
hours
of training

718,500€
of investments
in training



MANAGEMENT4STEEL

In 2019, the Pittini Group, in collaboration with Aso, Duferco and Feralpi, and with the support of the “Officina Pittini per la Formazione”, gave life to the idea of a **Steel Academy** that would develop internal talents and prepare them for managerial roles. Management 4 Steel aims to train selected employees of each promoting company, by acquiring technical and management skills increasingly oriented towards Industry 4.0, and to strengthen soft skills. The initiative was launched also to promote the creation of a network of mutual exchange between the main players in the steel industry in order to make collaboration between companies a strategic asset in the current industrial scenario. In 2021, the second edition of the project was launched, in which three high-potential profiles of the Pittini Group took part.

STEEL ENGINEER

This is a stimulating and innovative **one-year professional training course** aimed at recent engineering graduates, selected through an assessment centre and hired by the company with a permanent contract through direct employment. The training experience is aimed at acquiring steel, technical-specialist, managerial and transversal skills, integrating the academic path of new engineers with a 360° view of company processes and organisation. The twelve months of training involve alternating activities to be carried out in the various production departments, periods of shadowing in the corporate areas involved and hours of advanced theory. Specifically, Steel Engineer includes a total of 295 hours of classroom training and 1640 hours of on-the-job training. The training-work project is only the latest to be designed and implemented within the Pittini Group. It was created by the management, supporting by the corporate school “Pittini Workshop for Training”, in response to real needs that emerged within the organisation. The first edition of the project allowed the integration into

STEEL TRAINING

This is a one-year training project, launched in 2019 in collaboration with the Bearzi Salesian Institute in Udine. In 2021, the **training-work course** aimed at recent graduates from technical schools, involved eight young people selected through an assessment centre and hired by the Pittini Group with a permanent contract. The twelve months of training included an in-depth study of technical and soft skills, combining theoretical classroom training (550 hours) with work experience in various company departments (1,300 hours of practical work). At the end of this year, the participants obtained the qualification of technicians specialised in the operation and maintenance of automated systems and were placed in the production departments of the various affiliated plants. Due to Covid-19, for the first time the candidate selection phase was managed by the Human Resources department completely remotely.



the Pittini Group of five steel process engineers, assigned at the end of the course to specific functions according to the company’s needs and their personal aptitudes.

Employee’s health and safety as essential elements

The attention paid to employees is a key element in defining the actions to be taken, and the commitment to **social sustainability** cannot but go hand in hand with taking care of their **health and safety**, guaranteeing the same protection to everyone on the premises. To this end, a **Workplace Health and Safety Management System (WHSMS)** has been defined and implemented in the Group’s production plants, structured according to Standard ISO 45001:2018, in several cases also certified by a third party.

All company subjects have the opportunity to take part, in different ways and with different involvement, in the improvement of the WHSMS, also by contributing in the specific and basic processes for the identification of hazards, for the subsequent assessment of the associated risk, for the selection and adoption of the most suitable and appropriate risk reduction measures. The quality of these processes is guaranteed mainly by the skills of the staff involved, the monitoring and control activities, and the timely programming and planning of activities, in order to improve the protection of the workers’ health and safety.

In detail

The risks to which operators are exposed are often intrinsic to the type of activities carried out and the characteristics of the steel sector: however, although they cannot be completely eliminated, they must be the subject of intense activity aimed at reducing them as much as possible. The Group has developed ad hoc projects to emphasise how important it is to protect its employees and bring the issue of safety to everyone’s attention. To increase awareness of the

most critical activities and processes in terms of health and safety, an area dedicated to training in work at heights and confined spaces has been equipped. In this way, it is possible to experiment and simulate, in a protected environment and in a practical way, the various rescue intervention situations.

With regard to the three companies under review, in 2021, **61 accidents** were recorded; the **frequency index was 26.15**, whereas the **severity index was 0.99**.

26.15
accident
frequency index

0.99
accident
severity index





4/ FINANCIAL PERFORMANCE

Group commitment and economic value creation

The steel industry represents one of the main production sectors on which a country's national economy is based. This is due to the fact that steel products are basic elements widely used in various production areas, and are almost irreplaceable in many economic sectors, including construction, mechanics, automotive, household appliances production, shipbuilding, energy and transport services.

	2019	2020	2021
Turnover in billion Euro	1.49	1.33	2.29
of which % Export	63%	66%	70%

During the 2021 financial year, the Group, thanks to the strong integration and verticalisation of its companies and its consolidated presence in international markets, was able to capture the positive effects of the economic recovery. In particular, the implementation of the strategic choices formulated and the full implementation of the important investment programs carried out over the last five years have made it possible to recover, and exceed, pre-pandemic production and sales volumes and to achieve interesting economic and financial results.

97%
economic value distributed

As for the 3 companies covered by this report, the economic value creation figures are shown:

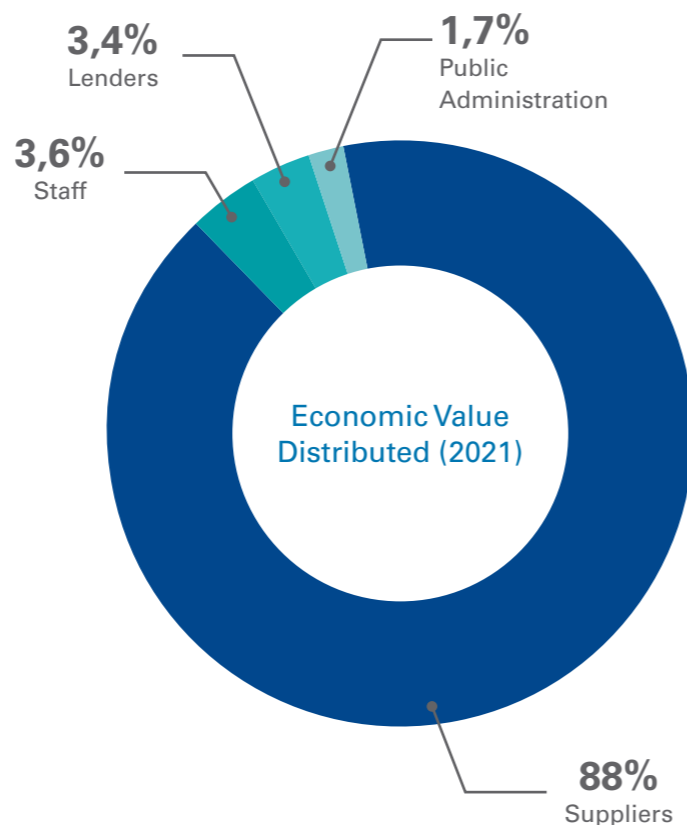
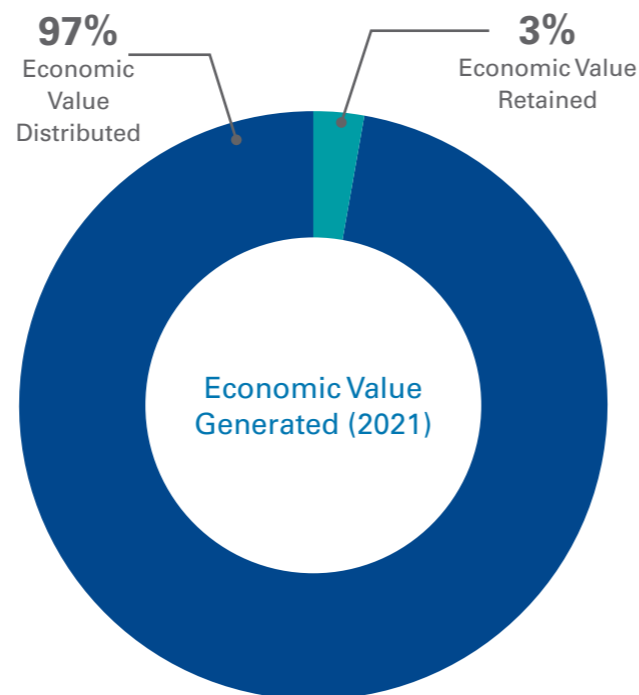
Direct economic value generated	2019	2020	2021
Direct economic value generated, which corresponds to wealth produced	1,526,943,960	1,409,846,608	2,517,419,899

Economic value distributed	2019	2020	2021
i.e. the operating costs: staff, financial expenses...	1,485,670,381	1,364,888,631	2,434,247,238

Economic value retained	2019	2020	2021
i.e. the economic value generated minus the economic value distributed	41,273,579	44,957,977	83,172,661



The largest share of the economic value distributed is paid to suppliers to purchase raw materials, consumables, goods, services (mainly for energy and transport services) and to hire machinery and equipment. The second largest share goes to employees to pay wages, salaries and other costs associated with staff management; a smaller share goes to lenders (for financial expenses and dividend distribution). This share increased by 10% compared to 2020 against an increase in staff of less than 2%. Then there are payments to the public administration (in terms of current taxes and management tax charges). Investments for the development of the local area and for local communities were made by the Pittini Group Foundation.



90.7 mio €
paid to all people employed by the Group

Projects supporting the supply chain

Suppliers represent a crucial link in the value chain in which the companies of the Pittini Group are integrated; in fact, 88% of the economic value distributed is destined to them.

In supplier and supply value reports, it is clear that suppliers in the local area where the plants are located are privileged. As many as 65% of suppliers in 2021 were in fact local (i.e. related to the regions where the plant's legal and operational headquarters are located), compared to 90% of domestic suppliers and 10% of foreign suppliers¹.

Over the years, projects have been launched to support the supply chain, including the Discounting Project with the aim of supporting its supplier base and therefore the entire supply chain. This new service allows suppliers to collect their invoices in advance, opening a facilitated liquidity channel. This means strengthening the relationship between the Pittini Group and its suppliers, simplifying processes, allowing liquidity to circulate faster and thus allowing everyone to focus on strategic activities for business growth.

A concrete step towards building an increasingly solid relationship based on trust between the companies of the Group and the supply chain of which each supplier is an essential link.

65% turnover
paid to local suppliers



Ferriere Nord, Acciaierie di Verona and Siderpotenza undertake to financially support at least half of the recurring SME territories, making invoices issued by them available for advance payment, at discount rates lower than the market average.

The graphs refer to the 3 companies covered by this report.

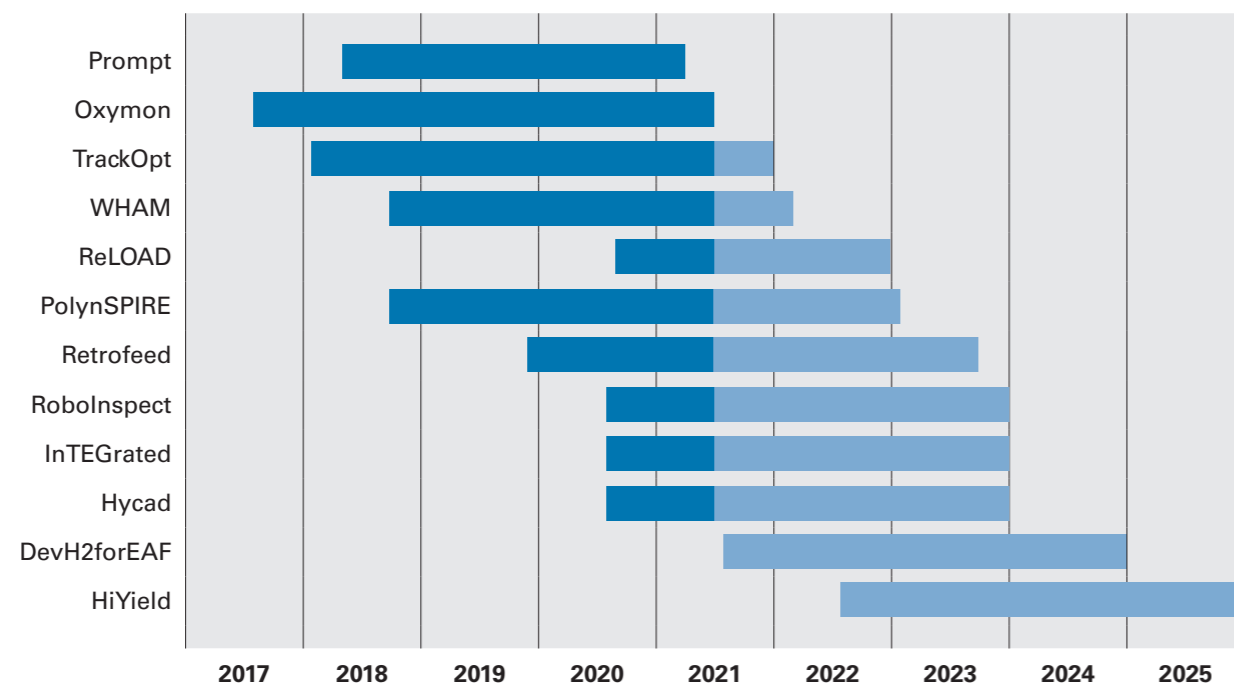
¹The supplier count does not include suppliers of raw materials and energy, as they are strategic suppliers and it is not possible to choose to support local players.



Innovating to increase value and improve the product

The Group has always invested in research and innovation as a central element in safeguarding and promoting the company's competitiveness in the medium and long term, with favourable effects on economic, environmental and social performance.

The Group's research and innovation projects and the time required for their implementation are indicated in the table below:



Also in 2021, the companies of the Group carried out experimental activities aimed at increasing product quality, improving the technology used in the plants with a view to **Industry 4.0**, and making production processes more efficient, with particular attention to the synergies that can be developed to reduce environmental impact and to promote the circular economy and safety at the workplace.

To date, a total of **86 partners** from **17 different countries** are involved, including **12 universities** and **7 research centres**. There are **11 projects currently underway** and they concern the plants in **Osoppo** (steel mill, rolling mill and

cold processing plant), **Potenza** (rolling mill) and **Verona** (plant).

The projects are part of the European RFCS – Research Fund for Coal and Steel, Horizon 2020, the Regional Operational Plan of the European Regional Development Fund (ROP ERDF) and the National Operational Plan for Research & Innovation (PON R&I).

In 2021, the Group dedicated **12,932 hours in research activities** on product quality, process technologies and environmental protection, i.e. focused on obtaining new benefits in terms of circular economy.

Investments

In the Pittini Group, the investments made in the last three years amounted to **190 million Euro** with an average incidence on the turnover for the period of over **3.7%**, higher than the national incidence; according to the "Report on the competitiveness of production sectors", published by ISTAT, the average national incidence in the period 2016-2018 (last data available) was **2.9%**.

The Group has always believed and invested in research and innovation as a central element in safeguarding and promoting the company's competitiveness in the medium and long term, with favourable effects on economic, environmental and, therefore, social performance.

Also in 2021, in line with the previous years, the companies of the Group carried out experimental activities aimed at increasing product quality, improving the technology used in the plants with a view to **Industry 4.0** and, therefore, making production processes more efficient, with particular attention to the synergies that can be developed to reduce environmental impact and to promote the circular economy and safety at the workplace.

11
ongoing
research and
development
projects

12,932
hours of
research and
development
activities

Investments made by the Pittini Group (millions of Euro)	2019	2020	2021
Turnover	1,488	1,326	2,290
Group investments	77	51	61
% sul fatturato	5.2%	3.9%	2.6%



The Green Steel environmental protection development program in Potenza

Green Steel is a project that involves the Potenza plant where environmental protection is placed at the forefront. It is a wide-ranging plan, launched in 2018 and scheduled for completion in 2023, which identifies an investment plan consisting of a series of complex interventions whose common denominator is the improvement of the effects of the production activity on the environment. The main objectives are the rationalisation of water consumption, the reduction of atmospheric emissions, an increase in the energy efficiency of the processes, the improvement of the acoustic impact and covering the area where ferrous materials are stored. These measures will raise the level of environmental protection above the level set out by the European Commission with the "Implementing Decision 2012/135/EU" dated 28 February 2012, which establishes the conclusions on the Best Available Techniques (BAT) for the production of iron and steel.

The program includes five interventions:

- The "Water circuit closure" project intervenes on the plant's process water cooling system by adopting closed-circuit technologies, with the use of air-coolers which will allow for the reduction of the water consumption thanks to its reuse. The planned changes to the plants will allow for other objectives to be achieved, including the reduction of additive consumption, the improvement of acoustic impact and the reduction of steam emissions (fumes).
- The "GREEN EAF" project intervenes on the electric arc furnace being used in the steelwork department in order to improve its environmental performance. The solutions identified are characterised by the use of the

most modern technologies applicable in the steel industry and will allow for the reduction of electricity consumption, the reduction of the CO₂ produced during the melting process, the improvement of acoustic impact and the reduction of lime consumption.

- The "Emission Reduction" project provides for the further reduction of atmospheric emissions by means of two specific interventions in the plant's industrial processes. In particular, the changes involve upgrading the fume extraction system of the steel mill and making the rolling mill pre-heating furnace more efficient.
- The "Scrap Yard Roofing" project provides for the expansion of the covered surface area in the ferrous materials storage area. The characteristics of this new construction will ensure indoor storage and the reduction of dust emissions and of the noise produced during material handling operations.
- The "Soundproofing" project consists of the construction of systems to confine and reduce noise coming from the plant, particularly from the areas where the equipment that generates the most noise is located. It includes various interventions that will confine and reduce noise emissions towards the areas surrounding the plant. Moreover, a green barrier will be created in the perimeter areas of the plant, using different plant species to mitigate the noise coming from the industrial site.

The program is co-financed by the European Union, European Regional Development Fund – Operational Program "Competitiveness and Entrepreneurship" 2014-2020.



The Sustainable Steel environmental protection development program in Verona

The project aims to contribute to the reduction of the environmental impact of the production plant located in Verona by means of a series of interventions aimed at minimising the pollutants released into the atmosphere during the various phases of the production cycle and also aimed at reducing the plant's energy consumption. The investment program started in 2020 and will be completed by 2023.

Over the last few years, the Verona production unit has been the subject of an important plant modernisation project, both in the steelwork department and at the rolling mill, called "Masterplan". The activities carried out to date have resulted in a modern and efficient plant in terms of production.

What is now to be pursued with the Susteel - Sustainable Steel program is an equally important increase in environmental sustainability.

Three projects are planned, the first two of which are aimed at improving environmental performance beyond the levels required by the applicable regulations:

- **Scrap yard roofing.** The investment project for the expansion of the covered scrap yard provides for the extension of the current covered surface area. The new structure will allow the material to be placed in a protected area, preventing possible dust emissions and reducing the noise produced. In addition to this, a railway connection is planned to serve the new covered area, which will reduce material transportation by road in favour of an increase in the use of railway wagons, with a positive impact on the management of vehicle traffic and the city road system.
- **Upgrading the fume extraction system.** Investment program to upgrade the suction

capacity of the fume extraction system serving the steel mill, aimed at reducing emissions into the atmosphere.

In addition to improving the filtering capacity with the consequent reduction of dust emissions into the surrounding environment, the investment will also reduce energy consumption and the noise generated by the plant.

- The third project of the development program is the Direct billet transfer system which aims to introduce significant energy savings within the production cycle.

- In particular, the hot billets coming from the steelwork department, which will be subjected to the subsequent rolling process, are currently cooled and placed in an intermediate storage area. For the subsequent rolling process, the billet needs to be heated in a special pre-heating furnace. The construction of an intermediate system to transfer the hot billets from the steel mill to the rolling mill will allow for energy savings equal to the amount of natural gas used to pre-heat the billet.

The new underground automatic roller conveyor will bring further benefits related to the decommissioning of diesel handling equipment, and in particular the reduction of emissions relating to its exhaust fumes and increased safety levels during the operations.

The interventions envisaged by the program are essentially aimed at achieving environmental protection objectives which will allow the production site to reduce its impact on the surrounding urban context.



GRI index

The purpose of this Report is to disclose the Pittini Group's commitment and the information contained in the Sustainability Report.

The Sustainability Report is prepared, drafted and published on a regular annual basis. The period for the report is the year defined as the "calendar year".

This report refers to 2021 and to the 3 companies Ferriere Nord S.p.A. - Osoppo plant, Siderpotenza S.p.A. - Potenza plant and Acciaierie di Verona S.p.A., unless otherwise specified.

Information concerning the individual production sites mentioned above and reported in

accordance with selected and applicable parts of some GRI Topic-specific standards, according to GRI-referenced modalities, are available in the document: "Sustainability Report" that can be provided to Stakeholders on request by sending an email to: pittinigroup@pittini.it.

The same have been audited for assurance (GRI-referenced). GRI Topic-specific standards and the relative parts to which the Sustainability Report refers and according to which the information has been reported are specified in the following table.

Indicator description	Reference p.	Disclosure
Foundation	Pp. 12 – 23	1
General statements	Pp. 12 – 23	2
Topics	Pp. 24 – 27	3

ENVIRONMENTAL PERFORMANCE

Topic	Indicator description	Reference p.	Disclosure
CONSUMPTION OF RAW MATERIALS/RECYCLING	Materials used by weight or volume	Pp. 31 – 33	301 – 1
CONSUMPTION OF RAW MATERIALS/RECYCLING	Recycled materials used	Pp. 31 – 33	301 – 2
ENERGY	Energy consumption within the Organisation	Pp. 36 – 39	302 – 1 a-e,g
ENERGY	Energy intensity	Pp. 36 – 39	302 – 3
ENERGY	Reduction in energy consumption	Pp. 36 – 39	302 – 4 a,b
WATER	Interaction with water as a shared resource	Pp. 42 – 43	303 – 1 a
WATER	Water withdrawal	Pp. 42 – 43	303 – 3 a,b,c
WATER	Water discharge	Pp. 42 – 43	303 – 4 a,b,c
WATER	Water consumption	Pp. 42 – 43	303 – 5 a,b
A/C	Direct GHG emissions (scope 1)	Pp. 40 – 41	305 – 1 a,b,d,e,g
A/C	Indirect GHG emissions from energy consumption (scope 2)	Pp. 40 – 41	305 – 2 a,c,e,g
A/C	GHG emission intensity	Pp. 40 – 41	305 – 4

A/C	Reduced GHG emissions	Pp. 40 – 41	305 – 5 a-d
A/C	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions	Pp. 40 – 41	305 – 7 a,b
WASTE	Production of waste and significant impacts related to waste	Pp. 34 – 35	306 – 1
WASTE	Management of the significant impacts related to waste	Pp. 34 – 35	306 – 2
WASTE	Waste generated	Pp. 34 – 35	306 – 3
WASTE	Waste not destined for disposal	Pp. 34 – 35	306 – 4
WASTE	Waste destined for disposal	Pp. 34 – 35	306 – 5

SOCIAL PERFORMANCE

Topic	Indicator description	Reference p.	Disclosure
SAFETY AT WORK	Occupational health and safety management system	P. 51	403 – 1
SAFETY AT WORK	Identification of hazards, risk assessment and accident investigation	P. 51	403 – 2 a
SAFETY AT WORK	Occupational health services	P. 51	403 – 3
SAFETY AT WORK	Worker participation and consultation and communication on occupational health and safety	P. 51	403 – 4 a,b
SAFETY AT WORK	Worker training in occupational health and safety	P. 51	403 – 5
SAFETY AT WORK	Worker health promotion	P. 51	403 – 6
SAFETY AT WORK	Workers covered by an occupational health and safety management system	P. 51	403 – 8
SAFETY AT WORK	Accidents at work	P. 51	403 – 9 a,c,e
TRAINING		Pp. 48 – 49 – 50	404 – 1 – 2 a
NON-DISCRIMINATION	Non-discrimination and turn over	Pp. 46 – 47	406

FINANCIAL PERFORMANCE

Topic	Indicator description	Reference p.	Disclosure
FINANCIAL PERFORMANCE	Direct economic value generated and distributed	Pagg. 53 – 54	201 – 1
FINANCIAL PERFORMANCE	Suppliers and value of supplies	Pag. 55	204 – 1



The assurance refers to the full document "Sustainability Report" available for all stakeholders on request by sending an email to: pittinigroup@pittini.it.



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REA MI 1432780

Organismo Notificato €€ 1608

Rif. 22F1322

Relazione dell'organismo indipendente di assurance sul Bilancio di Sostenibilità Gruppo Pittini - Anno di rendicontazione 2021

Siamo stati incaricati di effettuare la verifica del Bilancio di Sostenibilità – Anno di rendicontazione 2021 (di seguito "Bilancio di sostenibilità") del Gruppo Pittini (di seguito "Gruppo") con un livello di garanzia limitato ("limited assurance engagement").

L'ambito del nostro incarico ha riguardato esclusivamente l'anno solare 2021 ed è stato circoscritto alle *disclosures* dettagliate nella tabella di cui al Capitolo 10. "Indice dei riferimenti GRP" del Bilancio di Sostenibilità (di seguito "Tabella") ed ai seguenti siti produttivi del Gruppo: stabilimento di Osoppo della società Ferriere Nord S.p.A., stabilimento di Potenza della società Siderpotenza S.p.A. e stabilimento di Verona della società Acciaierie di Verona S.p.A.

Obiettivo del nostro incarico è stato verificare che i dati rendicontati e le informazioni riportate di cui alle suddette *disclosures* soddisfacessero i pertinenti criteri definiti nei "Global Reporting Initiative Sustainability Reporting Standards" (di seguito "GRI-Standards") e non contenessero inesattezze materiali.

L'incarico non ha incluso la valutazione dei processi e dei sistemi implementati dal Gruppo per la determinazione e la reportazione dei dati e delle informazioni oggetto di *disclosure*, così come l'analisi dei processi messi in atto per il controllo di qualità dei dati e la definizione dei temi significativi (*material issues*) da rendicontare.

Responsabilità del Consiglio di Amministrazione

Gli Amministratori del Gruppo Pittini sono responsabili per la redazione del Bilancio di Sostenibilità in accordo ai criteri dei *GRI-standard*, o parte di essi, definiti nella Tabella.

Gli Amministratori sono altresì responsabili per l'individuazione e l'applicazione di metodi appropriati per redigere il Bilancio di Sostenibilità, così come di fare ipotesi e stime ragionevoli relative alle singole *disclosures*.

Inoltre, gli Amministratori sono responsabili dei controlli interni ritenuti da loro necessari per consentire la preparazione di un Bilancio di Sostenibilità



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che non contenga inesattezze materiali, sia che siano dovute a frodi o a comportamenti o eventi non intenzionali.

Indipendenza dell'organismo di assurance e Controllo della Qualità

Siamo indipendenti in quanto operiamo con un sistema di procedure documentate finalizzato a salvaguardare i principi di imparzialità, competenza, responsabilità, trasparenza e riservatezza richiesti dalla norma ISO 17021-1 "Requisiti per gli organismi che forniscono audit e certificazione di sistemi di gestione". Il nostro organismo di certificazione è accreditato dagli enti Accredia e ANAB (ANSI National Accreditation Board) in conformità alla suddetta norma ISO 17021-1.

Responsabilità dell'organismo di assurance

È nostra responsabilità esprimere, in base alle attività di verifica condotte, una conclusione circa la conformità del Bilancio di Sostenibilità rispetto alle parti dei *GRI-Standard* definiti nella Tabella.

Abbiamo eseguito l'incarico in accordo ai principi ed alle indicazioni contenute nel documento ISO 14016:2020 "Environmental management – Guidelines for the Assurance of environmental reports", per quanto applicabile, emanato dall'International Standard Organization.

Lo svolgimento del nostro incarico ha richiesto l'applicazione di un processo di verifica tale da acquisire un livello di garanzia limitato ("limited assurance engagement") che il Bilancio di Sostenibilità non contenesse inesattezze materiali. Ciò ha comportato che l'estensione del nostro lavoro fosse inferiore a quella necessaria per ottenere un livello di garanzia ragionevole ("reasonable assurance engagement") e, di conseguenza, non abbiamo la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati considerando un tale livello di garanzia.

Attività condotte

Le attività di verifica condotte sul Bilancio di Sostenibilità si basano sul nostro giudizio professionale ed hanno compreso, in relazione alle *disclosures* identificate nella Tabella ed all'ambito del nostro incarico sopra descritto:

- comprensione dei processi implementati dal Gruppo per la raccolta, il trattamento e la gestione dei dati quantitativi e delle informazioni qualitative riportati nel Bilancio di Sostenibilità;
- interviste con il personale di Gruppo preposto all'acquisizione, analisi, consolidamento ed elaborazione dei dati ed alla stesura del Bilancio di Sostenibilità;



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- controllo di fonti di dati esterne, qualora pertinenti per le *disclosures* oggetto di verifica;
- verifica per campionamento dei dati quantitativi e delle informazioni risalendo, qualora necessario, alle registrazioni dei dati primari;
- riesame di documenti e loro coerenza con le informazioni di tipo qualitativo;
- riesame di registrazioni, ricalcoli e verifica della correttezza delle elaborazioni sottese ai dati quantitativi rendicontati;
- verifica della corretta trasposizione dei dati e delle informazioni verificate nel Bilancio di Sostenibilità.

Conclusioni

Sulla base delle attività svolte non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il Bilancio di Sostenibilità del Gruppo non sia stato redatto in conformità ai *GRI-Standard* per quanto attiene alle *disclosures* elencate nella Tabella e riferite all'ambito del nostro incarico.

Altri aspetti

A fini comparativi con l'anno di rendicontazione 2021, nel Bilancio di Sostenibilità sono presentati dati relativi agli anni solari 2020 e 2019: questi dati non sono stati oggetto di verifica.

Sesto San Giovanni, 09 dicembre 2022

Per IGQ

prof. ing. Carlo Urbano

(Presidente)



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