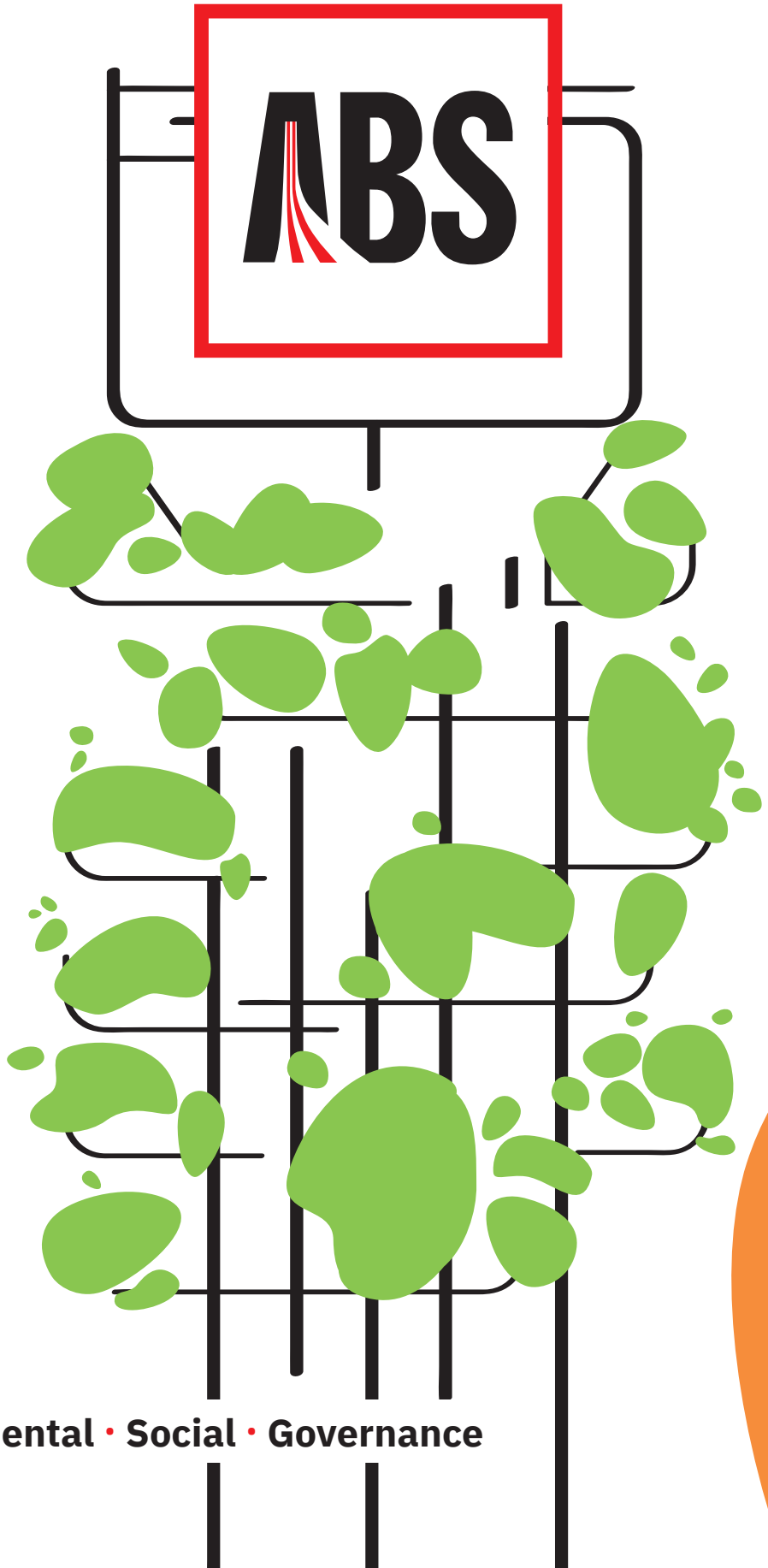
Sustainability Report 2025



LEVELUP
Environmental · Social · Governance

The graphics used in our fifth **Sustainability Report** also reflect our approach: **concrete, integrated and transparent**.

The cover features our iconic tower symbol in the three colours that make up our recurring colour palette, conveying our commitment to communicating a vision that encompasses values, responsibility and perspective.

The use of colours serves to guide the reader and emphasise the systemic approach adopted to address **environmental**, **social** and **governance** challenges, both in the present and the future. This approach is committed to considering every aspect in a balanced and interconnected way.

Environmental aspects

Governance aspects

Social aspects

Sustainability report 2025

LEVELUP
Moving on together to the next level

LEVELUP
Moving on together to the next level

Letter to the stakeholders

"With this **fifth edition of the Sustainability Report**, we renew our commitment to a responsible, innovative industrial future capable of creating value for all the stakeholders with whom we share our journey."

Our goal remains clear: to contribute to the development of a balanced steel industry that is more competitive and more attuned to present and future needs, based on our deep conviction that sustainability is an integrated approach that brings together the environment, people and the quality of our governance. Our daily actions, investments and strategic choices are all based on these three pillars.

As part of this process, we have decided to strengthen this strategy by becoming a member of **Responsible Steel**, the world's leading organisation for promoting transparent and responsible steel production in accordance with the highest ESG standards. The start of the certification process for our production site in Cargnacco gives us the opportunity to continuously improve, and confirms that we are heading in the right direction.

We are implementing a major industrial transformation plan that puts **decarbonisation, energy efficiency** and **product innovation** at the heart of our decision-making process. This is a structural and cultural evolution that involves the entire company. The outlined trajectory is the result of our constant market monitoring and ongoing dialogue with customers. We are committed to making the supply chains in which we operate more sustainable and competitive – a goal that we share with our customers.

Another fundamental pillar of our business model is putting the **individual** at the centre. Our priorities include valuing skills, promoting professional growth and ensuring that our working conditions are safe and inclusive. We believe that the active involvement of our people is a strategic lever for effectively addressing the challenges posed by the global context.

Our commitment to the **local community** remains a fundamental aspect of our business.

We are committed to operating in a way that shows respect for the environment in which we work, generating positive impacts for local communities and building relationships based on active listening and collaboration. This focus is also reflected in our logistical choices and supply chain organisation, which are moving towards solutions with a lower environmental impact and greater road safety.

This integrated approach is underpinned by robust corporate governance, which guides us with a long-term vision, transparency and consistency. This strategic framework also includes our commitment to innovation, understood as an enabling and cross-cutting factor, an essential lever for strengthening competitiveness and responding effectively to the needs of customers and markets.

Product innovation, in particular, is based on the ability to integrate technology, expertise and methodology. This is particularly important in contexts where non-standard solutions or high performance in specific applications are required. This approach enables the development of concrete, replicable, high value-added responses, optimising development times and resource utilisation.

In the belief that collaboration with customers, communities and stakeholders is the real lever for authentic and lasting change, we will continue to strive to build a stronger, more agile industry that is ready to face the global transformations that are reshaping our sector.

I would like to thank you for your continued trust and cooperation on behalf of everyone at the company.

Camilla Benedetti
Chairwoman

Highlights

Environmental aspects

95%
Raw materials of recycled origin
expressed by weight

147,879 t
Slag recovery
Ecogravel® + Ecogravel® White

1.48 m^3/t
Water intensity [1]

0.428 tCO_2eq
GHG emission intensity
Scope 1 & Scope 2 Location based

Social aspects

33
New hires

13.8
Average training hours per employee

5.6
Rate of work-related injuries

[1] Water intensity calculated on industrial water withdrawal.

Economic aspects

1051.2 M EUR
1,051,259,713 EUR
Turnover

54.3 M EUR
54,343,504 EUR
Ebitda

40 M EUR
40,405,534 EUR
Investments in innovation

8.9 M EUR
8,924,923.00 EUR
Investments in R&D
last 3 financial years

Certifications obtained

ISO 22301
Cargnacco

ISO 14001
ISO 45001
All our operating sites

ISO 50001
Cargnacco, Sisak

PAS 2060
Cargnacco, Sisak, Metz

ISO 14067
Systematic Approach
Cargnacco, Sisak

Corporate Identity

1

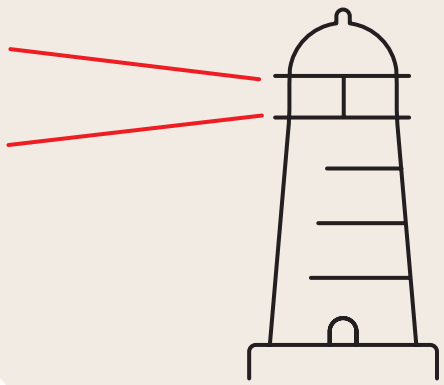
About us and our values

The vision that guides our daily work is to offer valuable solutions through innovative processes and cutting-edge technologies with the aim of becoming a trusted partner for our stakeholders.

LEVELUP is our purpose: to move on together to the next level, growing and overcoming every challenge to the best of our ability.

We are constantly striving to **refine**, **innovate** and **adapt** our products with the **highest quality services**, pushing ourselves beyond boundaries to achieve increasingly ambitious goals.

It is the **passion** and **excellence** of our employees that guide us in achieving our mission.We continue to **invest in technology** and **organisation** to ensure the growth and well-being for all our stakeholders.



ABS designs and manufactures special long steels used in high-tech applications where operating conditions require materials with advanced performance, such as in the automotive, truck, earthmoving, agriculture, industrial vehicle, aerospace, construction, tooling and mechanical engineering, energy & power generation, oil & gas, nuclear, railway, naval and military sectors.

These steels are characterised by superior chemical, physical and mechanical properties compared to common steels. Their properties are acquired through the addition of alloying elements such as chromium, nickel, molybdenum, vanadium and others, which give the steel increased corrosion resistance, hardness, toughness, heat resistance and the ability to maintain high performance under extreme conditions.

Cover photo: *Exterior of the ABS Headquarters in Pozzuolo del Friuli (Udine).*

Absolute Steel Quality

ABS's range of special steels is unique in terms of depth and breadth, comprising over a thousand steel grades. This enables the company to respond to the diverse quality requirements of customers and meet the growing demand for innovative solutions required by a constantly evolving market.

With over 200 years of experience in the production and processing of steel, our company has a rich heritage of steel expertise that fuels our continuous drive for **innovation today**.

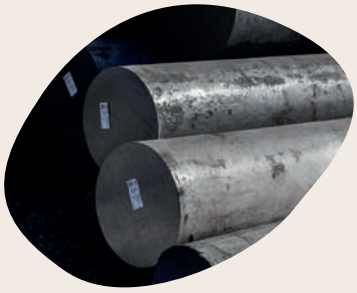
As part of the Danieli Group, a world leader in the design, production and installation of innovative machinery and equipment for the steel industry and non-ferrous metals, makes us a **global player in the production of high-performance special steels**.

ABS combines the production and marketing of special steels with a **commitment to improving the sustainability of its business**, with full respect for the environment and the communities in which it operates.

Square ingots

Polygonal ingots

Continuous casting blooms



Forged bars

Square rolled bars

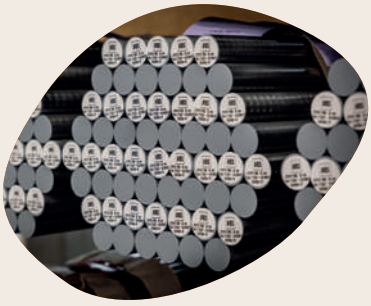
Round rolled bars

ABS steels are produced in the electric scrap cycle; thanks to these characteristics, they have a **carbon intensity of 0.428 tCO_2eq/t, which is 16%** lower than the **total carbon intensity of a Scrap-EAF cycle [2], of 0.51 tCO_2eq/t [3]**.

The comparison is made taking into account Scope 1 and 2 Location Based emissions for both cycles.

[2] World Steel Association data year 2022 - for Scope 1 and 2
https://worldsteel.org/steel-topics/sustainability sustainability-indicators-2023-report/#co2-emissions-and-energy-intensity.

[3] Source: World Steel Association.



Cold finished bars

Grinding balls

Wire rod

1813

OFFICINE BERTOLI

Giuseppe Bertoli starts his steel business from a small artisanal forge and creates Officine Bertoli.

1934

SAFAU

The "Ferriere di Udine di Pont Saint Martin" ironworks, founded in 1883, were taken over, forming the first nucleus of the company that, in 1942, was called "Società per Azioni Ferriere ed Acciaierie di Udine (Safau)".

1988

ACCIAIERIE BERTOLI SAFAU

The two pioneering steelmaking companies merge and become ABS Acciaierie Bertoli Safau, a new company in the Danieli Group.

1997

DANARC

The revolutionary DC electric furnace goes into operation with a capacity of 100 tonnes per load. Its name is the combination of Danieli Arc Furnace.

2001

LUNA

The Luna in-line rolling plant enters operation, significantly reducing production times.

2007

CONTINUOUS CASTING

The semi-finished product with the largest cross-section in the world is cast. A true record: 850 mm and a large production capacity.

2015

ROTOFORGE

Inauguration of the plant that combines forging and rolling into a single process for the manufacture of rolled products with diameters up to 500 mm.

2017

QUALISTEEL

The line dedicated to downstream processes, with processing that improves the dimensional characteristics of the rolled products, has been integrated into ABS.

2021

QWR

The QWR (Quality Wire Rod) rolling mill for the production of wire rod from 5.5 to 25 mm diameter comes on stream, by integrating and expanding ABS services and products.

2022

ABS SERVICE

The first specific and dedicated service centre for machine shops opens in Brandico (BS): a service that guarantees all the certified quality of ABS steel.

2023

ABS SFERE

In Cargnacco, ABS started SFERE, the new line for the production of high-quality products for the mining industry.
The plant has a production capacity of 150,000 tonnes per year and produces grinding balls that vary in size from 30 to 150 mm.

2024

ROTT-FERR

The Group is developing the integration process of Rott-Ferr, a Udine-based company active in scrap collection and demolition, with the aim of strengthening the supply of raw materials and building an increasingly circular production cycle.

The ABS Group

The ABS Group currently consists of:

Acciaierie Bertoli Safau S.p.A. (hereinafter ABS S.p.A)

ABS S.p.A. has been producing and marketing special steels since 1988. The name is an acronym for Acciaierie Bertoli Safau, in memory of the historic steelworks in the area from which it originated: **"Officine Bertoli"**, which has been operating since 1813, and **"Safau"** (Società Azionaria Fabbriche Acciaio Udine), which dates back to 1934.

Over the years, ABS S.p.A. has steadily increased its production capacity and currently has an annual capacity of approximately **1,500,000 tonnes of steel**.

Today, thanks to the commitment of approximately 1,500 employees and collaborators, the company offers more than a thousand different types of steel in various forms, including ingots, blooms, bars, wire rods and billets.

One site for over 1,000 types of products. Production capacity of 1.5 milion tonnes per year.

The company in Italy is located in three areas: the Cargnacco (Udine) site, where the head office and the main production plant are located, covers an area that includes the municipalities of Pavia di Udine, Udine and Pozzuolo del Friuli and has a total surface area of 1,215,000 square metres. **The sales management is based in Brescia**, while the **ABS Service division is located in Brandico (BS)**.

ABS SISAK d.o.o

The Croatian production plant Sisak d.o.o., which has been in operation since 2017, is the first plant worldwide to be equipped with an innovative Q-ONE digital melting furnace developed and engineered by Danieli Automation. At its own plants, it is able to produce semi-finished products for the external market or for rolling at ABS S.p.A.

ACM - ABS Centre Métallurgique S.A.S.

Located in Metz, France, in the heart of the European steelmaking, ACM, ABS Centre Métallurgique has been ABS's research and development centre since 2011, dedicated to research and innovation in steelmaking. The objectives of ACM include developing new ranges of innovative, high-performance steels with a reduced CO_2 footprint; creating digital twins of plants that simulate their behaviour; and implementing advanced tensile, bending and hardness tests.

ABS Deutschland GmbH (Germany)
ABS Scandinavia AB (Sweden)
ABS Iberica SL (Spain)

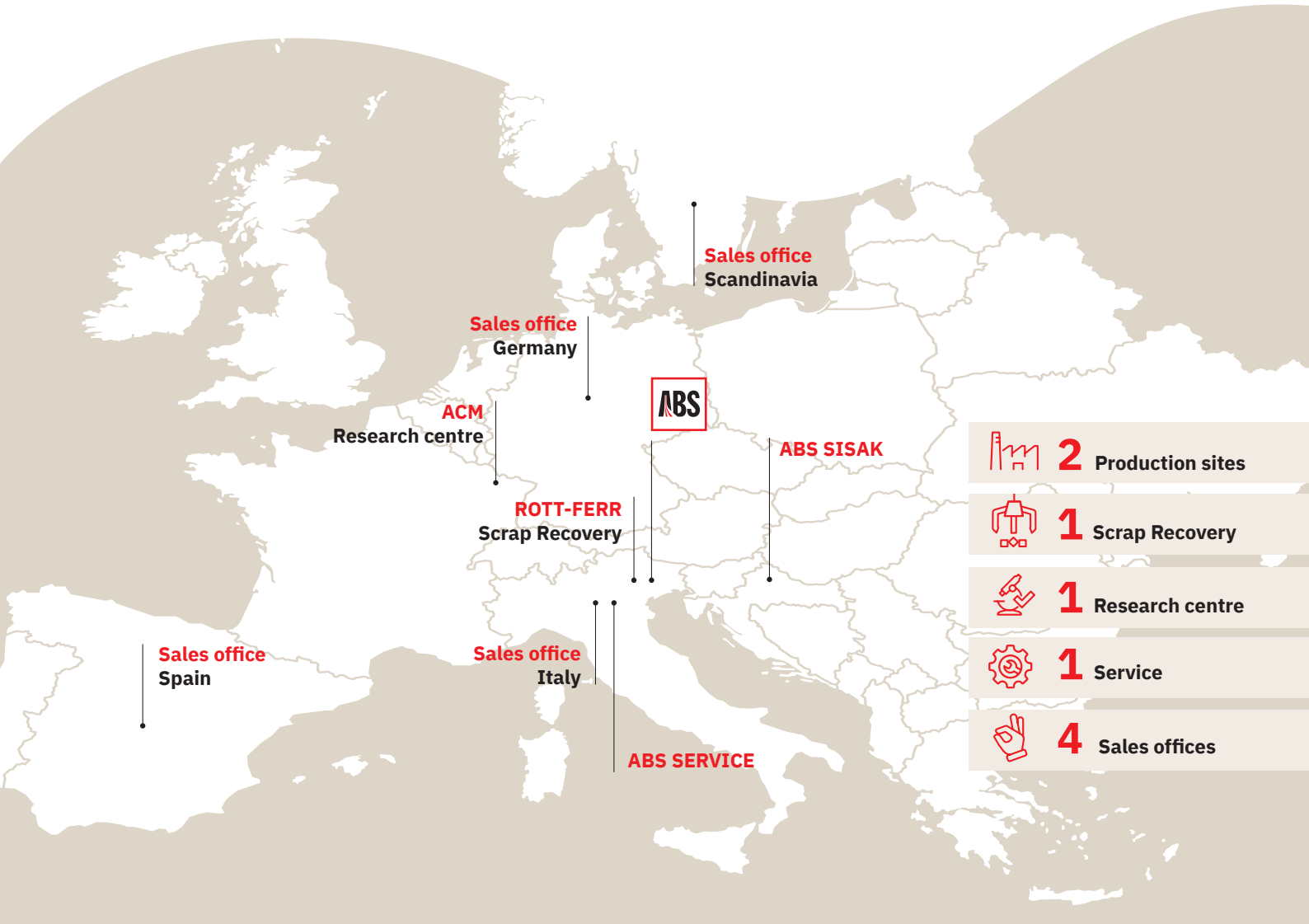
The three companies operate for the development of commercial activities and sales of special long steels, developing an "on demand" service in collaboration with local warehouses. The benefits of this collaboration include reduced delivery times, greater flexibility in supply and greater satisfaction for the end customer.

Rott-Ferr

In 2023, ABS S.p.A. acquired Rott-Ferr S.r.l., a company specialised in scrap metal recovery. The addition of Rott-Ferr to the corporate structure allows ABS to integrate the raw material collection process and consolidate the sustainability of its production cycle also in geographical terms, as the distance between the two production sites, ABS S.p.A. and Rott-Ferr, is less than 10 km.

ABS Sfere S.r.l.

ABS Sfere S.r.l., founded in 2024, is responsible for marketing the grinding mill balls produced by ABS S.p.A.



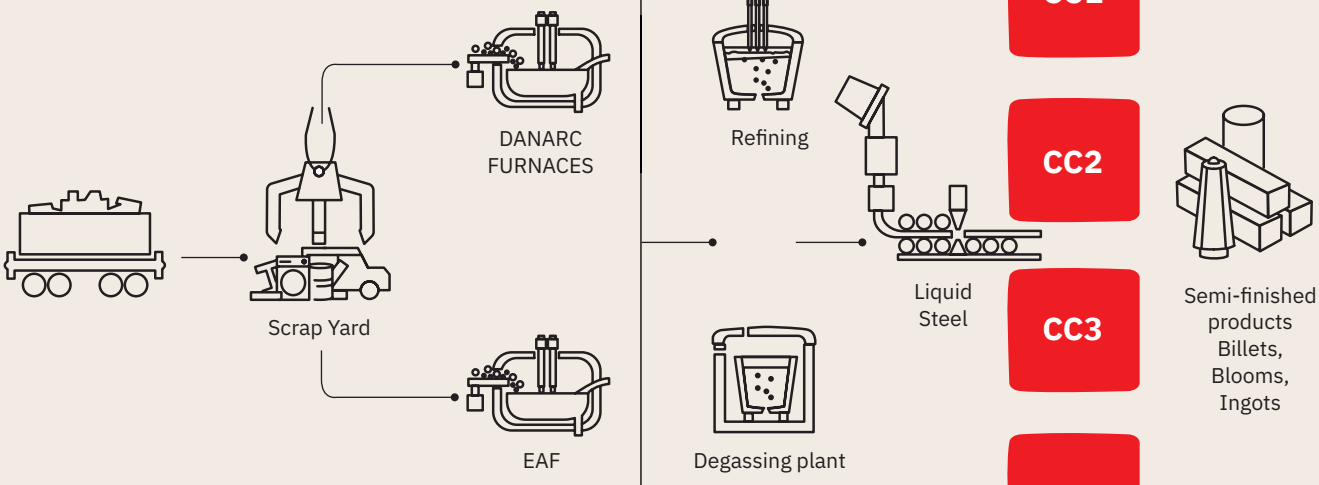
Production process in ABS

1. **Scrap recovery**

2. **Melt preparation and casting**

3. **Secondary metallurgy**

4. **Casting**



PLANTS

- CC1
- CC2
- CC3
- LIN

5. Rolling and forging

PLANTS

- Luna
- Marte
- Marte (Forging)
- Saturno

6. Finishing

PLANTS

- Mercurio
- Giove

7. Sale

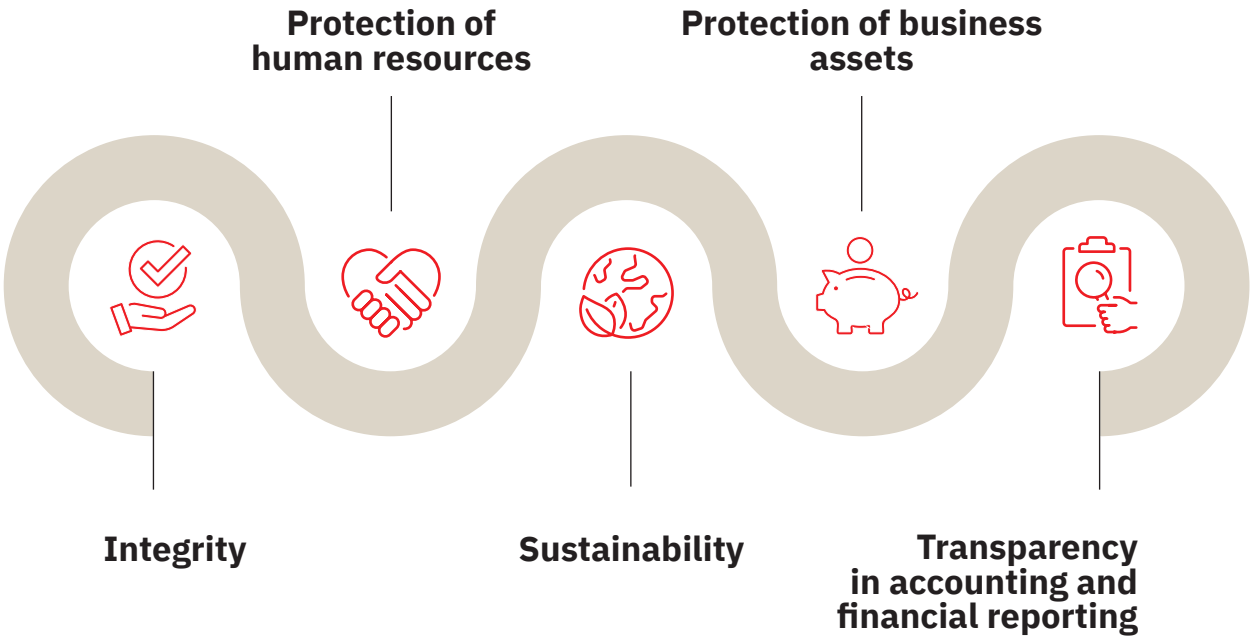
- Bars
- Forged products
- Wire rods
- Grinding balls (SFERE)
- Verticalised products
- Standard sale
- Market place
- ABS Service

Photo: *ABS production plant, Pozzuolo del Friuli (Udine).*

Ethics

Our actions are guided by ethical values, which have been translated into the Code of Ethics: a set of principles that support ABS in making decisions and managing dilemmas.

The **Code of Ethics**, available to the public on the Acciaierie Bertoli Safau website [4], applies to all companies in the group and **regulates every aspect of corporate behaviour**, from strategic planning in the Board of Directors to human resources and supplier management, from sales practices to accounting practices.



Code of ethics

Therefore, the **Code of Ethics** is used by ABS as an essential management tool designed to promote fundamental human and labour rights and to regulate relations with the local area. It is a **code of conduct** for everyone working in the company and is an integral part of the corporate culture, representing a benchmark for assessing performance and recognising merit.

At ABS S.p.A., every new employee receives a copy of the Code of Ethics and is properly trained on its contents.

Fundamental rights

All the companies of the ABS Group are committed to preventing all forms of discriminatory behaviour and categorically reject any inequality based on gender, sexual orientation, ethnicity, language, religion, political opinion or personal and social conditions.

[4] https://www.absacciai.com/documenti/

ABS considers any form of forced, compulsory or child labour to be unacceptable.
In accordance with the UN Universal Declaration of Human Rights, ABS guarantees all its employees the right to freedom of association.

ABS S.p.A. has a well-established tradition of second-level supplementary bargaining involving approximately 65% of employees with the aim of offering better conditions than those provided by national bargaining.

Supervisory body

Fair and transparent business operations are a priority for ABS. Since 2011, ABS has adopted an organisational model and a **Supervisory Body** (SB) to ensure the correct application of this model, and to collect reports of any unlawful conduct or violations of the Code of Ethics. The Supervisory Body prepares a report every six months, which is submitted to the Board of Directors and sent to the Board of Statutory Auditors for information purposes. This report provides a comprehensive description of the activities carried out, among other things.

Fighting corruption

It is expected that the ABS Code of Ethics will also be shared with suppliers, who will be asked to comply with its principles. Over the past year, the Company has adopted a **Code of Conduct for Suppliers** and an **Anti-Corruption Policy**. These measures are intended to further strengthen risk management and raise corporate awareness of these issues.

Whistle-blowing and violations

Both ABS S.p.A. and Rott-Ferr Srl comply with the **whistle-blowing regulations set out in Italian Legislative Decree 24/2023** and provide a dedicated platform for managing reports.

This decision underscores our commitment to ethical and transparent business practices, thereby enhancing organisational sustainability through:

TRANSPARENCY: The presence of secure channels, making it easier to identify risks and violations.

RISK MITIGATION: A structured whistle-blowing management system, helping reduce the potential for critical issues.

Moreover, adopting the directive will provide tangible benefits for people in ABS, fostering greater confidence and security when reporting issues, while also reinforcing equal opportunities policies and combating all forms of discrimination.

During the current year, there were no recorded violations related to corruption and bribery, anti-competitive practices, or discrimination. Consequently, no disciplinary action was taken.

It is also important to note that there have been no cases of non-compliance with laws and regulations in the current financial year, nor have any monetary penalties been paid for cases of non-compliance with laws and regulations occurring in the current or previous fiscal years.

Values

The Steelmaking Development Plan is guided by seven values at Group level. They set the standard for defining every aspect of ABS's activities and for monitoring the progress of plans and projects, through the identification of medium- and long-term qualitative and quantitative performance indicators.

At ABS, we integrate these values into the Hoshin Kanri framework to ensure that every business initiative and project is aligned with the Group's strategic objectives. We are committed to ensuring that these values are consistently reflected in the behaviour of our employees, becoming an integral part of the modus operandi of the entire organisation. From an operational point of view, there are tools that enable the progress of strategic projects to be analysed concisely, highlighting the stage of completion and any corrective measures.

Customer is central

Monitoring the present to identify real needs. By constantly striving to improve, we aim to meet the needs of our customers and accompany them step by step as the market evolves.

projects

Hoshin Kanri

The **Hoshin Kanri** methodology, literally "Managing the Management", is a Japanese approach that enables Companies to translate their strategic vision into concrete, everyday actions.

Its purpose is to **align long-term objectives with operational activities**, ensuring that every level of the organisation contributes consistently to the achievement of the same goals.

The methodology is based on the **PDCA** (Plan-Do-Check-Act) cycle, which enables planning, execution, verification of results and correction when necessary, thereby fuelling a mechanism of continuous improvement.

From an operational perspective, Hoshin Kanri uses visual application tools, such as the **X-Matrix** and the **A3 model**, to facilitate communication, transparency and progress monitoring.

In summary, Hoshin Kanri is an **integrated management system that transforms strategy into a practical, shared and sustainable process, ensuring that the long-term vision is translated into measurable daily actions geared towards continuous improvement**.

Ethics

Transparency, honesty, fairness, respect and responsibility: these principles guide the behaviour of individuals and the entire organisation.

Innovation

Spreading the culture of improvement by example means constantly looking for new ideas to improve one's own work and contribute to the company's progress.

Excellence

Giving the best of ourselves at all times, in every activity, from the smallest to the most complex, in the pursuit of absolute quality, without compromise.

Sustainability

Recognising the importance of natural capital through the responsible use of resources.

People

Creating a culture that promotes meritocracy, personal and professional development, and the enhancement of people.

This is our starting point for achieving real and lasting results.

Team Spirit

Focusing on the common good and putting personal interests aside, as a true team.

Megatrends and Markets

2

Megatrends

New geopolitical context and global competitiveness

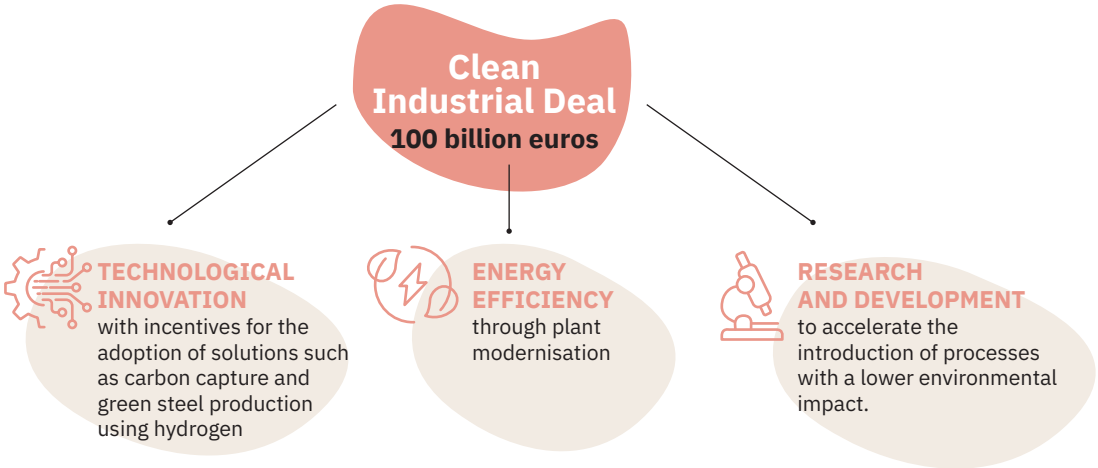
The European steel industry, and in particular the Italian steel industry, is facing growing challenges linked to the international geopolitical context. Conflicts in areas that are strategic for the supply of raw materials and energy, logistical difficulties, the US policy of imposing tariffs and competition from heavily subsidised economies, such as China and MENA countries, have a profound impact on the competitiveness of the sector.

In particular, China maintains excess production, supported by substantial public subsidies. This results in exports being sold at prices below the cost of production.
These practices, which can be classified as **dumping**, have prompted the European Commission to adopt trade defence measures: reduction in non-EU imports, abolition of the carry-over mechanism and extension of anti-dumping duties.

There are two objectives: **to defend the competitiveness of European businesses and to preserve their margins**, while creating the conditions to accelerate the adoption of more sustainable technologies.

Green transition: decarbonisation, CBAM and green steel

The **Clean Industrial Deal (CID)** is the financial instrument proposed by the European Commission to support energy-intensive industries, including the steel industry, in their decarbonisation efforts. The package provides for the disbursement of **100 billion euros by 2030**. The aim is to activate up to **400 billion euros in total investments** through financial instruments that can mobilise private capital.
The resources will be allocated to three key areas:



For an energy-intensive sector such as steelmaking, these tools offer a genuine opportunity to reduce emissions and transform sustainability into a **competitive advantage**.

Cover photo: *Control room, Pulpit, Saturno line.*

The logic behind the CID is not simply a transfer of public resources. **For every euro invested by the EU, at least four euros of private funding** will be mobilised through green bonds and subsidised loans. In this context, the steel industry will have access to funding dedicated to technological modernisation and the adoption of **Carbon Capture, Utilisation and Storage (CCUS)** systems, which are essential for reducing emissions generated by traditional processes.

The Commission introduced the **Carbon Border Adjustment Mechanism (CBAM)** alongside the CID, which will come into **full effect in 2026**. The instrument is designed to reduce the risk of carbon leakage, i.e. the shift of emission-intensive production to countries with less stringent environmental standards. The CBAM will impose a tax on non-EU producers of **steel, cement, aluminium and fertilisers**, calculated in proportion to the carbon footprint of their products. There are two objectives: **to ensure fair competition** with European companies that are already subject to the EU ETS and to **stimulate global decarbonisation** by encouraging foreign producers to adopt cleaner technologies.

The mechanism offers the following simplifications: **micro-enterprises with imports of less than 50 tonnes per year** are exempt from CBAM obligations, thereby reducing the bureaucratic burden. While this choice protects smaller businesses, it also reduces the scope of controls: it is estimated that **approximately 80% of European companies** will not be subject to direct monitoring, which could lead to a lack of transparency. In the absence of robust certification systems, there is an increased risk of **greenwashing**, with unverified claims about the carbon footprint of products. The effectiveness of the CBAM will therefore depend on the European Commission's ability to develop certification procedures that are rigorous yet accessible to all operators and not overly bureaucratic.

Finally, the CBAM is closely linked to the phase-out of the **free ETS allowances** that are currently allocated to European producers. It is estimated that their reduction, which is set to be around **70 million euro** by 2026, will be offset by revenues from the new mechanism. These revenues will be reinvested to support businesses' transition to low-emission technologies. For the European steel industry, the CBAM therefore represents a crucial step: an **incentive for decarbonisation** and, at the same time, a **global competitiveness challenge** that will require rapid adaptation.

Energy, alternative sources and economic challenges

The **cost of energy** is currently **one of the main obstacles to the green transition of the steel industry**. The price of electricity in Europe has increased substantially. While green hydrogen shows great promise, its production costs remain high.

The large-scale adoption of hydrogen-powered DRI technology requires green energy to be available in large quantities at competitive prices. However, the volatility of the European energy market and infrastructure costs are slowing down investment.

In Italy, discussions about nuclear power, and SMRs (small modular reactors) in particular, have been renewed. SMRs are of great interest to the steel industry as they are plants with capacities between 10 and 300 MW that can supply high-temperature thermal energy. This energy can be used to generate electricity continuously, powering EAFs in a carbon-free manner and producing zero-emission hydrogen. SMRs can also replace fossil fuels and ensure supply security in energy-intensive industrial contexts, thereby guaranteeing the carbon transition.

In terms of national and European subsidies, the EU has proposed measures to mitigate costs, such as power purchase agreements (PPAs), tax incentives, and priority access to the grid for energy-intensive industries.

The Italian government's **Energy Release** measure will provide **energy-intensive companies with approximately 30% of their energy requirements at a controlled price** for three years. In exchange, the companies will repay the government over twenty years and commit to installing new renewable energy capacity. However, following delays caused by discussions with European officials who oversee the application of state aid, the measure has not yet come into force and the energy issue remains one of the most sensitive, directly affecting both household budgets and industrial development plans.

Photo: *Furnace at the ABS Sisak production plant (Croatia).*

Recycling, technological innovation and the circular economy

Technological innovation and **recycling** are the two main factors driving the steel industry towards a more sustainable, circular model. Historically characterised by high energy consumption and CO_2 emissions, the sector is now being asked to reconsider its production processes, focusing on innovative solutions and the efficient reuse of resources.

A key aspect of this project is the adoption of **circular economy** principles. In Europe, this could result in the introduction of **minimum recycled content targets** for steel products. This strategic decision aims to increase demand for recycled materials and reduce dependence on iron ore, with significant environmental benefits: recycling allows for a much greater reduction in emissions than traditional production methods. In order to guarantee the continued availability of this resource to the European industry, restrictions have been implemented on the export of scrap. This ensures that the scrap does not end up in third countries, where it might be used in less efficient plants.

At the same time, switching from traditional blast furnaces to **electric arc furnaces (EAFs)** is a significant structural change. These plants are largely fuelled by scrap metal, which reduces the need for coal and limits environmental impact. However, they require a constant supply of high-quality recycled materials in order to develop. Projections indicate that several hundred new companies dedicated to scrap recovery and processing will need to enter the market, confirming the importance of strengthening the entire recycling chain.

Therefore, the increasing demand for scrap creates both challenges and opportunities. On the one hand, it is crucial to ensure its availability and quality; on the other hand, the situation encourages innovation and investment. Solutions that could strengthen the European circular model include **advanced separation** technologies based on sensors and artificial intelligence, **purification processes** capable of recovering more complex scrap and **chemical recycling methods** for mixed materials.

Ultimately, support from EU policies and **economic incentives** will encourage the development of new recycling infrastructure, reducing the use of virgin raw materials and improving the sector's overall sustainability.

Electric mobility, steel and environmental digitalisation

The **green transition in the automotive industry** is changing the demand for steel, moving it towards materials that are lighter, stronger and more sustainable. Manufacturers are gradually **replacing traditional steel with high-strength, recycled and electric arc furnace (EAF) steels.** However, the transformation process is being slowed down by current market conditions.

The combined use of steel produced with EAF technology and green hydrogen can help to further reduce CO_2 emissions. The strategy is centred on three key elements: lightweight structural design, digital nesting (an optimisation process that uses advanced software) to reduce waste, and the use of renewable energy at production sites. European manufacturers will also have to comply with stringent requirements, such as issuing a **digital product passport (DPP)**. This must contain information on the product's ecological footprint and material composition. The introduction of this passport is scheduled to begin in 2030.

The need to standardise the calculation of the product life cycle and to measure environmental impacts in a uniform manner will strengthen the position of certified steel in public and private markets.

The ability to supply environmentally engineered products that are co-designed with Customers will be a key competitive advantage in all sectors, particularly in the production and supply of special steels.

Employment, retraining and the social impact of the transition

The transition to green steelmaking will have a significant impact on employment levels. Although **job losses are expected in traditional manufacturing, new opportunities are also anticipated in the green supply chain**.
In the future, there will be a decline in demand for low-skilled professionals, while technical roles involving the control and development of machines are expected to experience significant growth.

The EU has activated the Transition Fund to support **workers' training**. This involves **reskilling plans** and **programmes developed in collaboration with universities and research centres**.

The aim is to ensure that the transition promotes inclusive and sustainable industrial development without increasing social inequalities. This requires an interconnected approach between schools and businesses.

The most exposed regions will be eligible for funding for industrial conversion and the creation of new green businesses. In the new sectors, it will be essential to guarantee job quality, protection and access to welfare.

Markets

In 2024, the European economy was characterised by modest growth. This was influenced by elements of uncertainty linked to geopolitical conflicts, persistent inflationary factors, and the direction of economic and sustainability policies.

The conditions for stronger growth in 2025 have not materialised, and forecasts indicate a trend in line with that of 2024.

Specifically, according to data from the International Monetary Fund, growth in the Eurozone was +0.9% in 2024, with a forecast of +0.8% for 2025, driven by the positive performance of certain countries, particularly Spain, followed by France and Italy. The German economy, however, is facing a different scenario. In 2024, it confirmed the slowdown already recorded in the previous year, with recovery expected only in 2026 [5].

The annual average of the Business Climate Indicator, which measures the health of the European manufacturing sector, also recorded its first negative value since 2020 (-0.62). This confirms the observed trend and forecasts. The same indicator is recording negative monthly data, which is expected to worsen even in 2025.

A similar scenario can be described for the steel production industry.

The contraction in apparent consumption [6], reflecting weak market demand, began in the second quarter of 2022 with the war in Ukraine and was sustained by the significant increase in energy prices. This ongoing decline marks the third consecutive year of decrease in steel consumption in Europe. In contrast to forecasts of a recovery in demand, challenges have been encountered in 2025, primarily due to the introduction of American tariffs and their direct impact on international trade flows.

It is anticipated that the recovery will show modest signs of improvement from this year onwards, with this trend expected to continue until 2026. However, consumption levels are expected to remain well below pre-pandemic levels.

The crisis in the automotive, mechanical engineering, and construction industries primarily influenced these results, as these sectors are major users of steel.

Steel consumption in Europe - in million tonnes per year

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024 (f)	2025 (f)	2026 (f)
Million tonnes	147	149	153	145	129	150	138	130	**127**	**130**	**133**

Apparent consumption forecast - year-on-year % change

Period	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2026
Exchange rate %	**-2.3**	1.8	2.9	1.9	2.2	**2.2**	2.0	2.3	4.0	1.7	**2.5**

[5] "Euro Area: IMF Staff Concluding Statement of the 2025 Mission on Common Policies for Member Countries"; "ECB staff macroeconomic projections for the euro area, March 2025"; "European Economic Forecast. Spring 2025" - Subtitle: "Moderate growth amid global economic uncertainty".

[6] Source Eurofer. Apparent consumption is the amount of a given product consumed within a country, whether from domestic production or imports.

In terms of imports, the first eleven months of 2024 saw a 9% increase in products from outside the European Union, with the majority of these coming from Turkey, India, South Korea, Vietnam, Taiwan, China, Ukraine and Japan.

If we consider only long products, it is clear that imports of materials from outside the EU grew by 8%. This growth was driven by wire rod and rebar, which increased by 20% and 24%, respectively. In contrast, merchant bars saw their share fall by 19%.

The main countries of origin were Turkey (+87% compared to the previous year), India (+14%), Vietnam (+27%), South Korea, Taiwan and China.

During the same period, exports increased by 4%, with a similar percentage increase for both long and flat products (+4% and +3%, respectively). The USA (+30% vs 2023), the UK and China continue to be the most important destinations.

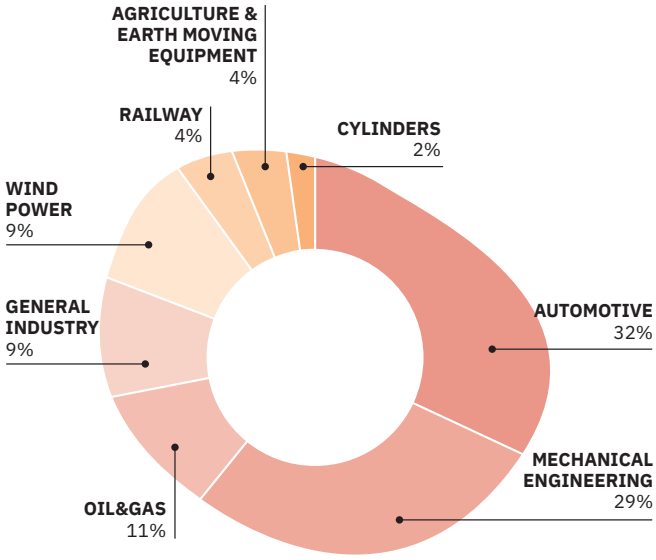
In a geopolitical context of uncertainty, marked by the ongoing conflict in Ukraine and new international tensions, global economic instability and the repercussions of the Green Deal on various industrial supply chains, demand remains weak. In addition, the slowdown in the Chinese economy has led to a surge in steel production, which has resulted in a significant surplus that has flooded into Europe through aggressive pricing policies.

A combination of reduced consumption and intense competition, both within and outside Europe, has resulted in a gradual decline in prices. This trend was only partially reflected in terms of costs, resulting in a significant reduction in margins throughout the European steel sector.

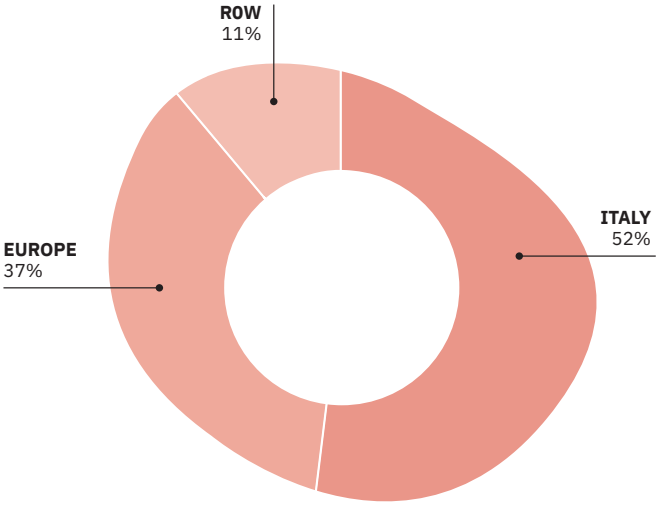
ABS had to implement a commercial policy aimed at limiting the sharp reduction in margins at the expense of sales volumes during the year, in such a complex context. For this reason, the decision was taken to centralise all production at the Cargnacco site.

ABS continues to mitigate the otherwise highly negative effects of this period thanks to the extraordinary range of products and continuous market development.

Reference markets [7]



ABS S.p.A. market turnover [7]



[7] Internal data processing

The main pillars of our development remain as follows:

The centrality of innovation
We believe in researching and developing new products through the effective interaction between our ACM Research Centre and our customers. Our goal is to provide innovative, sustainable solutions. We believe this is key to restoring the competitiveness that has been lacking in European supply chains.

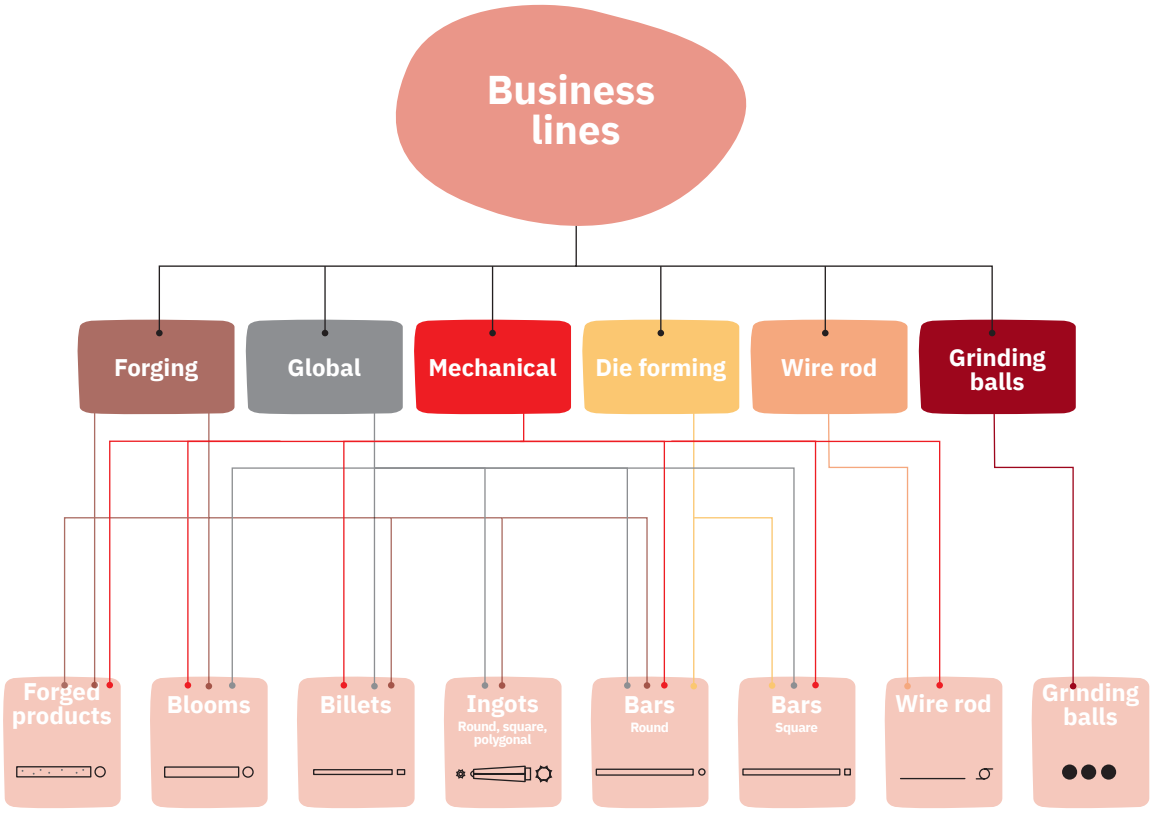
The continuous improvement of the service
The constant development of new forms of service, such as the ABS Service channel or service management projects tailored to our customers, allows us to progressively reduce stocks and enhance the value of our products.

ABS S.p.A. measures customer satisfaction through surveys and quality indicators (complaints, scorecards, performance). This activity guides continuous improvement actions to strengthen relationships and loyalty.

The sustainability
Our strength lies in offering services and products that meet our customers' needs, which enables us to promote the ABS product on the markets. However, the complexity of recent years has not prevented the multiple investments planned in the ABS vision plan, beginning with the new Hybrid Digital Green Plant production line (see specific in-depth paragraph on page 41).

The business lines

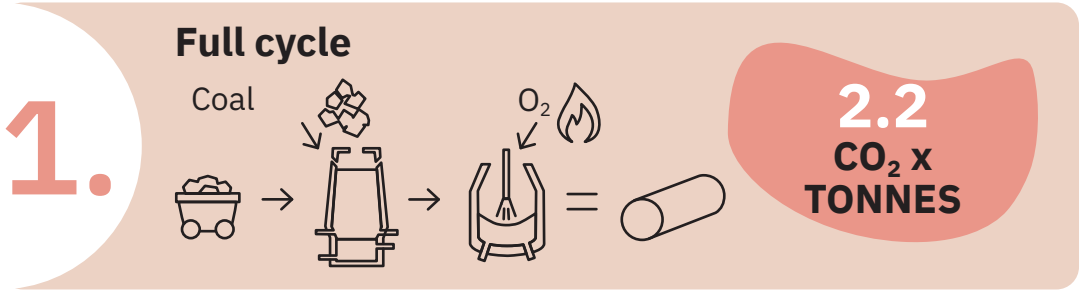
ABS develops its products and business lines in line with market trends.
The are **six business lines:** die forming, forging, mechanical, wire rod, grinding balls and global export. The latter has a geographical focus.



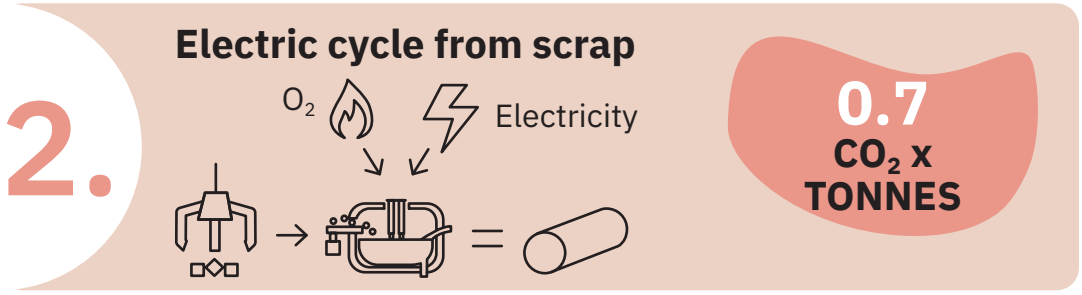
Emissions from the steel industry

As the steel industry is responsible for around 9% of global greenhouse gas emissions, a sustainable approach to this business is crucial.

There are two main steel production processes [8]:



The full cycle, based on the blast furnace (BF) and on the basic oxygen furnace (BOF), which uses iron ore, coal, lime and a percentage of scrap as raw materials.

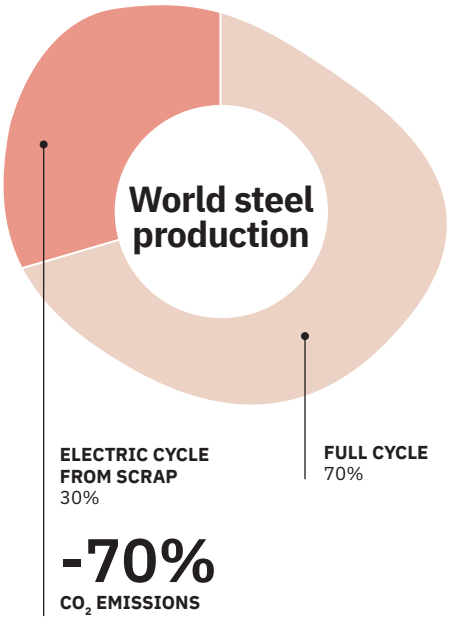


The electric arc furnace (EAF) process, which mainly uses scrap and, in small percentages, DRI/ HBI or cast iron ingots.

Globally, approximately **70% of steel production is derived from the full-cycle BF/BOF process, while approximately 30% is obtained using electric arc furnaces (EAF)** [9].

The second production method is significantly more sustainable, with a 70% **reduction in CO_2 emissions for the same output** [10].

Using electricity produced from renewable sources, green hydrogen and recycled materials can further reduce the carbon footprint. In particular, polymers derived from recycled plastics offer an alternative to coal injected into the furnace, which is used to promote energy transfer to the molten bath.



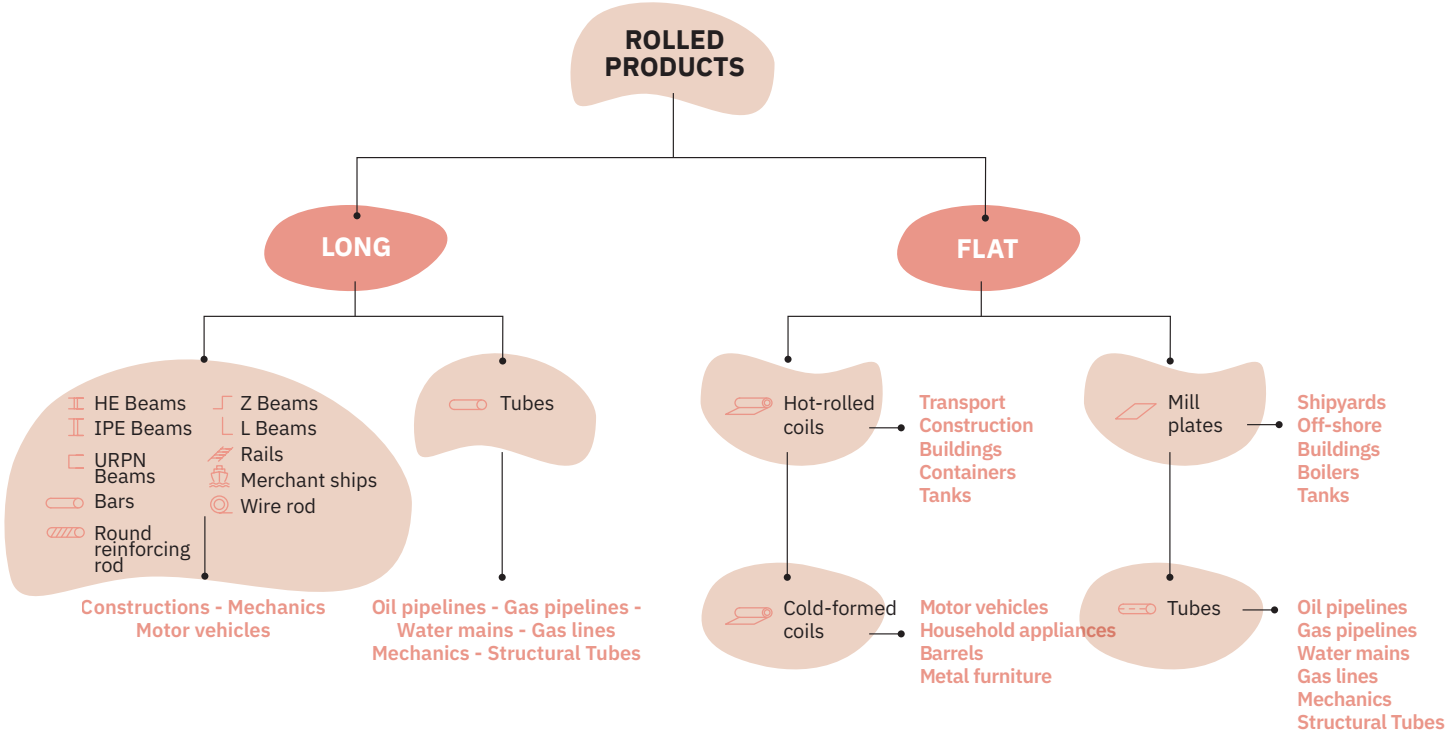
[8] https://worldsteel.org/wider-sustainability/sustainability-indicators/ - Year 2023
[9] https://worldsteel.org/other-topics/raw-materials
[10] https://worldsteel.org/wider-sustainability/sustainability-indicators

The use of EAF technology in steel production is increasing and it is estimated that its share will grow further by 2030. In the medium to long term, investments in innovative technologies such as green hydrogen could further reduce the environmental impact of steel.

Steel products can be divided into various categories, the most relevant for the market being **long products** and **flat products**.

While the production process may be the same for both, these two types differ in shape and use. Within each category, special steels are those with improved specific properties such as: resilience, hardness, elasticity and/or corrosion resistance. These properties are achieved by adding alloys or applying heat treatments.

Special long steels are used in applications such as the production of driving shafts, gears, springs and cutting tools where a combination of superior mechanical properties is required.



Governance aspects

3

Strategy and business model

ABS's sustainable development strategy is based on a thorough analysis of enabling factors, global megatrends and the constantly evolving European regulations. In this scenario, the company is committed to transforming its industrial model into a low-carbon, highly innovative one in which people and customers play a central role.

The transition towards a sustainable future is driven by a **process of continuous improvement, where every decision is geared towards eliminating environmental impacts, or reducing them when elimination is not yet possible. The objective is to protect the planet, generate shared value and anticipate future regulatory frameworks, thereby transforming sustainability into a lever for competitiveness.**

ABS's vision for the future is clear and structured in a **Business Plan** covering the period from 2023/24 to 2029/30. This plan includes precise targets relating to production and shipping, reference markets, the technologies to be implemented, and the strategic investments to be made. All of these targets are in line with the company's values. In parallel, and in perfect synergy with the **Business Plan**, ABS has also developed the **ESG Plan**: this is a strategic document that translates sustainable growth into concrete objectives and targeted actions. It is in line with the relevant regulatory framework and voluntary commitments in environmental, social and governance fields.

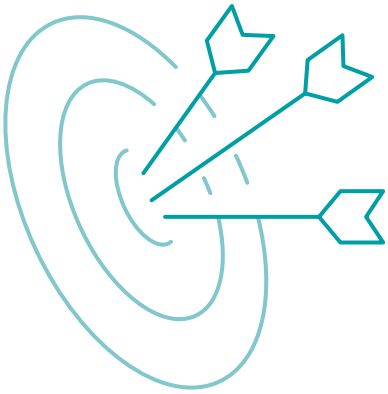
The ESG Plan is founded on robust pillars that can generate genuine transformation and specific medium-term objectives:

The 8 Pillars of the ESG Plan

- **Energy efficiency at every stage of the process**
- **Continuous production optimisation**
- **Development of circular and regenerative models**
- **Large-scale adoption of renewable sources**
- **Innovation as a driving force, both for products and processes**
- **Technologies for capturing and reusing CO_2 (CCU)**
- **Strategies for offsetting emissions**
- **Active stakeholder engagement, starting with the value chain**

Cover photo: *Exterior of the ABS Headquarters in Pozzuolo del Friuli (Udine).*

By the 2029/30 financial year, compared to 2022/23, ABS aims to achieve the following objectives:



-30% **of intensity of Scope 1 and Scope 2 (Location Based) greenhouse gas (GHG) emissions.**

-11% **of energy intensity**

+7% **of waste sent for recovery**

Together with concrete actions and defined timelines, these objectives represent a strategic compass for ABS. This enables ABS to enhance its environmental and industrial performance, and to provide its customers with high value-added solutions.

projects

Responsible Steel Certification

As a leader in the special steel market, ABS took the strategic step of joining **ResponsibleSteel™** in 2025, reflecting its values and strong commitment to sustainability, social responsibility and environmental responsibility.

ResponsibleSteel™ is a global non-profit organisation that promotes increasingly sustainable steel production and use. The association collaborates with its members to establish independent standards and certifications, with the objective of accelerating the steel industry's transition to a net-zero emissions model.

ABS's membership of ResponsibleSteel™ marks the start of a certification process in line with these standards, confirming the company's commitment to combining product quality with social and environmental responsibility.

This collaboration also represents an opportunity to exchange ideas with other organisations that share the same vision, stimulating innovation and contributing to the improvement of production chains. At the same time, it improves transparency in supply chains, which is a vital aspect in an increasingly sustainable global context.

Innovation

For ABS, innovation means growth and progress. Innovation means anticipating change and establishing oneself as a key player in reference markets.

We believe that ideas and projects are the driving force behind our evolution.

The foundation of our innovation strategy lies in the creation of tools and conditions that encourage internal research. These tools and conditions are designed to stimulate both incremental innovation and the identification of radical and disruptive solutions. In addition, we build a solid network of qualified partners with whom to develop long-term projects in a spirit of Open Innovation.

We express our vision of innovation through a constant and strategic commitment to:

PROCESS INNOVATION: We optimise production flows to guarantee a "First time right" result, developing increasingly efficient and high-performance processes.

PRODUCT INNOVATION: We are committed to investing in the creation of new steels for emerging markets and to continuously improving the performance of our products in established markets.

For ABS, overcoming the challenge of innovation requires creativity, ingenuity and passion, as well as solid organisational, managerial and technological skills.

Data Governance:

At ABS, we consider technology to be an enabler: a tool that integrates with people, making them stronger, more aware and more efficient. Our vision is to facilitate a transition encompassing digitalisation and the enhancement of human skills. This will be achieved by focusing on process security, data protection and the reduction of waste, whether material or digital.

As the saying goes, **"good data generates good innovation"**. In light of this, we have strengthened our **data governance** over the last year, consolidating information in a centralised, secure and **on-premise Enterprise Data Warehouse**. This has enabled us to reduce duplication and "digital waste", improve the reliability of information flows, and increase the autonomy of business functions through self-service reporting tools.

In order to innovate, we also collaborate with universities and leading technology partners to co-develop governance models and concrete digital solutions. We proactively engage with scientific and technical committees and promote cultural change among our technology partners. This open approach enables us to develop an ecosystem where each step forward is shared heritage, strengthened by the contributions of our subsidiaries.

There are over **ten operational predictive machine learning models** in use for a variety of applications, from steel quality control to predictive maintenance. These models help with quick and accurate decision-making, improve quality, and reduce waste and inefficiencies.

We are expanding **machine learning** throughout the value chain, preparing to integrate these tools with the new management system **(SAP S/4HANA)**. This will allow us to further optimise the analysis tools available to the company.

Process innovation

ABS analyses and manages innovation projects in their entirety through **Portfolio Management**.
The **Innovation** department is responsible for all stages of project development, from idea generation and fine-tuning to seeking financial resources, mapping results and project reporting.

Due to its strategic importance, the function dedicated to managing innovative projects is located within the Sustainability area. This choice optimises and streamlines the evaluation, contamination and development processes for company projects, while strengthening the company's sustainability efforts. In support of these objectives, a systematic search for sources of subsidised finance is also being pursued, with a view to stimulating innovation and promoting partnerships at an international level.

The following stand out among the process innovation initiatives launched over the past year, together with those launched previously and continued:

ENGINE PROJECT:

The project aimed to develop **defect-free products** for the marine engine supply chain. The intention was to strengthen the sector's competitiveness by improving performance, reducing costs and creating new commercial opportunities. ENGINE has not only improved product quality, but also the efficiency of production processes and customer satisfaction.
With regard to ABS, the main results were the development of advanced simulations of production processes to prepare for the adoption of strategies to reduce defects in steelworks and optimise continuous casting and rolling. Non-invasive quality testing technologies and digital production control and monitoring systems have also been introduced. The project was co-funded by the Horizon 2020 programme and concluded in May 2025.

ENGINE
ZERO-DEFECT MANUFACTURING
FOR GREEN TRANSITION
IN EUROPE

COGNIMAN PROJECT:

cogniman
COGNITIVE INDUSTRIES
FOR SMART MANUFACTURING

The **Cogniman** project aims to develop and validate an innovative cognitive and digital **smart manufacturing** concept. This approach is moving towards autonomous and predictive production, with greater flexibility, safety and efficiency.

The use of advanced technologies such as **artificial intelligence** and the **Internet of Things (IoT)** can optimise production processes, minimise downtime and improve product quality.

Specifically, the ABS pilot project involves developing a digital library with real-time access, which will provide full visibility of the internal logistics process for finished and semi-finished products, as well as automating the process. The project is co-funded by the Horizon Europe programme.

NORTH ADRIATIC HYDROGEN VALLEY PROJECT:

This project aims to **create an economic, social and industrial ecosystem based on hydrogen.** It aims to create new job opportunities and promote the transition to green and digital practices, contributing to the creation of a European hydrogen economy. The use of hydrogen as a clean energy source can significantly reduce CO_2 emissions, helping to combat climate change.

ABS is involved in the NAHV project to **test and implement innovative hydrogen burners for the heat treatment of its products**, including the creation of a pilot plant using green hydrogen supplied by the consortium partners. In 2024, the key points of the project planning were defined, and the technical steps necessary for implementing the project were outlined. The company is currently finalising the technology supply process. Construction will begin once this is complete. The project is co-funded by the Horizon Europe programme.

CUSTARD PROJECT:

The **Custard** project focuses on developing **technologies to capture and utilise CO_2. This enables up to 50% of the fumes emitted by a heating furnace to be decarbonised, with the CO_2 being reused in a process that produces sodium bicarbonate.** Not only will this reduce CO_2 emissions, but it will also create a saleable product that generates additional revenue for the company.

It is estimated that there will be a reduction of **13 thousand tonnes of CO_2** per year, corresponding to an annual production of 25 thousand tonnes of sodium bicarbonate. The project, which officially began in July 2024, is currently in the planning and preliminary preparation phase. The project is co-funded by the Innovation Fund programme.

PRODUCTION AND USE OF RENEWABLE HYDROGEN:

The project forms part of ABS's Vision investment programme, which aims to support the company's growth and the achievement of its sustainability goals. The initiative involves the **installation of an electrolyser to produce renewable hydrogen**. This will be used to power part of the production process, replacing some of the methane gas used and resulting in a reduction in greenhouse gas emissions.

At the same time, an application has been submitted for non-repayable or subsidised funding to ensure the project's implementation aligns with the 2024–2030 Business Plan and decarbonisation strategy. This will also ensure economic sustainability and a positive impact on ESG KPIs.

Finally, reducing the environmental footprint will strengthen the company's reputation and attractiveness to investors. The initiative was submitted to the call for expressions of interest of the Autonomous Region of Friuli Venezia Giulia for the financing and construction of renewable hydrogen production plants and is currently awaiting the outcome of the preliminary investigation.

I4.0 DIGITALISED COIL-TO-BAR PEELING LINE:

The project involves the implementation of a **line for unwinding wire rod and mild steel wire rod**, representing a significant evolution in the production plants of finished length peeled bars. The process, which includes coil unwinding, cold straightening, in-line roughing, cutting to length and unloading plate, produces high-quality straightened and peeled bars with lengths ranging from 6 to 12 metres and diameters between 8 mm and 40 mm with h10 tolerance. The implementation of this line at the **Qualisteel** department, in line with Industry 4.0 requirements, improves production flexibility and the surface quality of the bars, and contributes to making business processes more efficient and competitive.

Digitalising the **Coil-to-Bar-Peeling** line enables the integration of advanced monitoring and optimisation technologies at every stage of the process, thereby reducing machine downtime and

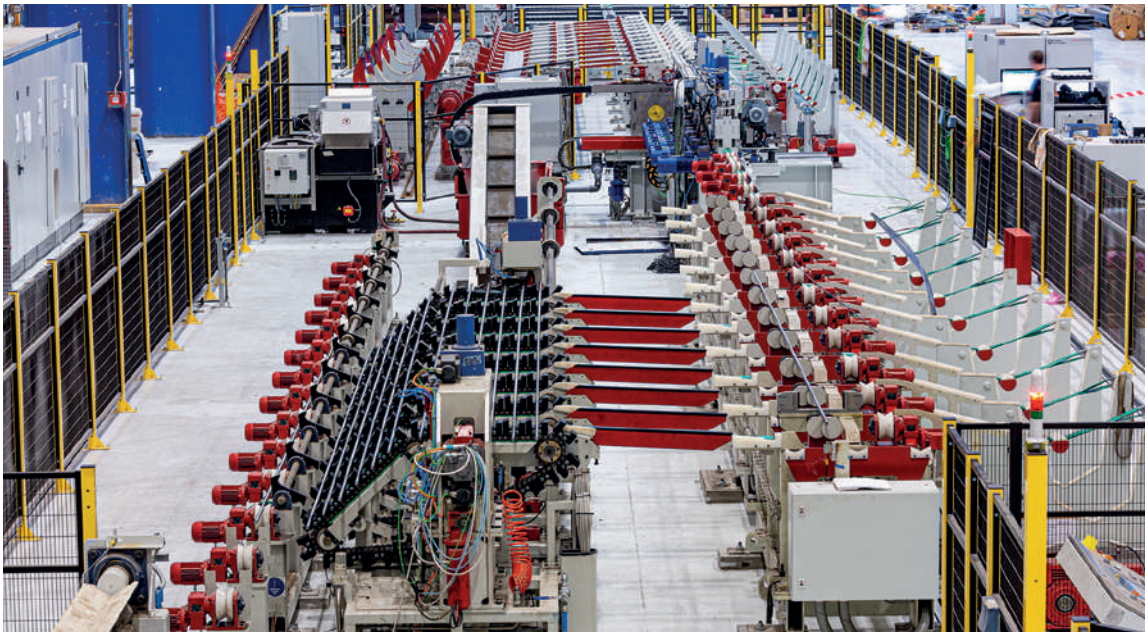


Photo: *Coil-to-Bar-Peeling in Giove line.*

material waste. This project is a strategic investment that will improve operational efficiency and offers significant competitive advantages, positioning the company at the forefront of the sector. The line was certified as meeting the eligibility requirements for 4.0 technologies.

projects

Level Up Your Idea

ABS has launched an internal competition in conjunction with Danieli's DIA competition, with the objective of **gathering and promoting innovative ideas from its employees.** The initiative involves all areas of the company in an inclusive manner, promoting the spread of a true culture of innovation.

We are grateful for the active participation of each employee, which translates creative potential into **concrete, valuable solutions**. These solutions generate benefits not only for the company, but also for the community in which it operates.

This initiative is a key part of ABS's ongoing commitment to fostering creativity and internal collaboration, which are essential elements for tackling future challenges and building an increasingly resilient and sustainable organisation.

LEVEL UP
YOUR IDEA
ABS PROJECT
TO CONTRIBUTE
TO BUSINESS INNOVATION

LEVEL UP YOUR IDEA.

Hybrid Digital Green Plant

The **Hybrid Digital Green Plant** project involves the development and launch of a new **low-carbon steel production line** at the Cargnacco (Udine) production site.

The strategic objective of the initiative is to present the plant as a virtuous example of good practice in the European and international steel industry.
This sophisticated system integrates a series of innovative technologies designed to modernise and increase the intrinsic sustainability of the steel production process.

The most important part of the project is **Danieli's "Digimelter" melting furnace**, which has several special features that make it very efficient:

- closed vault, to minimise energy losses thanks to continuous scrap loading;
- adoption of **Q-One**, a pioneering digital energy supply system that ensures highly sophisticated control of the entire process.

The project is noteworthy for its considerable impact on environmental sustainability issues, which can be outlined as follows:

Reduction in both **channelled and non-channelled emissions**

Reduction **of noise impact**

Total recovery of cooling water **and** residual heat

Substantial minimisation of **waste** generated by the production cycle

Strategic integration of **self-produced renewable energy sources** with the local electricity network

Creation of **new jobs**

The new plant will create new professional opportunities, particularly in the technical field, which will enrich ABS's human capital.

ABS engaged in active and constructive interaction with numerous stakeholders during the project authorisation process, which began in previous financial years with a formal request submitted to the Friuli Venezia Giulia (FVG) Region. This collaboration involved local institutions and environmental agencies, with the primary objective of ensuring full compliance with all regulatory requirements and proceeding in full conformity.

In 2025, the design phase was concluded with the signing of the final technical supply agreement between ABS and Danieli.

Photo: *Signing of the Hybrid Digital Green Plant project.*
From the left: F. Trombini, A. Chittaro, A. Tellatin, C. Benedetti, M. Di Giacomo, A. Gomba e F. Gottardo.

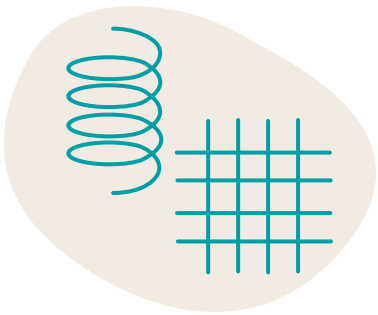
Product Innovation

For ABS, product innovation is a key strategic lever for consolidating its market presence and increasing the competitiveness of its solutions. ABS integrates technology, expertise and methodology synergistically into its design process to meet its customers' needs, particularly when non-standard products are required or higher performance levels are needed for specific applications.

This approach delivers concrete, replicable results of real value, ensuring rapid development times and efficient use of resources.

The development of innovation and product quality is supported by ongoing collaboration between the **Metz Metallurgical Research Centre (ACM)** and the **Quality Department**, which work together to promote cutting-edge solutions.

In particular, the company's innovative spirit, combined with its commitment to continuous improvement and customer focus, has led to the launch of numerous projects aimed at the evolution of products and processes.



Spring and welding steels

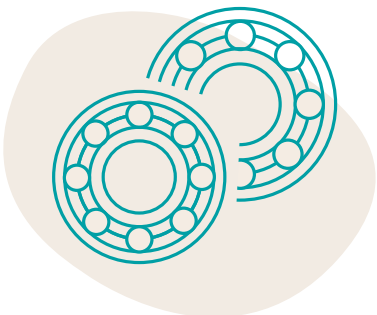
Over the last two years, ABS has begun producing **spring steels for car suspensions and steels for welding wire**, introducing an important innovation that marks a turning point in the company's traditional production mix. Due to their unique metallurgical properties, these steels have historically been produced using the full cycle, which is considered the most suitable for ensuring high mechanical and chemical performance.

On the other hand, ABS has chosen to pursue an alternative development process. The company focuses on producing these products using an electric arc furnace powered by scrap metal. This approach has yielded positive results in terms of quality and environmental impact.

Wire rod for bearings

ABS has developed a specific manufacturing process for producing wire rods for the bearing industry. Steel wire is used here for rollers and balls, the fundamental rolling elements of the mechanism. Dedicated production technologies have been developed for this purpose.

In order to guarantee extremely low levels of impurities and high homogeneity, ABS has defined and implemented rigorous control procedures for specific parameters in both the steelworks and the QWR (Quality Wire Rod 4.0 – Saturno line) rolling mill.



Steels intended for the wind industry

In **the renewable energy sector**, **wind tower development** is moving towards larger and larger installations in terms of both size and power. This evolution requires products that perform better, ensuring greater durability and reducing maintenance costs.

Therefore, steel manufacturers are required to provide solutions with an extremely low inclusion content to minimise the risk of fatigue failure in gearbox components.

ABS is a leading European supplier of continuous casting, rolled and forged products used in the manufacture of large flanges, gears and bearings.

The company has refined its production processes, improved its selection and use of materials, and enhanced its product characterisation techniques over the years. This commitment ensures high performance and contributes to **supporting the circular economy** by reducing waste along the supply chain and extending the useful life of final components.

Case-hardened steel

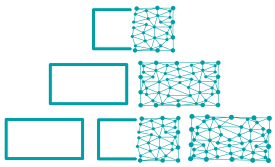
The manufacture of gears capable of withstanding high loads, such as those typically found in wind turbine and electric vehicle gearboxes or large mechanical components, requires the use of **alloy steels** with high mechanical properties. These requirements are typically met through the use of alloy elements such as **nickel**, or by employing alternative materials that offer equivalent performance.

During the year, our **ACM** Research Centre developed a test bench designed for testing complete gearboxes. This tool enables us to compare our solutions with reference materials. In addition, we make this product available to our customers. This allows us to work together to optimise materials and heat treatments.

Steels with improved machinability

Steels designed for automatic machining, or **steels with improved machinability**, are specially formulated to make machining operations such as **turning, milling and drilling** more efficient. The addition of specific chemical elements or controlled inclusions in the steel's composition **improves its machinability**, **reduces tool wear**, and increases **productivity**. They are especially well-suited to **high-production** industrial environments where **cost containment** and **cycle time optimisation** are critical factors.

In order to support the development of **lead-free solutions** in compliance with current and future regulations, and to help our customers identify the most suitable options, we have set up a **laboratory dedicated to testing the machinability** of materials.



Furthermore, during the year, ACM continued to develop the **digital twins** of the Mercurio line, focusing on two main aspects: the structural evolution after the hardening and the modelling of the rolling process. A number of parametric studies have been conducted to determine the optimal production conditions for all billet formats, with the aim of ensuring durability throughout the entire value chain.

projects

Feather project

The **Feather project**, which is coordinated by OCAS NV [11], aims to develop an innovative steel solution for the **next generation of hydrogen cylinders**.

The initiative aims to **increase the ultimate tensile strength by 30% compared to current solutions, while ensuring high safety standards in the presence of hydrogen**.

The **ABS Metallurgical Centre (ACM)** contributed to the project by carrying out activities aimed at optimising the mechanical properties of materials.

The project forms part of a **European research initiative** to **improve resistance to hydrogen embrittlement** and **enhance fracture toughness** and **fatigue properties under high-pressure hydrogen conditions**. The initiative also seeks to improve understanding of the **interactions between hydrogen and microstructure**.

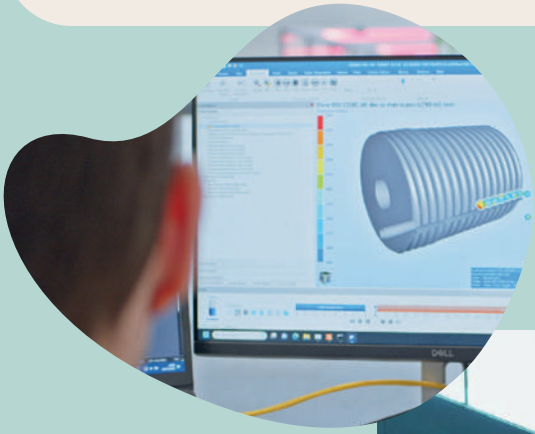
This collaboration represents a significant step towards **safer and more efficient hydrogen storage systems**. It is a key contributor to the progress being made in the energy transition and the adoption of sustainable solutions for the future.

[11] OCAS NV: ArcelorMittal Research Centre in Belgium

Scientific Publications in ACM

ACM actively disseminates its results by participating in technical events, such as those listed below:

- **A3TS CONGRESS 2025** France *"Low alloyed steels for hot forged components"* [Stocky, Catteau, Reyes, Maurigh].
- **A3TS CONGRESS 2025** France *"Manufacturing of steel grinding balls. A major theme for large-scale sustainable development"* [Stocky, Catteau, Reyes, Maurigh].
- **ECHT 2025** Czech Republic *"Hydrogen susceptibility linked to the mechanical properties and microstructural aspects of common steel for future decarbonated mobility"* [Clemang, Catteau, Stocky].
- **EUROPEAN CASTING FORUM 2024** Italy *"Simulation of segregation in the continuous casting of an alloy steel"* [Pondaven - ABS Centre Métallurgique, France].
- **ESAFORM 2024** France *"Design of an experimental simulator of void closure during hot rolling process"* [Gopakumar, Langlois, Pondaven, Bigot].
- **INTERNATIONAL FORGEMASTER 2024** Italy *"Self-(Aus)Tempering" of big forged parts"* [Acevedo, Stocky, Clemang, Maurigh].
- **IFHTSE CONGRESS 2024** USA "*Short time tempering on 39MnCrB6-2 steel to find best compromise between mechanical properties and use of copper-rich scraps*" [Stocky, Reyes, Clemang, Maurigh].
- **SVW CONGRESS 2024** Switzerland "*Effect of niobium on the ferritic-pearlitic transformation during isothermal annealing in steel 20MnCr5*" [Stocky].



FEATHER

Top left photo: *Digital Twin of the rolling cages for the Mercurio line.*
Photo at the bottom right: *Feather Project work team.*

focus

Quality in ABS

78 Professionals

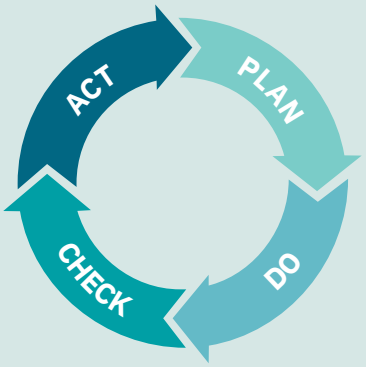
divided into:

- Process Engineering
- Laboratory
- Testing

ABS Quality is divided into three main areas: testing, laboratories and process engineering.
These components form an integrated system that ensures **continuous improvement**. The system aims to reduce waste, increase production efficiency and ensure full compliance with customer requirements.

The company employs **78 professionals**, including process engineers, laboratory technicians, and testers. These professionals are distributed throughout the entire production chain.

A constant cycle of monitoring and optimisation based on the **PDCA (Plan-Do-Check-Act)** model is in place to ensure each production line benefits from targeted checks, laboratory analyses and interventions to improve process parameters.



This strategy has led to a substantial decrease in non-compliant materials, which has had a favourable impact on the company's competitiveness.

Photo: *Process Engineering Office.*

In addition to process control and optimisation, the Quality Department plays a central role in **developing new products**, helping ABS to expand its market share and enter new application sectors.

Numerous studies and scientific papers have also been produced as a result of research and development activities, and have been presented at prestigious academic institutions and international conferences. The main contributions are as follows:

- **AISTECH 2023** Detroit *"Investigation of Thermomechanical Process Routes, From Rolling Mill to Final Heat Treatment, for the Production of Steel for Fasteners and Bolts"* [Spadaccini, Marzio].
- **AISTECH 2023** Detroit *"Continuous Casting of Octagonal Section Revisited: Quality Steel Production Trials in Acciaierie Bertoli Safau S.p.A"* [Armenante, Pardela, Truant].
- **UNIUD MASTER'S DEGREE IN METALLURGICAL ENGINEERING 2023** *"Development of high-silicon, low-aluminium steel manufacturing: deoxidation, materials, inclusions and critical issues"* [Busolini].
- **UNIUD MASTER'S DEGREE IN METALLURGICAL ENGINEERING 2023** *"Silicon steels rolled into wire rod. Characterisation of decarburisation and structure in relation to rolling parameters"* [Marzio].
- **AISTECH 2023 EUROPEAN STEEL FORUM** *"Digital Innovations in Iron- and Steelmaking"* [Gemo, Truant].
- **AIM LESSON OF THE OUT-OF-FURNACE METALLURGY TRAVELLING COURSE 2024** *"Out-of-furnace metallurgy in the production of medium-high alloy steels depending on the casting technique"* [Gemo].
- **AISTECH 2025 NASHVILLE** *"Development process of high silicon steel grade 54SiCr6 produced with EAF route, from scrap yard to wire rod coil. Lesson learned and future improvements"* [Gemo, Truant, Busolini, Marzio, Stocky].
- **AISTECH 2025 NASHVILLE** *"Operational Outcomes of a Quality Execution System Implementation in Acciaierie Bertoli Safau S.p.A."* [Cestari, Granello, Paluzzano, Adinolfi, Gemo, Madotto].
- **AISTECH 2025 NASHVILLE** *"An Innovative Data-Driven Model to Predict Hydrogen and Nitrogen During Vacuum Degassing."* [Furlanetto, Piazza, Comuzzo, Bortolin, Di Giorgio, Gemo, Bianco].
- **AISTECH 2025 NASHVILLE** *"Bayesian Mechanical Property Estimation for Stable Rolling Mill Processes"* [Piccirillo, Marzio].
- **AIM LESSON OF THE SOLIDIFICATION AND CONTINUOUS CASTING TRAVELLING COURSE 2025** *"The casting of large blooms"* [Busolini, Truant].

Materiality analysis

The process of defining material topics was initiated at ABS in 2016. This was an evolutionary approach that was managed dynamically and aligned with the growing awareness of sustainability and its implications for corporate strategy, as well as the risks and opportunities that sustainability presents.

During this financial year, ABS carried out an initial joint analysis of the impact of its business activities on sustainability factors, as well as the risks and opportunities generated by environmental, social and governance topics for ABS's operations. This analysis was carried out in order to understand the concept of double materiality. The topics investigated were those identified in the previous materiality analysis and correlated with the relevant topics and subtopics defined by the ESR Standards, where relevant. The probability and financial impact of each risk and opportunity were identified for assessment purposes. Specifically, the probability of occurrence and the significance of the financial impact of each risk and opportunity were assessed.

The analysis confirmed the material topics identified through the impact analysis.

Already in 2023, together with the heads of the various organisational functions of ABS, a process was developed to reinterpret the material topics in terms of the potential impacts generated. The analysis made it possible to assess the nature of the impact (positive or negative), the main sphere of influence (economic, environmental, social and/or human rights), the causes (whether direct or indirect), the extent of possible benefits or damages, the nature of the spill-over (potential or actual), the geographical scope of the spillover, the effort required, where possible, to remedy a negative impact, the frequency of occurrence and whether or not the topic is subject to regulatory requirements.

Engagement with stakeholders is also a process that has evolved in ABS, gradually involving different types of stakeholders. The classification of ABS stakeholders was defined following an in-depth analysis that led to the identification of the following main categories: employees, customers, shareholders, suppliers, regulatory and government bodies, research institutes, organisations for the protection of the environment and local communities.

Over the past year, **ABS has engaged with customers through a consultation process** to gather their views on the aspects of sustainability and identify areas that are perceived as sources of negative impact, whether real or potential. **The recorded responses** showed that customers' main concerns are **consistent with the internal ABS impact analysis of material topics**.

ABS S.p.A. was responsible for managing the materiality analysis process, and the Board of Directors approved the results on July 9, 2025. These results are applicable to the entire Steelmaking division.

The results are shown in the opposite graph, where the size of the symbol indicates the intensity of the impact generated.

MATERIAL TOPIC	IMPACT		SPHERE OF INFLUENCE			
	positive	negative	Economic	Environmental	Social	Human rights
PERSONNEL: Fair remuneration	●●	●●	✓	✓	✓	✓
PERSONNEL: Skills development projects	●●	●●	✓	✓	✓	✓
PERSONNEL: Respect for human rights	●	●●				✓
OCCUPATIONAL HEALTH AND SAFETY	●●	●●●	✓		✓	✓
GHG EMISSIONS	●●●	●●●●	✓	✓	✓	✓
NON-GHG EMISSIONS	●	●	✓	✓	✓	
CIRCULAR ECONOMY: Procurement of raw materials	●●●	●●●	✓	✓	✓	✓
CIRCULAR ECONOMY: Waste management that favours reuse and recycling over disposal	●	●●	✓	✓	✓	
CIRCULAR ECONOMY: Management of by-products (ABS Ecogravel®)	●	●●	✓	✓	✓	
NOISE: Measures to reduce noise and vibration emissions	●●	●	✓	✓	✓	
WATER: Proper water resource management	●	●●	✓	✓	✓	✓
CHEMICAL & TOXIC COMPOUNDS: Reducing consumption	●	●●	✓	✓	✓	✓
SUSTAINABLE SUPPLY CHAIN	●	●●●	✓	✓	✓	✓
ETHICS: Ethical management of the business	●	●●	✓	✓	✓	✓
COMMITMENT BY THE MANAGEMENT: to sustainability actions	●●	●●	✓	✓	✓	✓
LOGISTICS AND TRANSPORT: development of actions to reduce associated environmental impact	●●	●●●	✓	✓	✓	✓
RESEARCH AND DEVELOPMENT	●●●	●●	✓	✓	✓	
CERTIFICATIONS	●●	●	✓	✓	✓	✓

Intensity of generated impact:

● slight ●● low ●●● moderate ●●●● significant

Where possible, the topics that emerged from the double materiality analysis were then reorganised according to the classification of topics and sub-topics proposed by the EU Directive on non-financial reporting. These topics were analysed in terms of their impact on the UN's Sustainable Development Goals (SDGs), which were set for 2030.

MATERIAL TOPIC	SUSTAINABLE DEVELOPMENT GOALS	SDGs SUB-TARGETS	GRI AND CUSTOM KPI
Energy and GHG (greenhouse gas) emissions		**7.2:** Increase substantially the share of renewable energy in the global energy mix by 2030. **7.3:** Double the global rate of improvement in energy efficiency by 2030.	**302** **305**
Other emissions into the atmosphere Chemical & toxic compounds Logistics and transport Noise and vibration		**12.4:** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.	**305** Environmental investments; Transport by train %
Ethical management of the business Commitment of the management towards the adoption of sustainability policies		**10.2:** By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	**2-23 c.**
Development of practices to ensure full compliance with health and safety at work		**8.8:** Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.	**403**
Water resource management: withdrawals and discharges		**15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	**303**
Circular economy actions and policies aimed at reducing the impact of the acquisition of raw materials and develop a virtuous waste management model, adopting, where possible, recovery and recycling policies instead of disposal		**12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.	**301**
Sustainability-oriented supply chain management		**12.6:** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	**2-7**
Actions towards staff regarding remuneration policies, development of growth paths for skills and respect for human rights		**4.4:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. **5.1:** End all forms of discrimination against women and girls everywhere.	**404**
Development of Innovation and Research & Development activities		**9.5** Improve scientific research, increase the technological capacity of industrial sectors in all countries, especially in developing countries, by 2030, by promoting innovation and significantly increasing the number of people employed in research and development.	System, process and product innovation activities developed
System and product certifications			System and product certifications obtained

Our Governance Model

The **Board of Directors of ABS** is responsible for checking the adequacy of the organisational, administrative and accounting structure, with a special attention to the internal control system and risk management. The Board of Directors is responsible for establishing the rules and methodologies to be followed in the planning, (both ordinary and extraordinary) management and control of ABS activities.

The Board of Directors is the company's main governance body. It consists of six members: the Chairwoman, the Deputy Chairman, the Chief Executive Officer and 3 Directors, one of whom is an executive director.

Board of Directors

Camilla Benedetti	***Chairwoman*** *(age between 30 and 50)*
Anna Mareschi Danieli	***Deputy Chairwoman*** *(age between 30 and 50)*
Marco Di Giacomo	***Chief Executive Officer*** *(over 50)*
Giuseppe Flaborea	***Director*** *(over 50)*
Giacomo Mareschi Danieli	***Director*** *(age between 30 and 50)*
Paolone Rolando	***Director*** *(over 50)*

To demonstrate the importance of diversity for ABS growth, 50% of the Board of Directors (three members) are between 30 and 50 years of age, and the other 50% (three members) are over 50. Among the members of the Board of Directors, two are female (33%) and four are male (66%).

The members of the Board of Directors are appointed by the Shareholders' Meeting and are responsible for developing economic, social and environmental strategies of the company, supported by external opinions and specialist advice as required.

The current Board of Directors will remain in office until the approval of the 2026/27 Financial Statements.

In accordance with the principles of its Code of Ethics, ABS has taken steps to identify and mitigate potential conflicts of interest and to ensure that Board decisions are made in an impartial and transparent manner, thereby protecting the integrity of corporate governance. The Company has established an **Internal Audit** function, which is responsible for **checking the adequacy of the internal control and risk management system**, conducting **periodic spot audits** in cooperation with the management of the various corporate functions and providing feedback on the results of its activities to the Board of Directors, the Board of Statutory Auditors and the Supervisory Body.

The Board of Directors has a mandate to approve the economic and financial statements and the sustainability reporting.

The **Board of Statutory Auditors** monitors compliance with the law and the Articles of Association, as well as compliance with the principles of proper administration in the performance of the Company's activities. The Board of Statutory Auditors also oversees the financial reporting process, the adequacy of the Company's organisational structure, internal control system and administrative/accounting system. Finally, the Board of Statutory Auditors supervises the external audit of the annual and consolidated accounts, as well as the independence of the external auditing body.

The Board of Statutory Auditors comprises five members, four of whom are male (80%) and one of whom is female (20%). All members (100%) are over 50 years of age.

Board of Statutory Auditors

Giuseppe Alessio Vernì	***Chairman*** *(over 50)*
Giuseppe Bertoli	***Standing Auditor*** *(over 50)*
Michela Cignolini	***Standing Auditor*** *(over 50)*
Edgardo Fattor	***Alternate Auditor*** *(over 50)*
Alessandro Gambi	***Alternate Auditor*** *(over 50)*

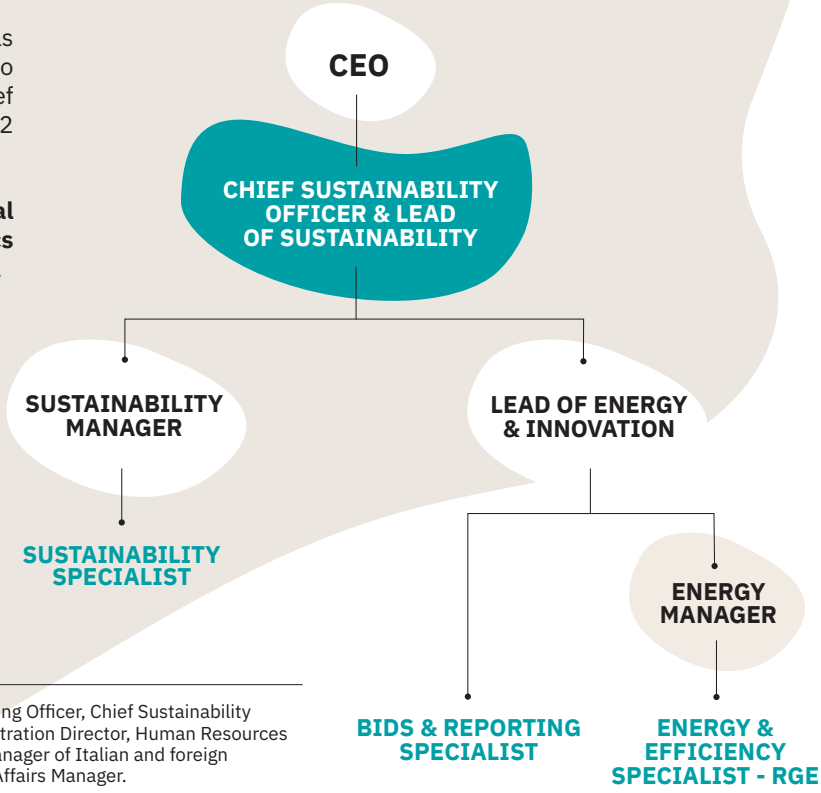
Photo: *ABS Headquarters, Pozzuolo del Friuli (Udine).*

Governance of Sustainability

The **ABS Sustainability Committee** has been in operation since 2021. It reports to the company board through the CSO (Chief Sustainability Officer) and involves 12 function directors [12] and plant managers.

The CSO has its own organisational structure that directly oversees the topics of Sustainability, Energy and Innovation.

The operating procedures, duties, powers and resources of the sustainability committee are governed by a specific regulation. The CSO is required to submit a written report to the Board of Directors on the committee's activities at least every six months.

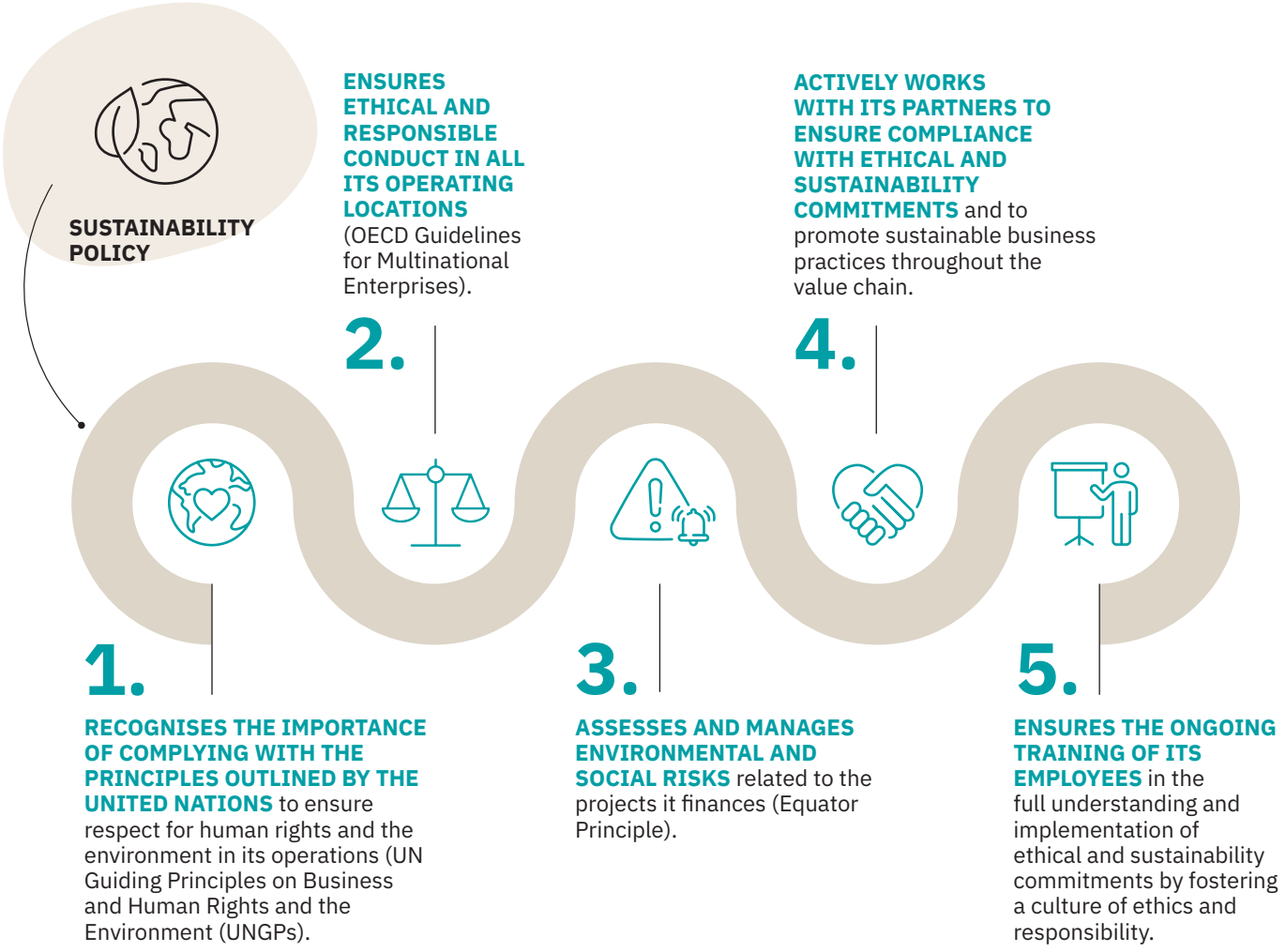


[12] Chief Business Development Officer, Chief Operating Officer, Chief Sustainability Officer, Communication Manager, Finance and Administration Director, Human Resources Director, Internal Audit & Controlling Director, Plant Manager of Italian and foreign locations, Supply Chain Director, Legal and Corporate Affairs Manager.

The roles of the Sustainability Committee

Sustainability Governance is set out in the **Sustainability Policy**, a formal document approved by the company's BoD, which lists ABS's commitments to sustainable business conduct.

The **Sustainability Policy** is a set of principles and guidelines that inform ABS's strategic and operational decisions. It encourages the **responsible management of environmental, social and economic resources, and demonstrates a commitment to ensuring sustainable development for present and future generations**.



The Sustainability Committee is part of a broader governance that includes various **Operational Committees** in which employees and/or managers of the company participate. The Operational Committees report regularly to the Sustainability Committee.

The Operational Committees provide a **forum for discussing important corporate issues** that require cooperation of several departments and/or corporate functions. **This ensures that decisions are made in a collaborative, collegial and synergistic manner to achieve the set objectives.**

The approach to risk

ABS operates in an international context that is increasingly characterised by dynamism, competitiveness and uncertainty. In order to operate in this context, it is necessary to develop a robust **Enterprise Risk Management (ERM)** system. This system must adopt a proactive and integrated approach to risk management, covering multiple types of risk and optimising business performance. In addition, it is vital to leverage the synergies between different organisational objectives and enhance the cross-cutting nature of actions.

Specific development plans have been created for all business functions, including actions to mitigate the risks identified by the ERM system.

The Management and members of the Managing Board — composed of ABS Executives — are responsible for defining and implementing risk management procedures to ensure operational continuity.

The concept of risk is also reinterpreted in terms of opportunities for creating value.

The **Internal Audit** function plays a key role in our approach. It conducts **regular risk assessments, which are then classified into probability and impact matrices. This approach enables us to assign different priorities and define a three-year audit plan** with periodic follow-ups.

Thanks to the various management systems adopted and compliant with the certification schemes obtained, risk assessment covers both more traditional areas, such as safety, plants and functional aspects, and areas related to sustainability.

These include:

- **ISO 14001** for environmental risk management;
- **ISO 45001** for health and safety risks;
- **ISO 50001** for the management of risks related to energy carriers;
- **ISO 27001** for cybersecurity management.

In 2024, ABS S.p.A., Sisak and ACM were awarded **PAS 2060 certification**, which certifies the path to climate neutrality.

Moreover, ABS S.p.A. and Sisak obtained **ISO 14067 Systematic Approach certification** for the quantification of product GHG emissions, which in 2025 was extended to include all ABS steel products that fall within the PCR Basic Iron.

SYSTEM CERTIFICATIONS	ABS	Sisak	ACM	Rott-Ferr
ISO 9001	●	●	●	●
ISO 14001	●	●	●	●
ISO 45001	●	●	●	●
ISO 50001	●	●		
ISO 17025			●	
IATF 16949	●			
ISO 27001	●			
ISO 14067 Systematic Approach	●	●		
PAS 2060	●	●	●	
UNI EN ISO 22301	●			

The risks that we manage, both endogenous and exogenous, relate to different areas: Financial, Operational, Strategic and Compliance.

ECONOMIC AND FINANCIAL RISKS:

- Credit risk
- Country risk
- Exchange rate risk
- Liquidity risk
- Risks related to the financial market trends
- Risk of natural disasters
- Risk of partner default

OPERATIONAL RISKS:

- Risks of business continuity
- Risks related to skills
- Risks related to maintaining adequate customer service
- IT security risks
- Product security risks
- Risks related to product quality
- Environmental risks
- Health and safety risks

STRATEGIC RISKS:

- Risk of competition
- Positioning risk
- Risk of market/product failure
- Risks related to the management of energy values
- Risks related to values and ethics
- Risks related to the supply chain
- Risks related to sustainability

COMPLIANCE RISKS:

- Risks related to product conformity
- Risks related to competition
- Risks related to the proper management of the business as defined by Italian Legislative Decree 231/2001
- Risks related to occupational health and safety as defined by Italian Legislative Decree 81/2008

projects

UNI EN ISO 22301 certification: A step towards operational resilience

In 2025, ABS became the first Italian steel company to obtain UNI EN ISO 22301 certification for its Business Continuity Management System (BCMS), having been recognised by RINA and Accredia. This important achievement represents international recognition of the **company's ability to ensure process continuity even in exceptional situations, strengthening organisational resilience and protecting people, plants and production**.

The certification process involved an interdisciplinary internal team carrying out training activities, risk analysis, and planning the measures to be adopted. The **ISO 22301 standard** considers over **twenty scenarios of critical resource unavailability** and processes more than **one hundred operating conditions**, defining immediate actions for the rapid restoration of activities.

In a complex industrial context such as the steel industry, this certification is a pioneering achievement, given that it has historically been widespread mainly in service sectors.

By adopting this standard, ABS demonstrates that operational resilience has also become a key factor in manufacturing, offering benefits in terms of reliability, sustainability and competitiveness.

This achievement is part of a broader process integrating safety, innovation, and responsible resource management. This enhances the company's credibility and strengthens the trust of customers and partners.

Certification process ISO 22301

1. Engagement of interdisciplinary team

2. Training

Risk analysis

Planning the measure

3. Defining actions for rapid business recovery

Value generated and distributed to stakeholders

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	30/06/2025
A. Directly generated economic value	1,091.74
B. Distributed economic value	1,047.04
(A-B) Characteristic retained economic value	**44.70**

(million euro)

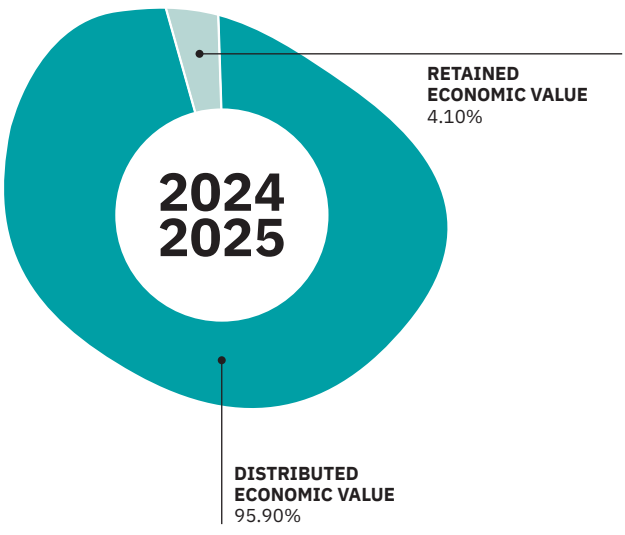
ANALYSIS OF DISTRIBUTED ECONOMIC VALUE	30/06/2025
Operating costs	935.46
Remuneration of Personnel	91.35
Remuneration of the Public Administration	2.28
Remuneration of Risk Capital	-
Remuneration to Lenders	17.77
Donations and sponsorships	0.18
TOTAL	**1,047.04**

(million euro)

ABS contributes to the economic growth of the social and environmental context in which it operates by generating shared value. In the 2024/25 financial year, the **Directly Generated Economic Value amounted to 1091.74 million euro**.

Over 95% of the **company's wealth** generated in the 2024/25 financial year, amounting to approx. **1,047.04 million euro, was distributed to its stakeholders**. Suppliers and employees are among the stakeholders who benefit most from the value produced by ABS.

Directly generated economic value



With regard to the main stakeholders, the economic value distributed was as follows:

Personnel (including term contractors and Board Directors): **8.72%**– through direct remuneration consisting of salaries and severance payments and indirect remuneration consisting of social security contributions and costs for personnel-related services;

Suppliers: 89.34% – identified in the operating costs that mainly represent payments to suppliers of goods and services;

Public Administration: 0.22%– through the payment of direct and indirect taxes;

Lenders: 1.70%– through the payment of financial charges;

Donations and sponsorships: 0.02%– through donations.

Generated and distributed economic value

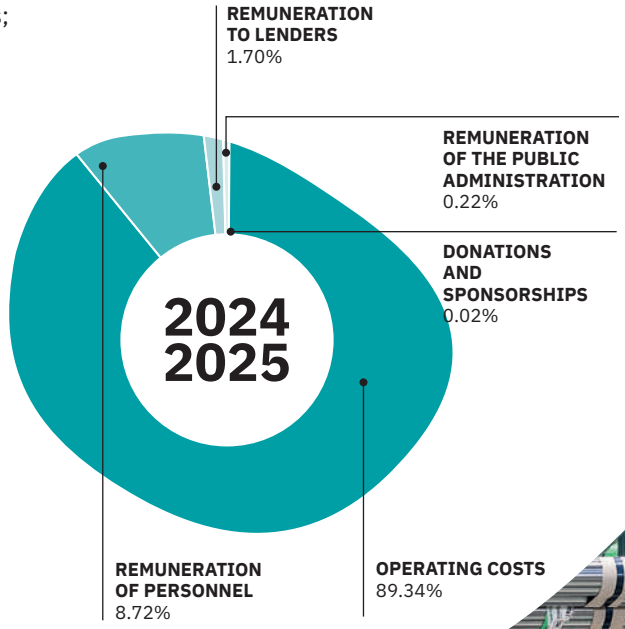


Photo: *Storage area for Giove line finished product.*

Environmental aspects

4

Environmental aspects

ABS's environmental strategy is based on operational pillars such as pollution prevention, climate change mitigation through emissions reduction and increased energy efficiency, the implementation of circular economy principles in resource management, and the protection of water resources.

ABS operates in compliance with current environmental legislation and has voluntarily adopted the **ISO 14001:2015** standard to ensure it remains up to date with all applicable legal requirements.

The management system ensures continuous improvement in environmental performance by optimising the management of emissions, raw materials and water consumption. Particular focus is given to waste recovery and recycling operations.

Employee engagement is another strategic element of the system. Investment in environmental awareness programmes engages all employees in improvement processes, thereby consolidating a corporate culture geared towards achieving sustainability goals.

A significant achievement during the 2024/25 financial year was **extending the ISO 14001:2015 certificate to the ABS Service site of Brandico**. This is the first **service centre specifically dedicated to mechanical workshops**, offering a highly specialised service and guaranteeing the certified quality of ABS steel.

This result shows that the company is committed to consolidating and expanding its environmental management system to cover its most recent and innovative operations.

ABS Sisak operates in accordance with the ISO 14001 standard, ensuring the effective management of environmental aspects.

ABS is able to exercise precise control and pursue a defined process of continuous improvement thanks to environmental governance structured across multiple sites. This approach strengthens the company's competitive position by promoting environmental responsibility as a differentiating factor in the reference market.

Cover photo: *The 13-hectare ABS Forest, which is home to over 10,000 trees, is located next to the Cargnacco plant.*

The approach to climate change

ABS's **ESG Plan** establishes the strategic framework for the integrated management of economic, environmental and social (ESG) aspects, consolidating sustainability as a central element in the company's vision, strategic planning and operational decision-making processes. The objectives of the Plan are integrated with those of the Business Plan, providing a structured approach to decarbonisation.

The ABS Decarbonisation Plan

As part of its ESG Programme, ABS has launched an ambitious **decarbonisation plan**, involving **investments of over 550 million euro** to achieve a **30% reduction in Scope 1 and 2** CO_2 **emissions by 2030** compared to 2023. The multi-faceted strategy is geared towards making industrial activity more efficient, innovative and environmentally friendly.

550 M EUR **investment for:**

-30% CO_2 **compared to 2023**

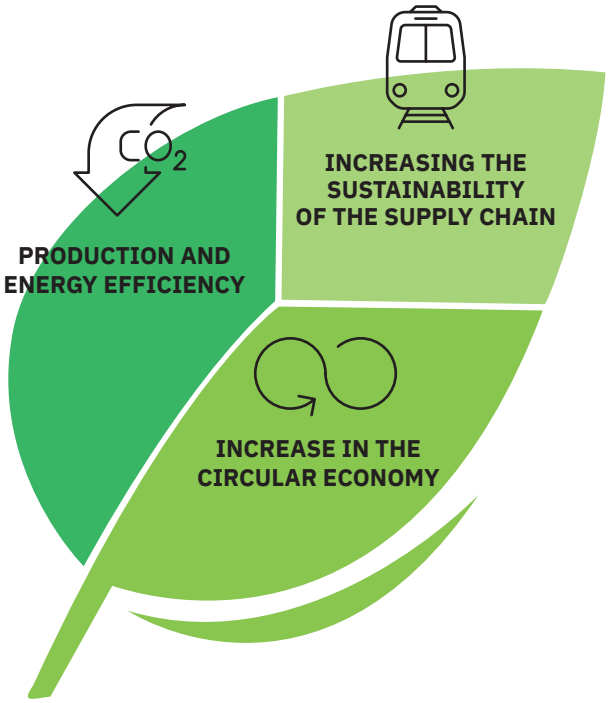
The first pillar focuses on **interventions to improve existing plant efficiency** by adopting management practices and technologies that can reduce energy consumption, optimise gas and electricity usage, and boost production yields. This is accompanied by the **creation of the new Digital Green Plant**: a hybrid complex designed to operate with net zero emissions and zero water discharge. Thanks to its advanced digital power control, it will represent a new industrial model.

The transition to a more sustainable energy system is supported by increased use of renewable energy sources, whether through self-production or purchasing electricity accompanied by certificates of origin.

At the same time, ABS is investing in **developing the green hydrogen supply chain** and **experimenting with using it in heat treatment furnaces as an alternative to methane**. This paves the way for the progressive **decarbonisation of production processes**.

Another innovative element of the plan involves **CO_2 capture and reuse technologies**.

The **Custard** project, which is partially funded by the European Union, involves the installation of a plant capable of capturing up to **13,000 tonnes of carbon dioxide per year from the walking beam furnace of the Saturno line. The captured carbon dioxide will then be used in a process to produce sodium bicarbonate**, which is catalysed by waste heat from the new **Hybrid Digital Green Plant** production line.



The decarbonisation strategy is not limited to production but also involves logistics. In this context, ABS intends to **expand its internal railway infrastructure and increase the proportion of goods transported by rail rather than road**. This will significantly increase the proportion of inbound and outbound rail transport and **reduce CO_2 emissions by over 24,000 tonnes by 2030**.

GHG emissions

Scope 1-2 LOCATION BASED & MARKET BASED GHG emissions[13-14] [tCO_2eq]			
	Scope 1 GHG emissions	Scope 2 GHG emissions Location based	Scope 2 GHG emissions Market based
2025			
ABS	242,332.13	266,314.12	292,308.75
2024			
ABS	293,973.20	338,813.18	517,728.41

During the financial year, Scope 1 emissions recorded a significant reduction, mainly due to the decline in production volumes at the Cargnacco and Sisak sites.

Scope 2 emissions followed a similar trend, decreasing not only due to the contraction in production resulting from the energy efficiency measures implemented by ABS, but also thanks to the purchase of Guarantees of Origin (GO). These measures have substantially reduced emissions calculated according to the Market-Based approach, thereby reinforcing the company's commitment to a more sustainable energy supply.

The decrease in Scope 1 and 2 emissions is also reflected in the fall in carbon intensity, which drops from 0.437 tCO_2eq/t in FY 2023/24 to 0.428 tCO_2eq/t using the Location-Based methodology, while the improvement is even more pronounced, falling from 0.560 tCO_2eq/t to 0.450 tCO_2eq/t, when using the market-based methodology.

-44% **Market-based Scope 2 compared to 2024 in absolute value**

Calculation of Scope 3

A key element of this is the standardised calculation of **Scope 3 emissions**, which was carried out for the first time in accordance with international reference methodologies. This milestone represents a fundamental step forward in ABS's reporting process, as it provides a comprehensive and transparent view of the organisation's carbon footprint across the entire value chain, enabling more targeted reduction and mitigation actions in the future.

Scope 1-2 LOCATION BASED & MARKET BASED GHG emissions[13-14] [tCO_2eq]			
	Scope 1 GHG emissions	Scope 2 GHG emissions Location based	Scope 2 GHG emissions Market based
ABS S.p.A.	234,825.23	251,279.39	275,909.20

[13] Direct CO_2eq - Scope 1 emissions were calculated for Cargnacco and Sisak based on input data and factors derived from the Emission Trading System (ETS), while the remaining emissions were calculated based on UK Government GHG Conversion Factors for Company Reporting 2024. The emission factors used to calculate indirect Scope 2 emissions are those proposed by AIB 2024 for the location-based approach (AIB - supplier mix) for European countries and by the Carbon Database Initiative (CaDI - generation mix) for other countries. Regarding the market-based approach, factors from AIB 2024 (AIB – residual mixes) were considered for European countries, while factors from the Carbon Database Initiative (CaDI – generation mix) were considered for all other countries.

[14] **Scope 1 - Direct emissions from the organisation.**
Scope 2 - Indirect emissions from purchased energy, reported using two methods:
- Location-based, based on national average emission factors.
- Market-based, based on the energy mix purchased, which also takes into account Guarantees of Origin (GO).

For further details, please refer to the “Glossary” section at the end of the document.

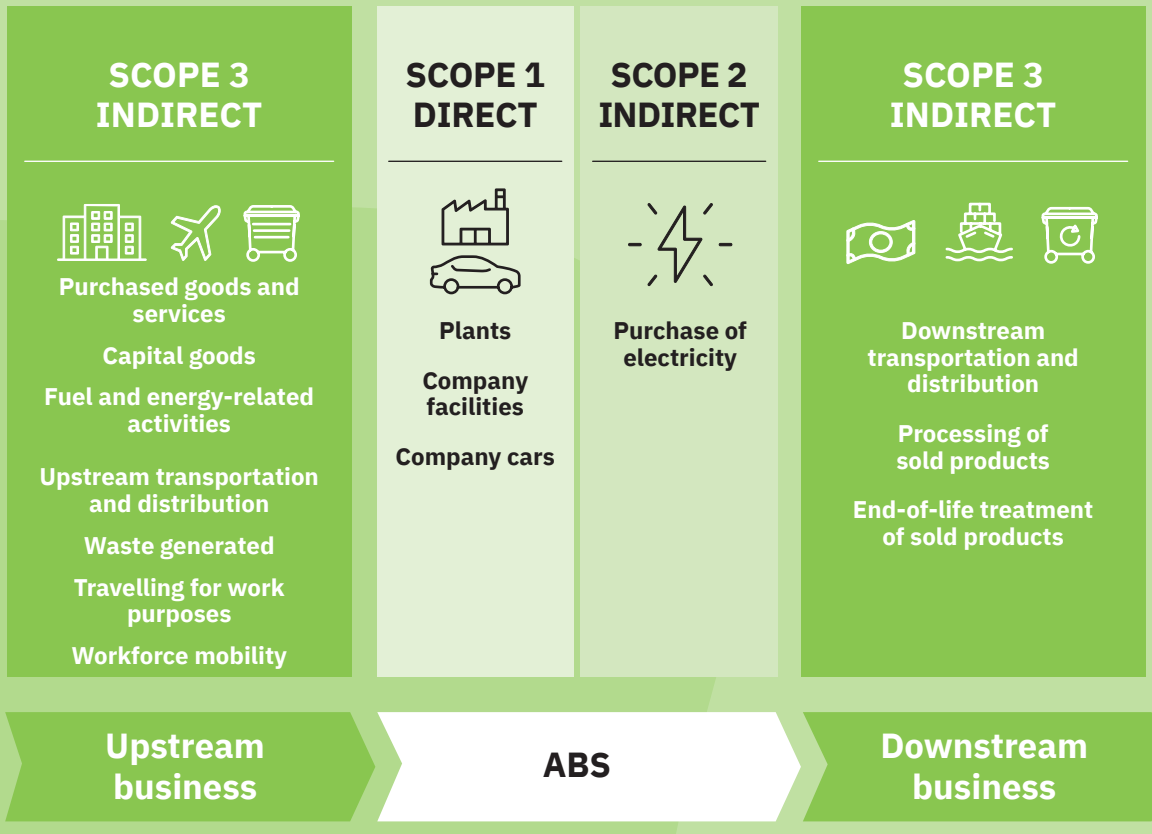
focus

Sustainability

Scope 3: definition, categories and advantages of calculation

Scope 3 greenhouse gas emissions represent **the total indirect emissions generated throughout an organisation's entire value chain**. This excludes emissions already included in Scope 2, which covers purchased energy.

This is the most extensive and complex part of the emissions inventory. It **includes upstream activities** relating to the production and supply of goods and services used by the company, **as well as downstream activities** relating to the use of, and end-of-life phase for, the organisation's products and services.



According to the GHG Protocol Corporate Value Chain (Scope 3) Standard, Scope 3 is divided into 15 categories:

- **Purchased goods and services**: emissions arising from the production of goods and services used by the organisation.
- **Capital goods:** emissions related to purchased machinery, plant and equipment.
- **Fuel and energy-related activities (not included in Scope 1 or Scope 2):** for example, extraction, production and transport of the fuel used.
- **Upstream transportation and distribution**: the handling and storage of goods prior to their arrival at the company.
- **Waste generated in production**: management, treatment and disposal of waste produced by company activities.
- **Travelling for work purposes:** travel undertaken by employees for work purposes using non-company vehicles.
- **Employees driving to or from work**: daily commutes of workers.
- **Upstream leased assets**: emissions resulting from the use of rented or leased assets.
- **Downstream transportation and distribution**: handling and storage of products sold to the end customer.
- **Processing of sold products**: additional emissions generated during processing carried out on the company's products by third parties.
- **Use of sold products**: phase of use of the goods or services provided by the organisation.
- **End-of-life treatment of sold products**: disposal, recycling or treatment of goods once their life cycle has ended.
- **Downstream leased assets**: emissions from assets leased or rented to third parties.
- **Franchising**: emissions associated with the activities carried out by franchisors or franchisees.
- **Investments**: impacts related to the organisation's financial assets.

Benefits of Scope 3 calculation

Although measuring Scope 3 emissions is complex due to its breadth and dependence on external data, it brings numerous strategic benefits.

1. COMPLETENESS AND TRANSPARENCY

It enables the reporting of total climate impact, taking into account much more than direct emissions and those linked to energy consumption.

2. RISK MANAGEMENT

It helps identify critical points in the value chain, anticipating regulatory, reputational and procurement risks.

3. EFFICIENCY OPPORTUNITIES

It enables the identification of areas for improvement in terms of processes, materials and logistics, with the potential for cost reductions.

4. CONTRIBUTION TO CLIMATE GOALS

It supports the achievement of corporate and international commitments to reducing emissions and achieving climate neutrality.

5. STAKEHOLDERS & REGULATORS

It responds to the growing demands of customers, investors and regulators, thereby strengthening the company's trust and reputation.

6. INNOVATION AND COMPETITIVENESS

It stimulates the development of products and services that have a lower environmental impact, thereby strengthening market positioning.

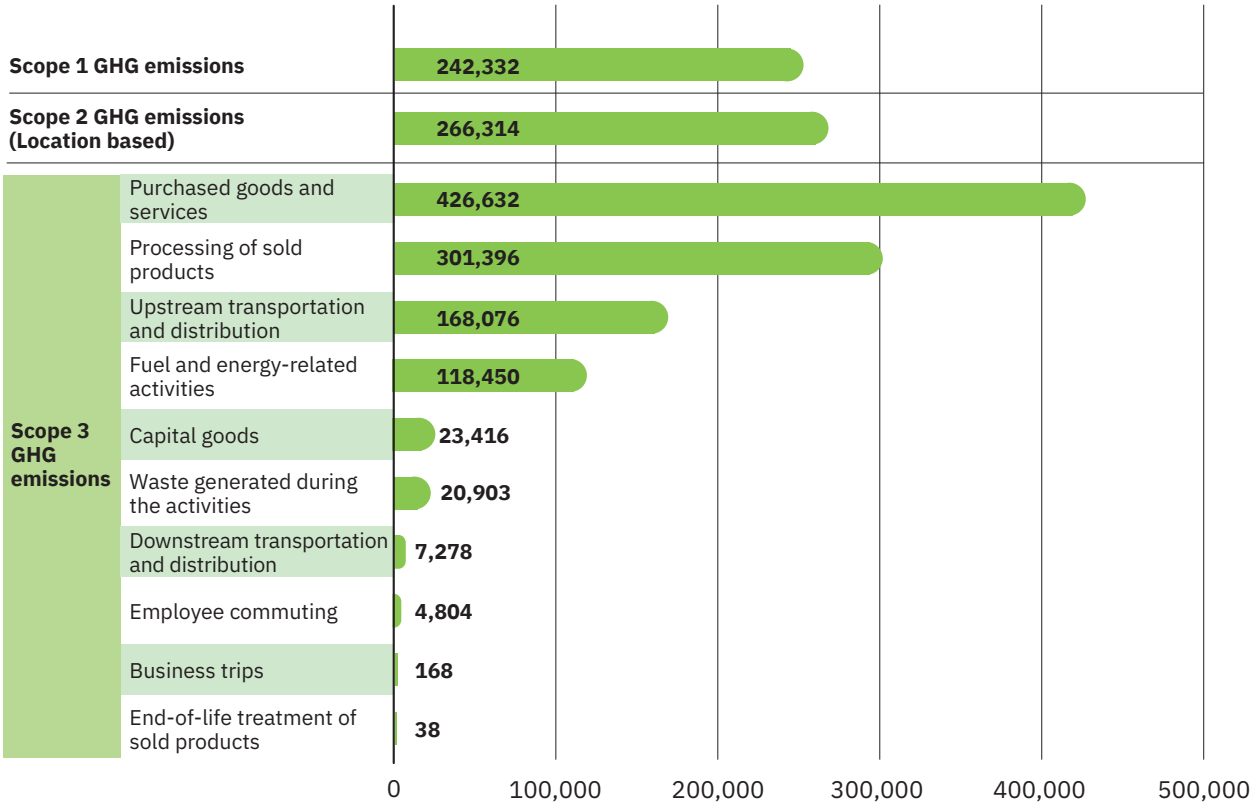
Scope 3 categories	Scope 3 GHG emissions [tCO_2eq]
Purchased goods and services	426,631.89
Capital goods	23,415.98
Fuel and energy-related activities	118,450.24
Upstream transportation and distribution	168,076.09
Waste generated during the activities	20,902.83
Business trips	167.72
Employee commuting	4,804.32
Downstream transportation and distribution	7,278.21
Processing of sold products	301,395.54
End-of-life treatment of sold products	37.50
Total	**1,071,160.32**

In 2024/25, Scope 3 GHG emissions totalled 1,071,160.32 tonnes of CO_2 equivalent, accounting for the majority of ABS's carbon footprint.

The main sources are purchased goods and services, processing of sold products, fuel and energy-related activities, and upstream transportation. While their contribution is less significant, other categories such as capital goods, waste, commuting and business trips are still important components of a comprehensive decarbonisation strategy.

For the calculation of Scope 3, Activity-Based data was used where available, and Spend-Based data was used where primary data was not available. Emissions factors are derived from the EcoInvent Database and emissions factors published by DEFRA 2024. Where available, primary data was used.

The unreported categories are not applicable to ABS in the Scope 3 calculation.



In the 2024/25 financial year, ABS Sisak recorded Scope 1 greenhouse gas emissions of 6,234.39 tonnes of CO_2eq, representing a decrease from the previous year. The reduction is mainly attributable to the interruption of production in the second half of 2024.

projects

ABS platform for calculating organisational emissions

During the 2024/25 financial year, ABS took a significant step towards environmental sustainability by developing an innovative platform for calculating company emissions.

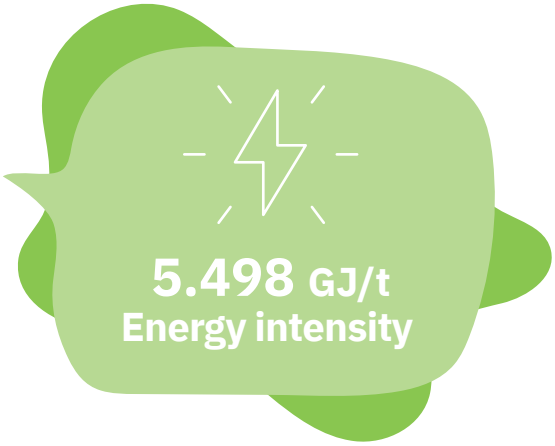
This advanced tool enables accurate **analysis and monitoring of Scope 1, 2 and 3 emissions**. It applies standardised methodologies to ensure the reliability and transparency of environmental data and reporting.

The platform's capabilities extend beyond the calculation of emissions. It facilitates the establishment of reduction targets and the formulation of strategies to enhance environmental performance. Thanks to detailed analyses, it is possible to identify the areas with the greatest impact and plan targeted interventions. This contributes concretely to the fight against climate change and strengthens compliance with international sustainability regulations and standards.

This platform has been developed as part of ABS's strategy to reduce emissions linked to products and production processes. The **decarbonisation plan, in particular, aims to achieve a 30% reduction in Scope 1 and 2 emissions by 2030.** These emissions are considered a priority because they are easier to control and measure. The platform will be essential for monitoring progress and verifying the effectiveness of interventions, thereby ensuring transparency and measurability in the process towards achieving the set objectives.

At the same time, Scope 3 emissions will also be addressed, which represent a significant portion of the total and affect the entire supply chain and finished products. Although these emissions are more difficult to control, they can be tracked and estimated more accurately thanks to the platform. This makes it easier to adopt effective strategies in this area.

Energy



ABS considers the responsible management of energy resources and the reduction of greenhouse gas emissions to be an essential strategic priority, as these factors have a decisive impact on the entire production cycle.

In a global context characterised by high price volatility and potential supply risks related to geopolitical factors, the company has adopted a systematic and proactive approach to ensure the resilience, efficiency and sustainability of its operations.

In this regard, ABS has maintained an **Energy Management System** in accordance with the **UNI EN ISO 50001:2018** standard for several years. This system is currently implemented at both ABS S.p.A. and ABS Sisak plants. This model enables the constant and accurate monitoring of consumption, which promotes significant efficiency improvements and strengthens the ability to develop an integrated energy strategy that is consistent with business objectives.

The strategy is organised into several interconnected levels. On the one hand, it aims to mitigate the risks related to the complexity of the energy scenario, characterised by price fluctuations and possible supply disruptions, through continuous market monitoring and performance monitoring of the plants.

On the other hand, it strengthens the decarbonisation policies that are already in place and are aimed at reducing the carbon intensity of steelmaking processes over time. At the same time, the strategy aims to seize opportunities to reduce specific production costs, promote efficiency measures, and support decarbonisation projects, which could result in incentives and non-repayable grants.
To complete the project, the use of certified renewable energy sources is also planned.

As part of the incentive procedures linked to Green Conditionality, **ABS S.p.A. covered 30% of the electricity consumption purchased in FY 2024/25 through Guarantees of Origin Certificates, for a total of 990,000 GJ (i.e. 275,000 MWh).**

The principle of continuous improvement and commitment to decarbonisation have prompted the company to increase its investments, allocating them to strategic initiatives, plant modernisation and the development of self-production capacity from renewable sources.

As at June 30, 2025, these investments totalled 83.65 million euro, of which 897,883 euro was specifically allocated to the Energy Strategy. A further 47.36 million euro is also already planned for the 2027/28 financial year.

As in the previous financial year, **ABS S.p.A. met its energy-saving target of 3,400 tonnes of oil equivalent (TOE)** by implementing a multi-year plan to upgrade its combustion systems. These measures have enabled the maintenance of the 6% reduction in methane consumption and 4% reduction in CO_2 emissions compared to the project baseline.

Total fuel consumption within the organisation from both renewable and non-renewable energy sources [15]	Quantity (GJ)	
	2024	2025
Non-renewable sources	**7,677,218.75**	**5,529,044.58**
LPG	3,209.11	3,117.24
Electricity [16]	4,008,556.67	2,357,121.26
Diesel	16,596.88	23,547.89
Unleaded petrol	61.99	393.16
Methane gas	2,809,117.24	2,344,134.81
Coal	707,535.19	548,247.20
Polymer	128,826.00	252,483.01
Other [17]	3,315.67	-
Renewable sources	**5,058.00**	**1,005,856.56**
Self-generated electricity from photovoltaics	5,058.00	15,856.56
Electricity with guarantees of origin		990,000
Total energy consumption within the organisation	**7,682,276.75**	**6,534,901.14**

ABS Sisak is committed to reducing energy consumption through targeted maintenance, plant modernisation and dedicated projects. These include optimising consumption in the electric arc furnace and revamping the ladle heating stations, with an estimated saving of 15-20 kWh/t. Furthermore, in order to contain costs during production downtime, an mFRR [18] (Market Frequent Response Resource) contract of 1.64 MW is in place.

Photo: *The photovoltaic plant in Saturno line.*

[15] The emission factors used to calculate energy carriers are taken from the document "UK Government - GHG Conversion Factors for Company Reporting 2024".

[16] Following a refinement in the calculation methodology, an estimate of energy consumption for sales offices was made.

[17] As from 2025, fuel consumption for company cars at the Cargnacco site will be reported separately under the items "Diesel" and "Unleaded petrol", replacing the previous single item "Other" used in previous years.

[18] An mFRR contract is an agreement to provide and receive the market Flexible Response Reserve (mFRR, market Frequent Response Resource), a dispatching service that allows network operators to respond to imbalances between electricity supply and demand in real time by modulating the power absorbed by the electrical assets involved.

focus

Sustainability

The RenewABS standard

100% GREEN ENERGY

During the 2024/25 financial year, ABS S.p.A. developed the **RenewABS Energy Certification standard**, which represents a significant step forward in the traceability and management of renewable electricity.

In accordance with the principles of transparency and chain of custody, the standard outlines the procedures and criteria for allocating, monitoring and reporting on renewable energy quotas for individual production lots.

The system has been approved by the **RINA** certification body and guarantees the correct allocation of **Guarantees of Origin (GOs)**, which are issued by the **Energy Services Manager (GSE)**. This ensures the traceability and independent data verification.

Thanks to this approach, ABS can now **offer certified products that are powered entirely by renewable electricity**. This electricity is sourced from both its own photovoltaic plants and purchased Guarantees of Origin (GO). This approach reinforces ABS's commitment to energy sustainability and transparency towards customers and stakeholders.

The standard covers three main areas of intervention:

1.

DATA RELATING TO ELECTRICITY CONSUMPTION IS COLLECTED AND PROCESSED for the purpose of serving as a reference point for the allocation of quotas to different production batches characterised by the use of renewable energy.

2.

MANAGEMENT OF THE BALANCE OF ACQUIRED AND ALLOCATED RENEWABLE ENERGY QUOTAS is essential to ensure consistency between energy produced, purchased and accounted for.

3.

INFORMATION REGARDING PRODUCTION BATCHES MUST BE COMMUNICATED CLEARLY AND EFFECTIVELY to ensure transparency and traceability throughout the supply chain.

Air

The atmospheric emissions generated by the ABS production process are divided into two categories: those channelled through the plant stacks and those non-channelled, originating from activities not directly captured, such as internal handling and secondary processing.

To ensure consistent management of channelled air emissions, ABS S.p.A. has installed a **Continuous Emission Monitoring System (CEMS)** on the main stacks at its production plants. This allows operators to monitor measurements at any time and take corrective action in the event of anomalies.

Thanks to air quality monitoring units located outside the plant at strategic points, whose data is shared online with Arpa FVG [19], non-channelled emissions are carefully monitored and the level of fine particulate matter is regularly measured.
The regular cleaning of internal roads, the use of spray nozzles for abatement and investments such as improving the collection capacity of the VD1 degassing system allow for continuous reduction.

Emissions into the atmosphere [20]	2024	2025
CO (t)	714.28	707.69
Dioxins (gr)	0.10	0.08
NOX Nitrogen oxides (t)	416.35	369.57
Particulate matter (PM) (t)	32.61	25.54

The analysis of atmospheric emissions shows values well below the legal limits, with a significant improvement in all categories of pollutants monitored. These significant reductions demonstrate the effectiveness of investing in abatement and control technologies. The contraction in production also had a significant impact on the recorded results, amplifying the positive effects of the investments. This scenario highlights the opportunity to consolidate technological improvements in view of the recovery in production volumes, while ensuring excellent environmental performance is maintained.

Thanks to process optimisation, enhanced filtration systems and lower production loads, there has been a **1% reduction in carbon monoxide, a 22% reduction in atmospheric particulate matter, and a 20% reduction in dioxins.**

-1%
carbon monoxide

-22%
atmospheric particulate matter

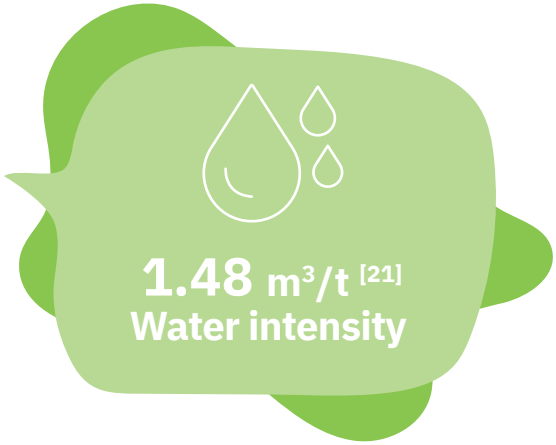
-20%
dioxins

[19] Arpa FVG: Agenzia regionale per la protezione dell'Ambiente del Friuli Venezia Giulia (Regional Agency for Environmental Protection of Friuli Venezia Giulia)
[20] Data referring to the Cargnacco plant. For more on Group data, please refer to page 120.

Water

Withdrawals

During the 2024/25 financial year, the ratio of water withdrawn to tonnes of steel drawn remained consistent with previous years' trends. ABS is committed to preserving water resources. It implements the best available technologies for treating and reusing water in industrial processes.



These technologies are:

- **EVAPORATIVE TOWERS** for cooling and recirculating water.
- **PHYSICAL TREATMENT PLANTS** to remove excess salts and reduce discharges.
- **CHEMICAL TREATMENTS** to prevent scaling, corrosion and bacteria, increasing water reuse.

At the Cargnacco (Udine) site, water for industrial use is drawn from pumped groundwater, while water for civil purposes, such as the canteen, toilets and changing rooms, is drawn from the aqueduct.

ABS S.p.A. adopted an internal recovery system that enables the discharge from circuits requiring more desalinated water to be reused to replenish circuits requiring less pure water. In the innovative wire rod production line (Saturno line), rainwater from the first rainfall is fully recovered and reused within the production cycle, flowing into the water treatment plant. This strategy further contributes to the environmental sustainability of the process.

Water withdrawn from groundwater is pre-treated with chemical additives to make it suitable for industrial use. These include the cooling of machinery and the hardening of products.
Water reuse systems are installed to significantly reduce water consumption, providing a sustainable and innovative solution to water management. These plants incorporate technologies for the recovery and filtration of the water used to reduce overall consumption and minimise environmental impact.

Rott-Ferr in Pavia di Udine and Pordenone uses water from aqueduct.

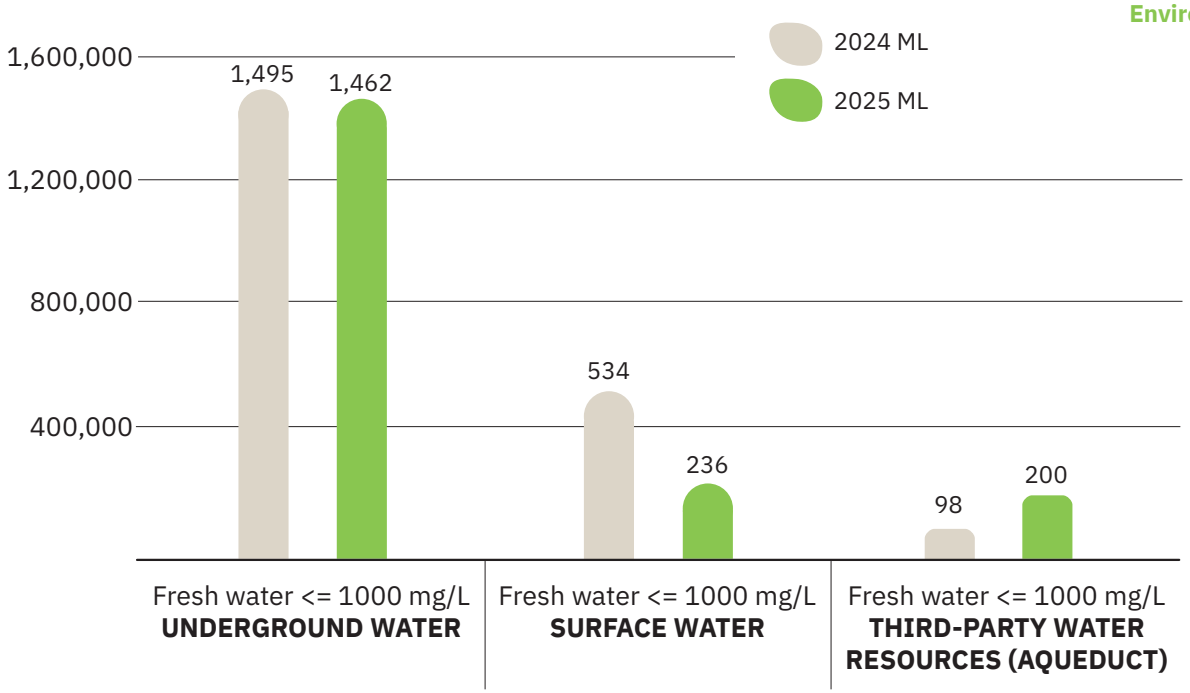
The management of impacts related to water resources is characterised by continuous monitoring of water consumption with the aim of setting a target threshold below which water consumption should be reduced. In terms of water stress areas.

In ABS Sisak, the water supply comes from the Sava River. Various measures are being implemented to recover water:

- A pilot project involving continuous casting is underway, with the aim of recovering 90% of the cooling water.
- Rainwater falling on the roof of the new scrap yard is channelled into special collection tanks for subsequent reuse.
- The cooling tower motors will be inverterized to reduce electricity consumption and limit losses in the EAF and continuous casting circuits.

[21] Water intensity calculated on industrial water withdrawal.

Water withdrawal



Water withdrawal by source (ML) [22-23]	2024		2025	
	All areas	Water-stress areas (ML)	All areas	Water-stress areas (ML)
Underground water	**1,495**	**1,495**	**1,462**	**1,462**
Fresh water <= 1000 mg/l total dissolved solids	1,495	1,495	1,462	1,462
Surface water	**534**	**-**	**236**	**-**
Fresh water <= 1000 mg/l total dissolved solids	534	-	236	-
Third-party water resources (aqueduct)	**98**	**54**	**200**	**174**
Fresh water <= 1000 mg/l total dissolved solids	98	54	200	174
of which groundwater	98	54	200	174
Total water withdrawals (ML)	**2,127**	**1,549**	**1,898**	**1,636**

[22] The areas of Cargnacco, Pavia di Udine and Pordenone are at high or medium-high risk, while Metz (France) and Sisak (Croatia) are at medium-low and low risk, respectively.

[23] With reference to water withdrawals in areas subject to water stress, the Group uses the Aqueduct Tool developed by the World Resources Institute (WRI) to identify areas potentially at risk.
The WRI tool is available online at: https://www.wri.org/our-work/project/aqueduct.
For the analyses, the results in the "baseline water stress" column and the "high stress" and "extremely high stress" levels were taken into account.

Discharges

All ABS S.p.A. plants (WTP and rainwater collection), upstream of the discharge, are equipped with special tanks with decanting, oil separation and pH correction systems (where applicable) that prevent pollutants from entering water receivers. They are also equipped with sampling wells, which allow the chemical and physical analysis of the water to be checked before it is discharged. The analyses are carried out at the specified intervals set out in the Monitoring and Control Plan. The results are shared with Arpa FVG (Regional Environmental Protection Agency) on a regular basis. During the 2024/25 financial year, no exceeding was recorded.

During the 2024/25 financial year, Rott-Ferr concentrated on the issue of water waste disposal, implementing measures to enhance the efficiency and sustainability of its plants. The **upgrade of the first and second flush wastewater filtration system was also completed**, in accordance with the requirements of the **Regional Water Protection Plan**.

In particular, the water filtration system underwent a significant transformation: it was upgraded from a system based on accumulation and subsequent treatment to a continuous treatment plant, ensuring consistent and more effective management.

In addition, a new chemical-physical plant was installed to improve further the quality of water discharged into the environment, providing clear environmental and regulatory compliance benefits.

Water discharge by destination (ML) [24-25-26]	**2024**		**2025**	
	All areas	**Water-stress areas (ML)**	**All areas**	**Water-stress areas (ML)**
Surface water	**701.00**		**614.04**	**614.04**
Fresh water <= 1000 mg/l total dissolved solids	701.00	-	614.04	614.04
Other water > 1000 mg/l total dissolved solids	-	-	-	-
Third-party water resources (sewer system)	**17.45**		**142.08**	**115.57**
Fresh water <= 1000 mg/l total dissolved solids	17.45	-	-	-
Other water > 1000 mg/l total dissolved solids	-	-	-	-
Total	**718.45**		**756.12**	**729.60**

[24] The areas of Cargnacco, Pavia di Udine and Pordenone are at high or medium-high risk, while Metz (France) and Sisak (Croatia) are at medium-low and low risk respectively.

[25] With reference to water withdrawals in areas subject to water stress, the Group uses the Aqueduct Tool developed by the World Resources Institute (WRI) to identify areas potentially at risk.

The WRI tool is available online at: https://www.wri.org/our-work/project/aqueduct.

For the analyses, the results in the "baseline water stress" column and the "high stress" and "extremely high stress" levels were taken into account.

[26] Following a refinement to the calculation methodology, water discharges for civil use were included.

Earth

Scrap and other raw materials

Steelworks such as ABS operate using electric arc furnace technology. The main raw material used is ferrous scrap, which is a strategic resource that fully complies with the principles of the circular economy. This is because it can be recycled indefinitely without losing its original metallurgical properties.

Scrap metal, originating from end-of-life products and industrial waste, forms the basis for a production process that maximises material recovery and reduces dependence on virgin resources.

In addition, other materials are used to ensure the metallurgical quality of the steels produced and to guarantee that the melting and refining processes are carried out correctly.

These include:

- **HBI (HOT BRIQUETTED IRON) / DRI (DIRECT REDUCED IRON), OR SPONGE IRON**, which is a high-purity raw material capable of improving the control of the chemical composition and ensuring very low levels of residual elements.
- **CAST IRON**, used to regulate the carbon content of the bath and to increase chemical energy efficiency;
- **FERROALLOYS**, used to impart specific, targeted characteristics to steel (e.g. mechanical strength, hardness, resilience or corrosion resistance). They introduce alloying elements such as chromium, nickel, molybdenum, vanadium and manganese, which are essential for the production of high-performance special steels.
- **LIME AND OTHER FLUXES**, essential for slag formation and impurity removal, playing a key role in the refining and purification processes of molten metal;
- **COAL** (in particular fossil coal and injection coke), used as a reducing agent and as an additional source of chemical energy, optimises melting and the thermal management of the process, allowing for increased oxygen flow rates;
- **TECHNICAL GASES AND OTHER AUXILIARY SUBSTANCES**, used in various operational phases to promote metallurgical reactions, cutting and the initiation of chemical reactions.

From an environmental perspective, the prevalence of scrap, along with its integration with direct reduced iron and other alternative raw materials, is a key factor in reducing environmental impact compared to a full cycle based on iron ore. This technology makes it possible to limit the consumption of non-renewable natural resources, reduce the impact of mining activities, limit climate-changing emissions and optimise the management of industrial by-products.

ABS's approach integrates technological innovation, operational efficiency, and a constant commitment to regulatory compliance and environmental responsibility. This establishes ABS as an industrial model that is consistent with global sustainability strategies and the objectives of transitioning to a climate-neutral economy.

Raw materials by weight of recycled or non-recycled origin (t) [27]		
	2025	
	Recycled	Not recycled
Scrap	1,147,182	-
Direct reduced iron	-	17,500
Ferroalloys	-	35,066
Cast iron	-	8,532
Other raw materials	-	2,525
Total Raw Materials	**1,147,182**	**63,623**

[27] This sustainability report does not include a comparison with data from the previous year, as the reporting categories were revised and updated during the financial year to improve the quality, completeness and consistency of the reported information. This methodological change means that a direct and consistent comparison with data from previous financial years is not possible.

Sustainable raw materials

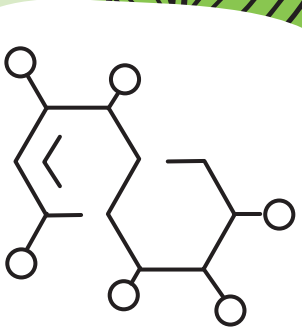
As from 2023, ABS has been using **recycled polymer to partially replace coal**, and as from 2024, a mixture of **recycled polymer and anthracite to partially replace anthracite**. This decision represents a tangible step towards reducing the environmental impact.

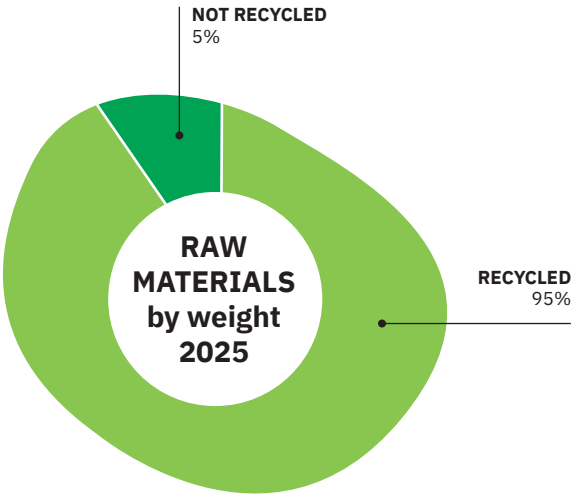
The use of recycled polymers is an effective solution that allows plastic waste that would otherwise be destined for landfill or incineration to be valorised, transforming it into productive resources and reducing pressure on waste management systems. At the same time, replacing coal and anthracite leads to a reduction in the consumption of fossil fuels and the extraction of non-renewable natural resources, with direct benefits in terms of limiting mining activities, transport and related indirect emissions.

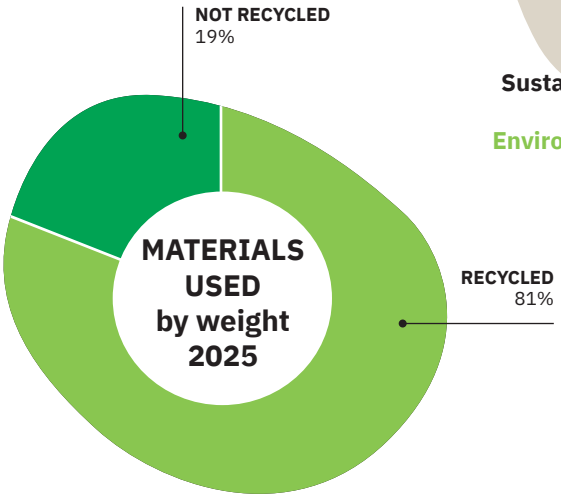
Furthermore, using alternative raw materials helps to reduce CO_2 emissions, limit the use of fossil fuels and promote the decarbonisation process that we are pursuing in line with European and international energy transition strategies.

Finally, the introduction of recycled polymers strengthens the **circular economy** model by transforming end-of-life materials into new raw materials, creating synergies between different sectors and improving the overall sustainability of the supply chain.

ABS is committed to ongoing research and innovation. We are currently studying **solutions to partially replace the lime used in the steelmaking process with our by-product Ecogravel® White. We have also submitted an application for authorisation to use recycled copper,** with the aim of reducing the consumption of virgin copper and producing steels with greater corrosion resistance.







Materials used by weight of recycled and non-recycled origin (t)

	2025		
	Recycled	**Not recycled**	**Total**
Tonnes (t)			
Raw materials	1,147,182	63,623	**1,210,805**
Ancillary materials	3,804	196,045	**199,849**
Semi-finished products or components	-	2,008	**2,008**
Finished products	-	3,012	**3,012**
Packaging materials	-	12,978	**12,978**
Total Materials Used	**1,150,986**	**277,666**	**1,428,652**

Photo:
ABS - Scrap Park.

Waste and circular economy

The waste management strategy establishes a set of priorities to guide decisions on waste treatment. The objective is to reduce the environmental impact and encourage the efficient use of resources.

We adopt a proactive and sustainable approach to waste management, **prioritising recovery over disposal**. This decision reflects our commitment to reducing environmental impact and optimising resources, in accordance with the waste treatment hierarchy established by the European Commission.

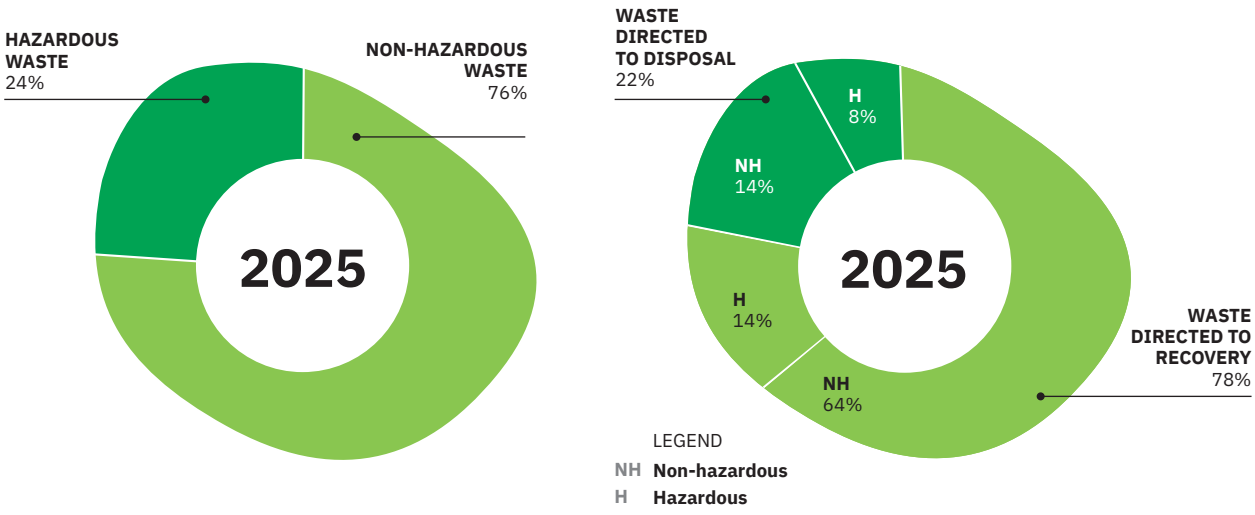
Landfilling is considered a last resort and should only be adopted if there are no technically or economically sustainable alternatives.

During the 2024/25 financial year, we refined our research and selection process for identifying suppliers who can guarantee waste treatment at qualified recovery plants. This commitment has made it possible to maintain a constant percentage of waste sent for recovery out of the total amount produced, consolidating the results achieved in previous years.

Quantity (t) of waste produced by type and final destination	2024	2025
Non-hazardous waste	**181,742**	**100,307**
Directed to recovery	161,056	82,563
Directed to disposal	20,686	17,744 [28]
Hazardous waste	**37,564**	**30,970**
Directed to recovery	23,111	19,283
Directed to disposal	14,453	11,687
Total	**219,306**	**131,278**

[28] Following a refinement to the calculation methodology, an estimate was produced of the amount of waste generated by office activities.

Percentage of waste produced by type and final destination



Analysis of waste production and management

During the 2024/25 financial year, the quantity of hazardous waste generated decreased, as the predominant component is represented by dust from fume reduction, a waste closely related to the tonnes of steel drawn during the production process.
A similar trend was observed for non-hazardous waste, which was also due to the contraction in production.

Waste produced by material (t)	2024	2025
Other waste from production or construction activities	118,774	85,198
Liquids from production activities	1,442	5,939
Metals	97,131	38,469
Packaging waste (excluding plastic packaging)	1,960	1,591
Plastic packaging waste	-	61
Waste from office activities	-	19
Total	**219,306**	**131,278**

During the 2024/25 financial year, the project involving **magnesite refractory waste** (CER 161104) was completed. In order to improve the quality of the waste produced and reduce disposal costs, we replaced **the dolomite refractory material used in the ladles with magnesia refractory material**.

The results achieved were significant in terms of the environment, safety and cost.

In particular, the advantages are as follows:

- elimination of the storage area dedicated to dolomite waste, which generates fine dust;
- increase in the quality of magnesite at the end of its life, with consequent enhancement in terms of recovery;
- increased duration of ladle lining with reduced cost per tonne and increased safety during handling.

Another important point to mention regarding non-hazardous waste is that waste transfers were carried out by train for the first time in ABS's history. Rail transport is not only a logistical consideration, but also a strategic choice that can contribute to a more efficient and sustainable circular economy.

ABS Sisak invested in waste management infrastructure. During FY 2024/25, the design and building permit were approved for the construction of a covered warehouse with sufficient capacity to handle the monthly quantity of specific waste, such as refractory materials and dust. Moreover, separate waste collection was enhanced through the purchase of new containers for internal recycling and the promotion of training initiatives for employees, with the aim of ensuring responsible and sustainable waste management.

Ecogravel® and Ecogravel® White

Over the past several years, we have adopted a forward-thinking waste prevention strategy, transforming potential industrial waste into a valuable resource. The objective is to **reuse 100% of the steel slag** by classifying it as a by-product, in line with the relevant regulations.

In the 2024/25 financial year, Ecogravel® **sales increased by 74% compared to the previous financial year**. As regards white slag, due to a decline in demand, we must highlight a contraction in the production of Ecogravel® White.

ABS Sisak is committed to the efficient reuse of its production waste. One of the most significant results is the use of black slag in road construction. This means that it can be sold in its entirety, thus avoiding accumulation. Due to its high calcium oxide (CaO) content, white slag is sold as a raw material for the cement industry.

Production of Ecogravel®	**2024**	**2025**
Ecogravel® (t)	155,227	146,853
Ecogravel® White (t)	8,837	1,026
TOTAL (t)	**164,064**	**147,879**

Photo: *ABS - Global Blue.*

The applications

Ecogravel®

Ecogravel® White

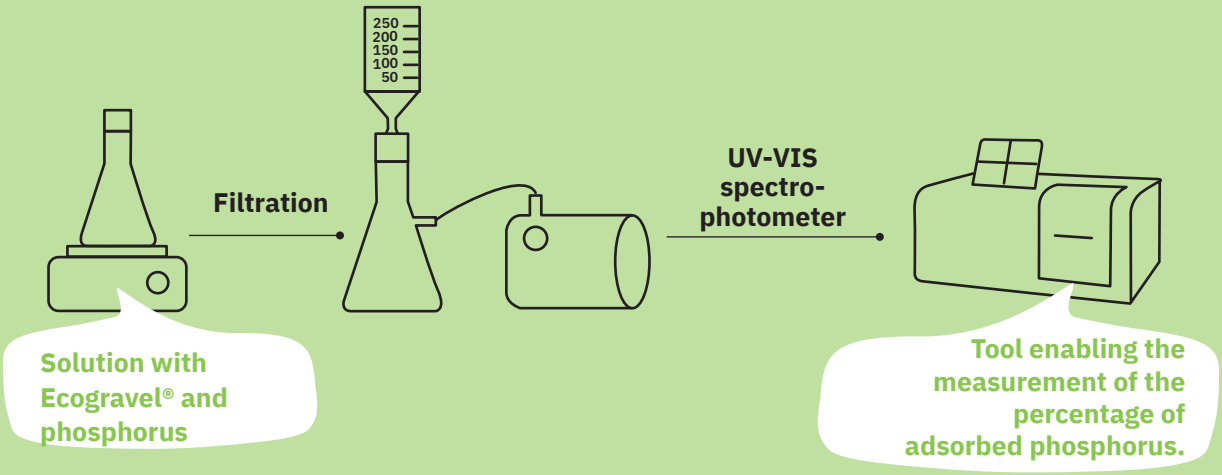
focus

Sustainability

Research and testing to enhance black slag

During the FY 2024/25, **a joint project involving two different experiments to promote Ecogravel®** – ABS's certified product derived from EAF slag – **was presented by ABS S.p.A., Danieli and the University of Padua**.

The testing focuses on two innovative applications.



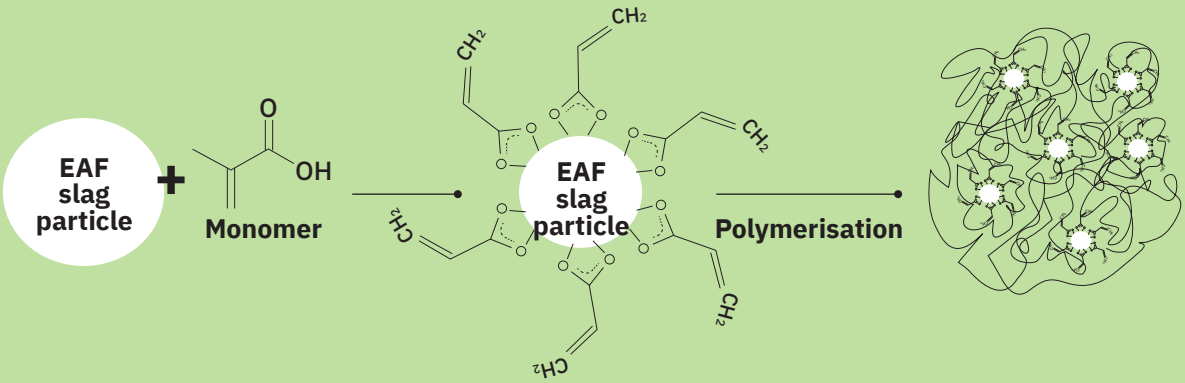
1 Removal and recovery of phosphorus from wastewater:

The presence of phosphorus in water, primarily caused by fertilisers and industrial waste, can disrupt the balance of aquatic ecosystems. This is because it promotes uncontrolled algae growth and reduces biodiversity.

The study demonstrated the capacity of the **electric arc furnace slag, a by-product of the steel industry, to effectively adsorb phosphorus in wastewater.**

The slag demonstrated a high capacity to retain phosphorus, with a maximum value of 12 mg per gram of material, which is higher than the reported values for other materials.

One particularly encouraging result is the potential for the recovery of adsorbed phosphorus through straightforward treatments with organic acids. This would allow the phosphorus to be reused, for example, as a controlled-release fertiliser.



2 Use of EAF slag as a filler material for polymers:

The second application studied how **Ecogravel®, due to its composition, is ideal as a filler material in polymer matrices**, with the aim of developing sustainable, high-performance composite materials. A range of polymers (PP, PPg-ma, PS and PMMA) were tested with slag percentages ranging from 5% to 40%.

The results showed that rigidity and elastic modulus increased with increasing slag content. The mechanical performance of the composites was then compared with that of similar materials containing calcium carbonate ($CaCO_3$), which was used as a reference material in this study. **Replacing $CaCO_3$ with EAF slag improved the mechanical performance of all the systems analysed, indicating the slag's greater structural efficiency.**

Advanced imaging techniques, such as high-resolution X-ray tomography at the ESRF synchrotron source, were used to investigate the distribution of slag within the matrices and understand the mechanisms of deformation under stress.

Noise and Vibration

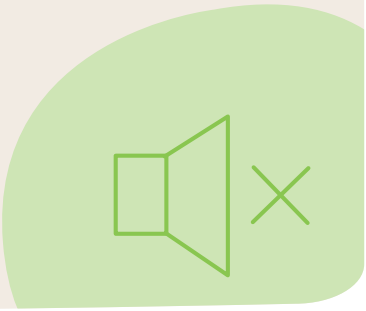
ABS's commitment to combating pollution and protecting the environment is confirmed by its decision to adopt the most advanced available technology.

In particular, the company has decided to implement the following actions with the related investments, with the aim of reducing noise emissions:

REPLACEMENT OF WTP1 AND WTP2 EVAPORATIVE TOWERS with latest-generation towers with lower noise impact

INSTALLATION OF A SILENCER ON THE AIR INTAKE OF THE FUMI 2 PLANT

REPLACEMENT OF 4 FANS ON THE FUMI PLANT COOLER



To date, **75% of the planned interventions have been carried out, resulting in a reduction in impact at the receptor points. This has been validated by an acoustic expert**. The latest project, involving the replacement of the evaporative towers at the WTP1 plant, is currently underway. This will allow the noise emission value to be reduced even further.

The construction of the mitigation hill, located south of the plant, was completed during the 2024/25 financial year. This work has reduced the acoustic and visual impact of production activities, improving the industrial site's integration into the landscape.

OVER
500,000 EUR
invested to reduce noise pollution

The abundance of vegetation near ABS Sisak helps to mitigate noise pollution. The plant is not located in close proximity to any residential areas, with the exception of the east side, which is adjacent to an infrastructure zone. Environmental noise measurements carried out in this area have been found to comply with regulatory limits.

Logistics and transport

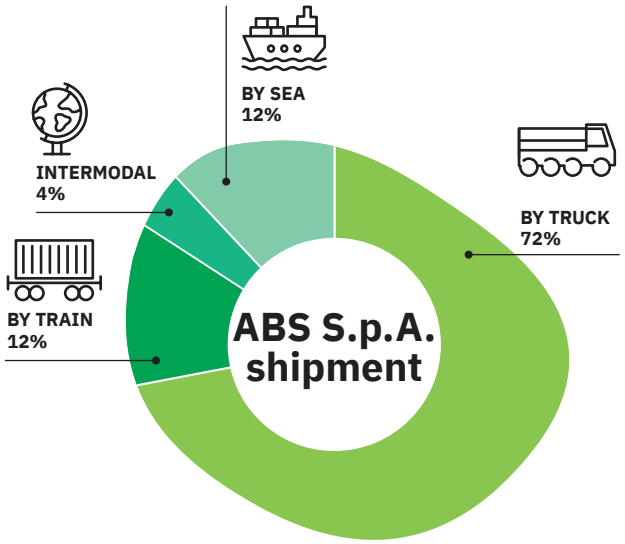
ABS is committed to pursuing a sustainable supply chain, as outlined in the Business Plan. This commitment is implemented through various projects aimed at reducing environmental impact and raising awareness among all stakeholders involved in the supply chain. The objective is to optimise the actions taken.

ABS's membership of **EcoVadis**, an **ESG performance assessment platform** that also provides an **assessment of supply chain sustainability**, reflects the company's commitment to integrating sustainability into its operations, helping to promote ethical and environmental standards throughout its supply chain.

We have set ourselves the goal of **increasing rail transport**, which is the most effective means of reducing environmental impact, and we have worked to develop this mode of transport.

This involves **developing the infrastructure by extending existing tracks and creating new lines**. During the 2024/25 financial year, we obtained authorisation to add an additional track to the plant, with the aim of reducing internal handling.

In order to support the increase in sales volumes through rail transport, partnerships have been established with various hubs in Europe, thereby reducing the use of road transport for the last mile.



Over the last year, ABS S.p.A. shipped **12% by rail**, **4% by intermodal transport** (rail and sea), **12% by ship** and the remaining **72% by truck**.

99% of intercompany transfers from ABS Sisak (Croatia) to Cargnacco were handled by rail.

With regard to **scrap metal flows arriving in Cargnacco**, **63% of the volume was handled by rail**.

Overall, when taking into account the flow of both incoming and outgoing trains, this equates to approximately **34,000 fewer trucks on the roads**

Intermodal transport has also been implemented, using short-sea shipping (truck and ship) to southern Italy and Turkey, and strengthening existing routes to Spain using both short-sea shipping and intermodal truck-rail transport.

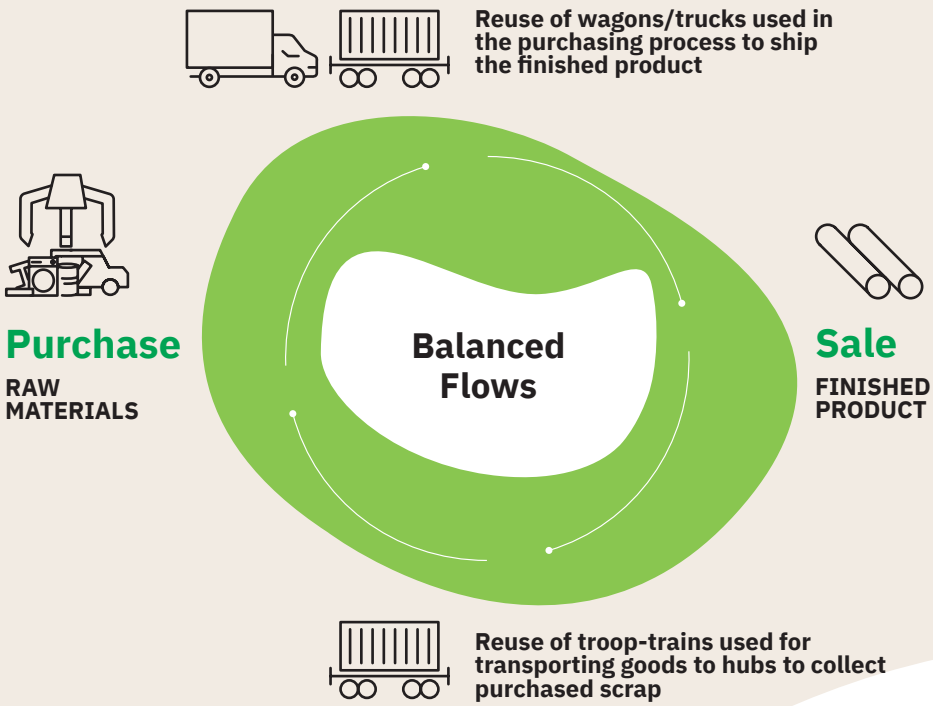
-34,000
incoming and outgoing trucks on roads

Balanced Flows

In order to promote an increase in rail shipments that is sustainable in terms of both shipping methods and transport costs, we have further developed balanced flows. These logistical solutions allow wagons arriving at the ABS plant loaded with scrap to be reused for shipping finished products to the end customer, or vice versa.

Balanced flows are used for both international and domestic shipments, particularly to Eastern Europe. **In the 2024/25 financial year, 20% of the finished product shipped by rail was managed with flow balancing** (equivalent to approximately 27,000 tonnes).

This method was also used for truck transport, with the same logic of optimising vehicles and loads and reducing empty journeys: **704 trucks were managed in this way, resulting in a total** of approximately 17,600 tonnes.



Logistics Partnerships

We prioritise collaboration with our suppliers and partners to identify and develop sustainability projects together. Over the years, we have cultivated strong relationships with local transporters.

In order to carry out our development plans and maintain the consistency of our service, we have **strengthened our partnership with Inter-Rail S.p.A.**, a transport company specialising in railways and 50% owned by ABS S.p.A.

We have entered into an **agreement with strategic suppliers for the use of liquefied natural gas (LNG)-powered vehicles for truck transport. These vehicles reduce particulate matter and cut CO_2 emissions by 20% compared to traditional fuel-powered vehicles.** Moreover, ABS Service continues to hold a contractual agreement with a transport company for the ongoing and dedicated use of biodiesel (HVO)-powered trucks.

In September 2024, ABS S.p.A.'s **sustainable approach to its supply chain** was recognised by **ADACI** (Italian Association of Purchasing and Supply Management) by awarding the "**Excellence Award 2024 - settore industria**" (Industry Sector) for the project "Lo shift modale per una supply chain sostenibile" (The modal shift for a sustainable supply chain). This project presented the efficiency of synergies between purchasing and logistics processes, the upgrading of the railway infrastructure within the company's perimeter and the partnership with logistics suppliers.

Management of internal logistics

In terms of internal logistics, ABS S.p.A., in collaboration with the suppliers contracted to provide the service, is planning to introduce more sustainable handling and lifting equipment that uses alternative sources to fossil fuels and reduces emissions.
The service is currently being reorganised with a view to enhancing performance and reducing the resources used.

To limit internal handling, the advantages offered by the Saturno line automated warehouse have been consolidated: the trucks are loaded directly near the warehouse, reducing the use of forklifts and shortening the internal journeys of the vehicles.

Vertical automated systems have even been introduced in the central spare parts warehouse to replace traditional shelving. This reduces the need for manual handling and optimises the management of resources, decreasing the use of pallet trucks and forklifts and improving the health and safety of operators.

A **new portal has recently been launched to allow operators of lifting and internal handling equipment to make bookings.** This optimises its use.

Regarding the shipping process of materials, the workflow for the documentation required at various stages — from loading the vehicle in internal warehouses to delivering goods to customers — has been revised. This has resulted in a **significant reduction in paper use**. For the same reason, a project is being studied to **digitalise the CMR**, which is a document required for international road transport.

The Lean project, "Sisak Delivery Process", was launched in Sisak to optimise shipments and reduce emissions and delivery times. At the same time, infrastructure for charging electric vehicles is being developed, with an investment proposal for the FY 2025/26 that includes the installation of two stations and the gradual replacement of the company fleet with electric vehicles.

Photo: *ABS - Inbound scrap.*

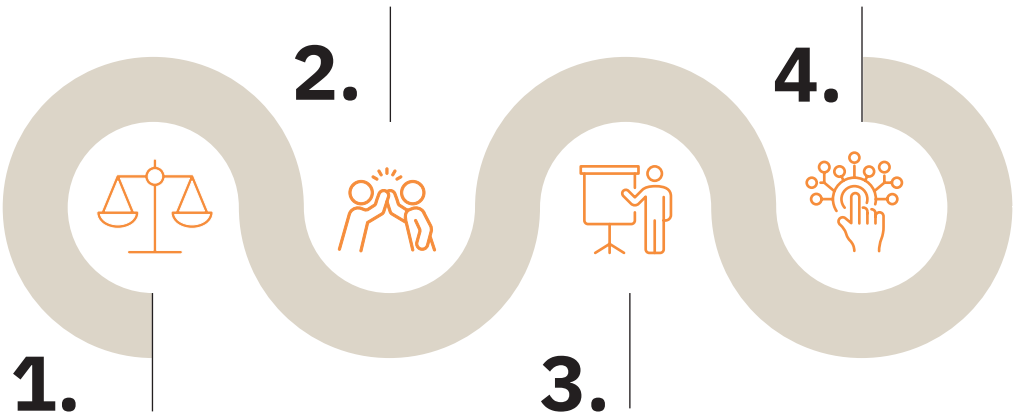
Social aspects

5

Social aspects

People within the organisation are given a pivotal role by ABS. The development of a culture and climate of mutual collaboration and continuous improvement ensures their active involvement and well-being.
The company values the centrality of people and the development of communication between them as two essential elements. By relating to others in a position of active listening, ABS offers everyone the opportunity to assert themselves by promoting the recognition of distinctive, valuable and individual talent.

The company's relationship with its personnel is founded on a code of ethics, a strong team spirit, training programmes and the digitalisation of functions. ABS offers all its personnel the opportunity to utilise their skills to generate innovation and growth.



1.
THE CODE OF ETHICS
ABS's manifesto of values of diversity, inclusion, respect and promotion of people's wellbeing.

2.
TEAM SPIRIT AND TEAMWORK
are values that ABS believes in and actively promotes.

3.
CONTINUOUS TRAINING
to increase personnel skills and attract new talent.

4.
THE DIGITALISATION OF FUNCTIONS
ensures that employees develop managerial and cross-functional skills through a shared process.

Cover photo: *Saturno line - Outside.*

Maintaining a stimulating and proactive organisational climate is a fundamental principle followed by all ABS personnel and supported by the value attributed to teamwork. Sharing experiences, knowledge and skills both within and across departments ensures efficiency and quality.

The transversal nature of skills enables both horizontal and vertical growth paths to be implemented, ensuring individuals' professional and personal development. Ensuring constant alignment with the business in a climate of open and transparent dialogue, mutual exchange and enrichment, is key to motivating people to develop their potential and support the company in facing market challenges.

ABS actively promotes the development of a culture of diversity and social inclusion, which is encouraged and considered a strength for our organisation. Any form of discrimination is explicitly forbidden as stated in the Code of Ethics. **All stakeholders,** employees, suppliers and partners **are encouraged to play a personal role in promoting and maintaining a working environment that is characterised by respect and consideration for others.**

"MyABS" is the internal communication application introduced in the 2023/24 financial year: this is a virtual space that informs, disseminates and recounts company activities, initiatives of the association and time spent together outside working hours.

The process of employee participation in ABS S.p.A. and Rott-Ferr is simplified through the continuous updating and enrichment of the corporate application's content.

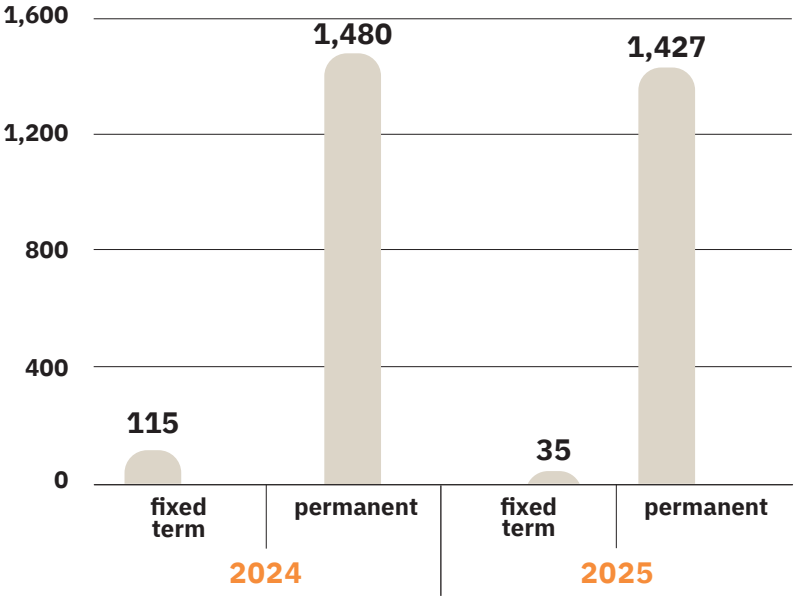
With over 1,000 active users, the "MyABS" app has now become an extremely useful source of information for all employees.

Personnel

The majority of employees (97.6% of the total) are hired on permanent contracts, and almost all of these are employed full-time (99%).

88% of the Group's employees are covered by collective labour agreements, in line with the provisions of the International Labour Organisation (ILO) Convention.

Employees by type of contract [29]



[29] Please note that there are no non-guaranteed hourly employees as at June 30, 2025.

Employees by gender and type of employment

	Female	Male	Total
2024	**138**	**1457**	**1595**
Part time	3	4	7
Full time	135	1453	1588
2025	**125**	**1337**	**1462**
Part time	7	3	10
Full time	118	1334	1452

Overall, temporary workers represent less than 1% of the company's total workforce. They are distributed across various positions within the group's companies, as shown in the table below.

Classification of non-employee workers [30]

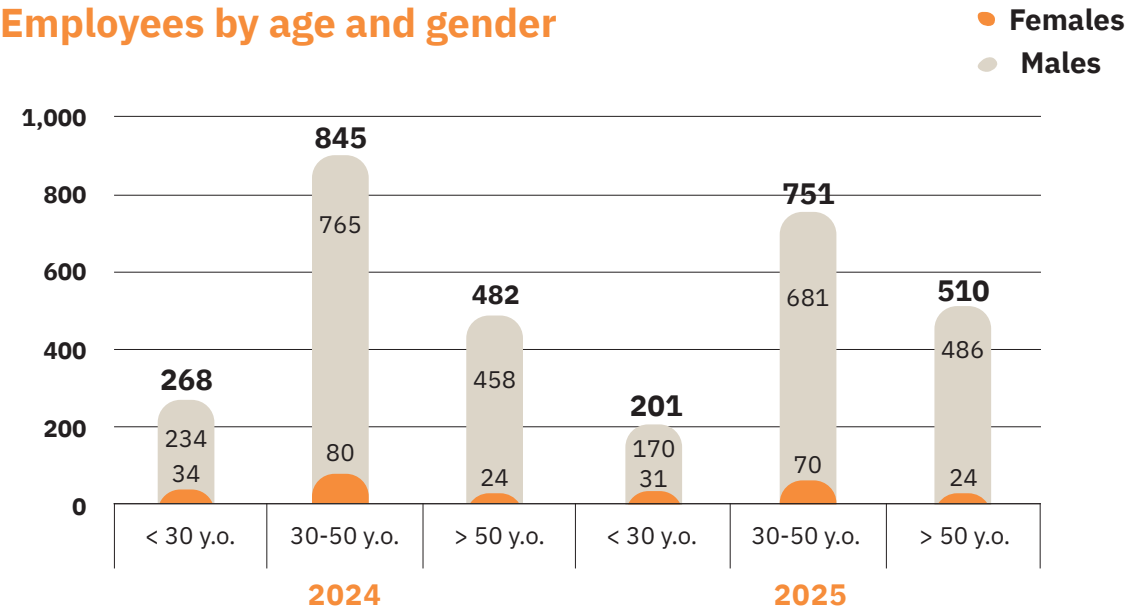
	Female	Male	Total
Other types of workers	-	2	2
Coordinated and continued collaboration	1	2	3
Agencies workers	-	4	4
Interns	1	-	1
Total	**2**	**8**	**10**

[30] Non-employees are all classified as staff and support personnel.

Diversity indicators clearly indicate that males are overrepresented in the company's workforce, accounting for 91% of employees; the majority of these individuals are employed in technical and operational roles.

The companies' employees tend to be young, with around 14% of employees under the age of 30 and 65% under the age of 50.

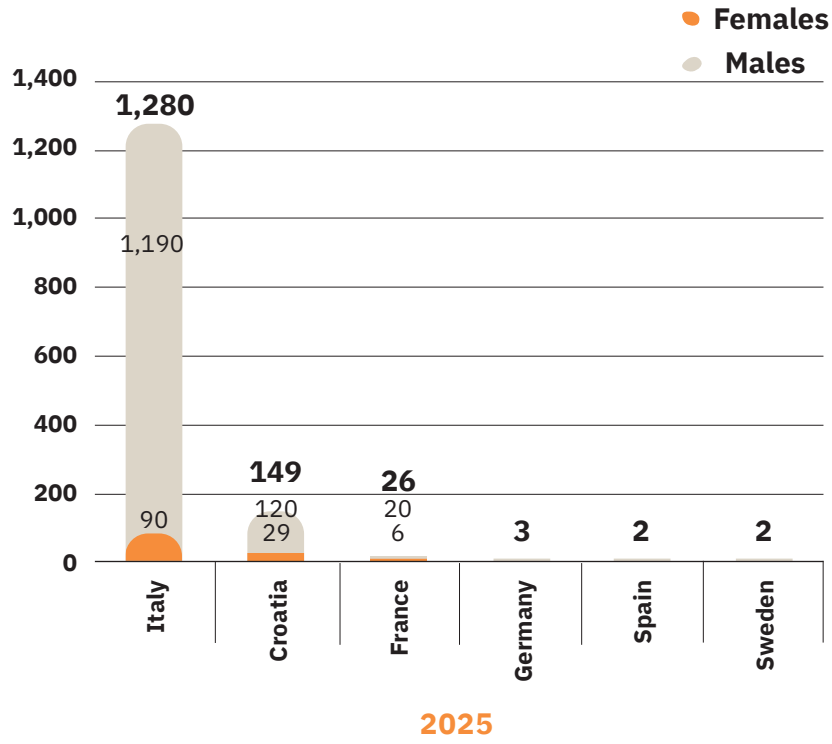
Employees by age and gender



Number and percentage of employees by function and gender

	Female		Male		Total employees (no.)	Total employees (%)
	Employees (no.)	Employees (%)	Employees (no.)	Employees (%)		
2024	**138**	**8.7%**	**1457**	**91.3%**	**1595**	**100%**
Trainees	4	66.7%	2	33.3%	6	0.4%
Executive Managers	4	21.1%	15	78.9%	19	1.2%
White collars and middle managers	111	25.9%	317	74.1%	428	26.8%
Workshop technicians	19	1.7%	1123	98.3%	1142	71.6%
2025	**125**	**8.5%**	**1337**	**91.5%**	**1462**	**100%**
Trainees	5	62.5%	3	37.5%	8	0.5%
Executive Managers	3	16.7%	15	83.3%	18	1.2%
White collars and middle managers	101	25.3%	299	74.8%	400	27.4%
Workshop technicians	16	1.5%	1020	98.5%	1036	70.9%

Employees by gender and geographical area



Employees by gender and geographical area

	Female	Male	Total
2024	**138**	**1457**	**1595**
Italy	94	1257	1351
Croatia	37	179	216
France	5	16	21
Germany	1	4	5
Spain	1		1
Sweden	-	1	1
2025	**125**	**1337**	**1462**
Italy	90	1190	1280
Croatia	29	120	149
France	6	20	26
Germany	-	3	3
Spain	-	2	2
Sweden	-	2	2

Despite the growing mismatch between the supply and demand for individuals trained in STEM (Science, Technology, Engineering and Mathematics) disciplines in the labour market, ABS is constantly striving to be recognised as an attractive company for students and young professionals.

Our transparent selection process is based on the principles of equality and inclusivity. We offer all candidates the same professional opportunities, regardless of their age, ethnicity, nationality, gender, religion, disability, political affiliation, marital status or socioeconomic background. We guarantee a thorough assessment of technical, soft and managerial skills, aptitudes, aspirations and previous experience.

The focus on selecting and attracting new talent is also reflected in the analysis of the outgoing personnel. We analyse the reasons that lead people to leave the company with a spirit of self-criticism, so that we can create the best possible working conditions for our people by adopting the necessary tools.

Overall, 33 people were hired during the last year, equal to 2.2% of the operations personnel. On the other hand, there was a turnover rate of 11.3%, equal to 166 people who terminated their employment with the group's companies during the last financial year.

Newly hired employees by age and gender [31]

	Female		Male		Total	
	Newly hired employees	% of new hires	Newly hired employees	% of new hires	Total newly hired employees	% of total new hires [32]
2024	**20**	**15%**	**183**	**13%**	**203**	**12.8%**
< 30 y.o.	9	26%	73	31%	**82**	24.0%
30-50 y.o.	9	11%	95	12%	**104**	13.2%
> 50 y.o.	2	8%	15	3%	**17**	3.7%
2025	**5**	**4%**	**28**	**2%**	**33**	**2.3%**
< 30 y.o.	2	6%	8	5%	**10**	5%
30-50 y.o.	3	4%	17	2.5%	**20**	2.7%
> 50 y.o.	0	0%	3	1%	**3**	0.6%

[31] The percentages refer to the ratio of the total number of employees of the relevant gender in the respective age group.

[32] The value of "% of total new hires" is calculated based on the total number of employees.

Employee turnover by age and gender

	Female		Male		Total	
	Turnover	% of Turnover	Turnover	% of Turnover	Total Turnover	Total % of turnover
2024	**9**	**7%**	**165**	**11%**	**174**	**11%**
< 30 y.o.	2	6%	35	11%	37	11%
30-50 y.o.	5	7%	84	12%	89	11%
> 50 y.o.	2	8%	46	11%	48	11%
2025	**18**	**14%**	**148**	**11%**	**166**	**11.4%**
< 30 y.o.	3	9%	33	19.4%	**36**	17.9%
30-50 y.o.	11	16%	76	11.2%	**87**	11.4%
> 50 y.o.	4	17%	39	8%	**43**	8.4%

Company welfare

For ABS, people's wellbeing is a choice. The aim is to improve workplace relations and organisational climate, thereby increasing employee engagement and their sense of belonging to the company. Welfare measures affect everyone in the company.

One of the initiatives with the greatest added value and historical significance is the "**Fondo Tranquillo**", **a company fund that has been used for charitable purposes for over ten years.** Contributions to the fund come from two sources: the company and the employee who chooses to join. Employees also have the option of voluntarily allocating leave hours to colleagues who require time off work to care for a relative and have a negative holiday balance.

Employees with young children can take advantage of the **nursery**, **kindergarten and/or primary school** available at the Danieli Group.

Photo: *ABS five-a-side football team during the 2025 company tournament.*

The **Group's Sporting Club has been established to promote team spirit and encourage healthy lifestyles**. It offers a wide range of activities, including tennis, football, running, cycling, volleyball and basketball, swimming, diving courses, sailing, and group outings such as husky dog trekking, mountain walks and amateur fishing competitions. Among the courses organised over the last year, the skiing and tennis courses were particularly successful, with participation from not only our employees but also their families.

ABS also gives its employees access to the **Edenred Welfare Portal**. Through this portal, employees can choose to allocate a portion of their salary towards certain services, including reimbursement of healthcare and school expenses or vouchers offering special discounts. The **Corporate Benefits** app also offers a range of benefits including discounts, special agreements and online services at competitive prices.

To make it easier for employees to receive orders placed online, a self-service pick-up point with lockers has been set up since 2021 in the ABS Cargnacco office building, where colleagues can have their purchases delivered.

In recent years, ABS Sisak has invested in corporate welfare initiatives, introducing a healthcare programme that includes specialist medical check-ups at AGRAM Zagreb. This programme has proven useful for preventing disease and protecting long-term health. Furthermore, the company promotes a healthy lifestyle by offering MultiSport memberships that are co-financed at 20% and by supporting sporting events on request.

The growth of skills

Throughout their working life in the company, employees are encouraged to take part in technical and professional development training. ABS is committed to promoting company growth and talent retention through the development of skills and knowledge.

Total and average number of training hours by gender and employee category

	Total number of training hours		Average number of training hours		
	Female	Male	Female	Male	Total
2024	**3110.5**	**30574**	**22.5**	**21.0**	**21.1**
Trainees	152	43	38.0	21.5	**32.5**
Executive Managers	86	398.5	21.5	26.6	**25.5**
White collars and middle managers	2706.5	7219	24.4	22.8	**23.2**
Workshop technicians	166	22913.5	8.7	20.4	**20.2**
2025	**1593**	**18540**	**12.7**	**13.9**	**13.8**
Trainees	57	31	11.4	10.3	**11.0**
Executive Managers	43.5	183.5	14.5	12.2	**12.6**
White collars and middle managers	1471	4434	14.6	14.8	**14.8**
Workshop technicians	21.5	13891.5	1.3	13.6	**13.4**

Over the past year, a total of **20,133 hours of training** were delivered, averaging approximately **14 hours per person**. Training is both mandatory, as required by law, and non-mandatory, resulting from internal development plans, with the aim of enhancing technical, professional and managerial skills to support people throughout their professional careers.

In particular, during FY 2024/25, ABS **implemented a strategic training programme with a focus on ESG and sustainability topics**.

In line with technological trends, courses teaching artificial intelligence (AI) have been developed based on the belief that these tools will enhance, rather than replace, human capabilities.

The first Copilot and GPT pilot projects started in IT and involved internal "digital ambassadors", with the objective of understanding data (data literacy), building effective questions for chatbots (prompt engineering) and applying AI in practice.

Cybersecurity always starts with people

ABS Cyber Security Awareness

The **Cyber Security Awareness** digital training platform involved over **500 employees** this year. The results are already measurable: the overall **Risk Score** has fallen from 59 (the value recorded in the first year of use) to 43, placing ABS in the **"medium risk"** category according to the platform's benchmarks.

We have already achieved a **"low risk"** level in terms of identity, data and password protection. However, we acknowledge that there is room for improvement in our ability to recognise phishing emails.

Digitalisation and Human Capital Management in ABS

During the course of this year, ABS has embarked on a process of transforming its Human Resources function with a focus on **digitalisation** and **Human Capital Management**:

The new **Our People up!** corporate platform will enable the **evolution, digitalisation and interconnection** of human resource management processes, adopting a perspective that places employees and managers at the centre of daily human capital planning and development operations.

A **self-assessment system has also been introduced** for employees with the aim of making personnel more aware of their skills, strengths and potential areas for improvement. This helps the manager understand how employees perceive their own skills, facilitating constructive feedback.

An informed assessment aimed at ensuring mutual feedback with the new skills assessment system was developed through knowledge and management of expectations. **This system distinguishes the specific skills** of professional profiles and organises them into technical, managerial and value-based areas.

Shared growth is achieved through positive business results and continuous improvement. With this philosophy in mind, ABS recognises annual bonuses in its salary policies, determined on the basis of economic parameters that allow the performance of each department and individual to be assessed according to their specific characteristics and the achievement of positive results.

projects

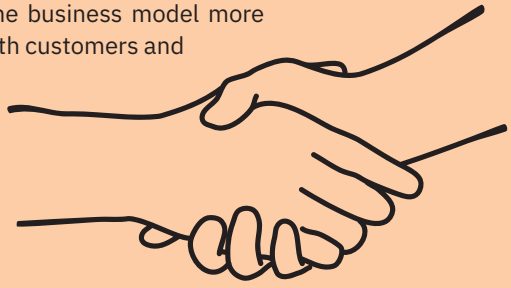
Training course on Sustainability

ABS has embarked on a major training project to strengthen **knowledge and corporate commitment to sustainability**, a strategic area. The initiative was developed in **two ways**, involving various functions and spreading a more aware and integrated culture.

The **Sustainability Induction Programme** comprised four sessions, which were attended by over **130 employees** from operational and staff areas. The sessions offered an overview of sustainability and competitiveness, the European regulatory framework, customer expectations and initiatives already underway at ABS.

The second course, **Future Proof**, focused on business development (commercial, technical account, customer care), explored ESG topics and projects to make the business model more sustainable, providing the team with tools to communicate effectively with customers and promote sustainability as a lever for growth.

This initiative is an important step towards making the organisation more aware and ready to face the challenges of a rapidly changing market.



Health and safety

At ABS, people's health and safety are a top priority. The company is pursuing the "**Zero Accidents**" goal in **all its ISO 45001-certified plants (Cargnacco, Brandico, Sisak and the Metz research centre). This goal is being pursued through investment, training and the promotion of a safety culture based on awareness and good practices.**

This commitment is implemented through a management system that periodically assesses and updates risks, carries out internal inspections and ensures the constant renewal of both collective (CPE) and personal (PPE) protective equipment, as well as the regular maintenance of equipment.

To improve efficiency in management, **ABS S.p.A. has introduced digital tools such as a document archiving system that can be accessed via a QR code in each department. This system enables swift access to safety data sheets, operating procedures and manuals.**

At the same time, to ensure that PPE is always suitable and compliant, **a uniform washing, sanitising and inspection service** has been operating in Cargnacco since 2016 and in Sisak since 2023.

Injuries, accidents, near misses and potential hazards are reported promptly to the Health and Safety Department that provides an immediate analysis of the case, suggests corrective and preventive actions, archives documentation, develops and produces reports to help manage risks more effectively and prevent future occurrences.

Photo: *Example of a "Safety Data Sheet" sign at ABS S.p.A.*

Recognising that achieving this challenging goal requires behavioural change, the **ABS - Accountable Behaviours for Safety** project has begun. Its aim is to **provide specific training to operations personnel and shift leaders** and **raise their awareness concerning the importance of adopting codified and safe behaviour**. It also emphasises the personal responsibilities of those who fail to comply with shared safety rules.

"Zero Alcohol" is a project where the acceptable blood alcohol level and the presence of drugs in the blood is zero for both employees and third-party companies within the company. All workers who find themselves in a difficult situation may access recovery programmes at specialised facilities, if they want to, in full respect of their privacy, with the guarantee that they will retain their job.

Since 2020, all ABS S.p.A. plants in Italy have been awarded **Fire Prevention Certification**, confirming their compliance with fire safety regulations and requirements. At the Cargnacco plant, fire-fighting equipment are checked more frequently than required by law.

ABS S.p.A. pursues the continuous improvement of its health and safety performance by actively participating and promoting comparison with other industries, both domestic and foreign, through active participation in initiatives of industry organisations such as **Federacciai** and the **World Steel Association**.

Healthcare facilities and services

Free flu and tetanus vaccines

29 **microfiltered water dispensers**

-700,000 **plastic bottles per year**

At the Cargnacco site, the **company infirmary** is open every day, 24 hours a day and is staffed by a professional nurse.

Every year, as the winter season approaches, the company offers all its employees the opportunity to receive a free **flu vaccine**, administered directly at the internal medical centre, during working hours, under the supervision of the company doctor. Each year, several dozen employees take part in this initiative. The infirmary offers all employees a free **tetanus vaccination**, subject to antibody testing.

In order to make **microfiltered, chilled water** available to all ABS employees without any volume limits or plastic consumption, **29 dispensers** have been installed throughout the plant (27 at the ABS Cargnacco site, one at the ABS Service site in Brandico, and one at the sales office in Brescia).
The dispensers are equipped with sensors that detect the presence of a water bottle and a UV sanitisation system that eliminates microbes. They also have activated carbon filters.

During the summer months, the company infirmary provides calcium and magnesium mineral salts to ensure salt supplementation for operations personnel.

Photo: *ABS water dispenser.*

A total of **13 semi-automatic defibrillators** (AEDs) were installed at the Cargnacco and Sisak plants. The idea behind the "**ABS Cardio-protected Company**" project is that cardiac arrest can happen to anyone, and it occurs more frequently in those places where many people pass through or stay. The Group's plants ensure the constant presence of personnel trained in the proper use of defibrillators.

Photo: *One of the defibrillators installed at ABS S.p.A.*

Companies and external personnel

Attention is also paid to external personnel, especially companies that have a permanent presence on the ABS site or are called in to carry out work that requires special measures, such as working in confined spaces.

In addition to the usual supervisory activities, initiatives were undertaken to further integrate processes. To this end, a **specific health and safety audit plan** was implemented by the SPP, which regularly analyses procedures, work equipment and the application of coordination measures.

This type of activity has made it possible to monitor the performance of third-party companies more effectively.
There has been an increase in the frequency of information exchanges between ABS and contractors regarding hazardous situations, accidents and injuries. This has exposed previously undisclosed incidents involving external personnel, enabling the implementation of corrective measures.

projects

Artificial Intelligence (AI) to support the documentation of the ABS management and safety system

ABS has developed prototype software based on artificial intelligence to improve the accessibility and usability of Health and Safety management system procedures.

The developed software is a chatbot that enables users to interact with the digital device as though it were a person. This simplifies searches and improves the efficiency with which information can be accessed, while also enabling the automatic generation of reports.

STRENGTHS:

- **SEARCH OF DOCUMENTS BY CONTENT**
- **REDUCTION IN THE TIME TAKEN TO FIND INFORMATION**
- **INTERACTIVE INFORMATION**
- **IMPROVED INFORMATION EFFICIENCY**
- **MULTILINGUAL INTERACTION**
- **CHECKING THE EFFICIENCY OF INFORMATION**: The chatbot can generate questions relating to a specific document and verify whether the user's answers are correct.

ABS Sisak
Over the last year, ABS Sisak's health and safety risk prevention measures and projects have focused on:

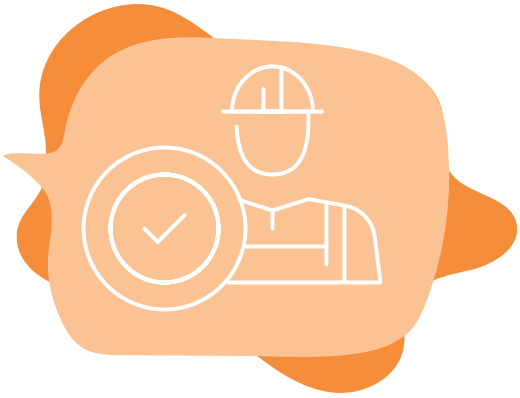
- the completion of the protection and signalling systems (including signs and traffic lights) at the scrap yard;
- the implementation of a light signalling system for the bridge crane to improve visibility during ladle movements;
- the installation of a new ferroalloy extraction system to reduce the exposure of operating personnel to inhalable and respirable dust and metals during ferroalloy unloading activities.

Rott-Ferr
In order to ensure improved safety conditions in the workplace, Rott-Ferr implemented a series of measures.

- completion of pedestrian walkways and related horizontal and vertical signs;
- integration of a specific procedure to ensure the rescue of operators working alone, through dead man's switches that provide for the immediate activation of rescue supported by the ABS nursing service;
- improvement of operating conditions during cutting with an oxy-propane torch, through the use of an electro-ventilated helmet with 98% filtering efficiency.

ACM
A project has been launched to develop software for corporate safety management. The project aims to improve access to documentary information and traceability, while ensuring compliance with ISO 45001.

Rate of work-related injuries in ABS



The rate of recordable work-related injuries in 2025 is 5.64.

In total, more than 130,000 hours of absence were recorded during the year, with accidents accounting for less than 5% of the total.

Hours of absence per type

	Female	Male	Total
Parental leave	7,031.50	7,511.25	14,542.75
Disease	8,361.00	93,363.75	101,724.75
Injuries	-	7,394.25	7,394.25
Other	34,059.36	1,674,769.60	1,708,828.96
Total	**49,451.86**	**1,783,038.85**	**1,832,490.71**

Work-related injuries GRI 403-9 [33]	2025	2024
Total injuries while travelling to/from work (if transport is organised by the entity)	-	-
Total injuries at work	12	16
Total high-consequence work-related injuries (absence >180 days)	1	-
Total fatalities as a result of work-related injuries	-	-
Total recordable work-related injuries	13	16
Total hours worked by employees (number)	2,304,781	2,677,047
Rate of recordable work-related injuries	5.64	5.98
Rate of high-consequence work-related injuries	0.43	-
Rate of fatalities as a result of work-related injuries	-	-

Work-related injuries by type GRI 403-9	2025	2024
Bruises and lacerations	7	8
Sprains and fractures	2	5
Muscle tears and joint pain	1	-
Others (loss of consciousness, burns, inhalation of fumes)	3	3
Total recordable work-related injuries	13	16

Injuries of external workers GRI 403-9	2025	2024
Total injuries while travelling to/from work (if transport is organised by the entity)	-	-
Total injuries at work	5	12
Total high-consequence work-related injuries (absence >180 days)	2 [34]	-
Total fatalities as a result of work-related injuries	-	-
Total recordable work-related injuries	7	12

Injuries of external workers by type GRI 403-9	2025	2024
Bruises and lacerations	4	8
Sprains and fractures	1	3
Muscle tears and joint pain	-	-
Others (loss of consciousness, burns, inhalation of fumes)	2	1
Total recordable work-related injuries	7	12

[33] The data includes ABS internal employees and external workers who are not employees but whose work and/or workplace is under the control of ABS where it is possible to monitor at the main production sites.

The Rate of work-related injuries represents the ratio between the total number of injuries and the total number of hours worked in the same period, multiplied by 1,000,000; injuries while travelling to/from work are included only when transport was organised by the organisation.

The Rate of high-consequence work-related injuries represents the ratio between the total number of injuries that have caused more than 180 days of absence and the total number of hours worked in the same period, multiplied by 1,000,000. The rate of fatalities as a result of work-related injury represents the ratio between the total number of fatalities and the total number of hours worked in the same period, multiplied by 1,000,000.

In the table on injuries of external workers, the rates of work-related injuries, of high-consequence work-related injuries and of fatalities as a result of work-related injury are not calculated because the data on hours worked by this category of workers is not available, as ABS has no direct control over the data provided by the employers of these workers.

[34] One work-related injury occurred in FY 2023/24, but was counted in the previous year. Due to a recurrence of the injury, the period of incapacity continued into FY 2024/25 and was categorised as a "serious injury" based on the total number of days the employee was absent from work.

Suppliers

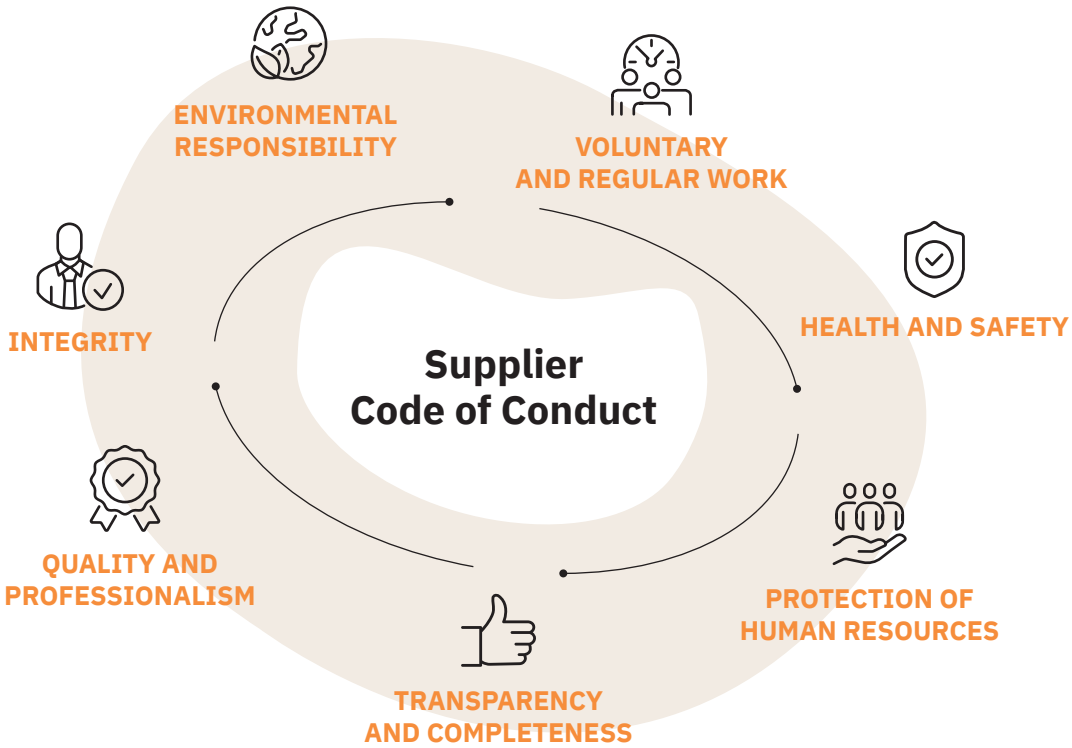
To promote sustainability within the company, it is also essential to involve external partners who collaborate with ABS on a daily basis and help to achieve business objectives.

Selecting the best partners on the market is one of the company's distinctive features, both in terms of competitiveness and in terms of sustainability. The supplier qualification process begins with an initial assessment based on a detailed and defined questionnaire. This is followed by periodic evaluations and possible audits at the suppliers' premises.

Assessment codes and standards

To involve and raise the awareness and proactivity of suppliers, a **Code of Conduct for Suppliers** has been drawn up and made available to download from the ABS corporate website.

This document, which serves as a complement to the Code of Ethics, is designed to **facilitate the dissemination of the principles that guide ABS and that the company requires its suppliers to comply with in the following areas:**



Control system

The supplier qualification system analyses environmental, health and safety aspects, verifying compliance with industry regulations and ensuring the necessary authorisations and system certifications are in place.

Information on the chemicals used is collected and evaluated in accordance with the **REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation**.

Over the past year, all 277 suppliers who have registered activities in a product category that is potentially hazardous to the environment and/or human health have demonstrated compliance with measures and procedures.

Suppliers are also required to follow transparent and ethical raw material sourcing practices that comply with international regulations and standards on minerals from conflict zones (Regulation (EU) 2017/821 and Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Act of 2010).

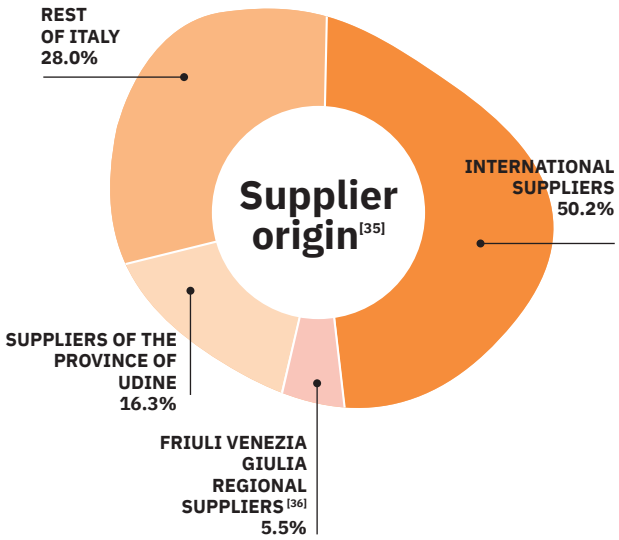
Purchase Management

As critical situations persist on the international stage, ABS continues to monitor geopolitical risk within the supply chain.

We guarantee compliance with European regulations and our customers' requirements by including a clause on product origin in our purchase contracts.

Over the last year, 46% of ABS S.p.A.'s new suppliers were assessed on environmental and social aspects.

ABS is committed to investing in **local supply chains** wherever possible in order to strengthen sustainable economic and industrial development in the areas in which it operates.



During the previous financial year, **Italian suppliers** received **49.8%** of the procurement budget, while **international suppliers** received the remaining **50.2%**. Within the Italian portion, **16.3% was allocated to suppliers in the province of Udine**, while a further **5.5%** went to **suppliers in the rest of Friuli Venezia Giulia**, for a total of **21.8% allocated to the entire region.**

With regard to the **wooden** packaging used in ABS, the company has committed to purchasing materials from certified supply chains. Most of our **suppliers** are **certified under either the Programme for the Endorsement of Forest Certification Schemes (PEFC)** or the **Forest Stewardship Council (FSC)**, two internationally recognised certification schemes that guarantee sustainable forest management and the traceability of wood products.

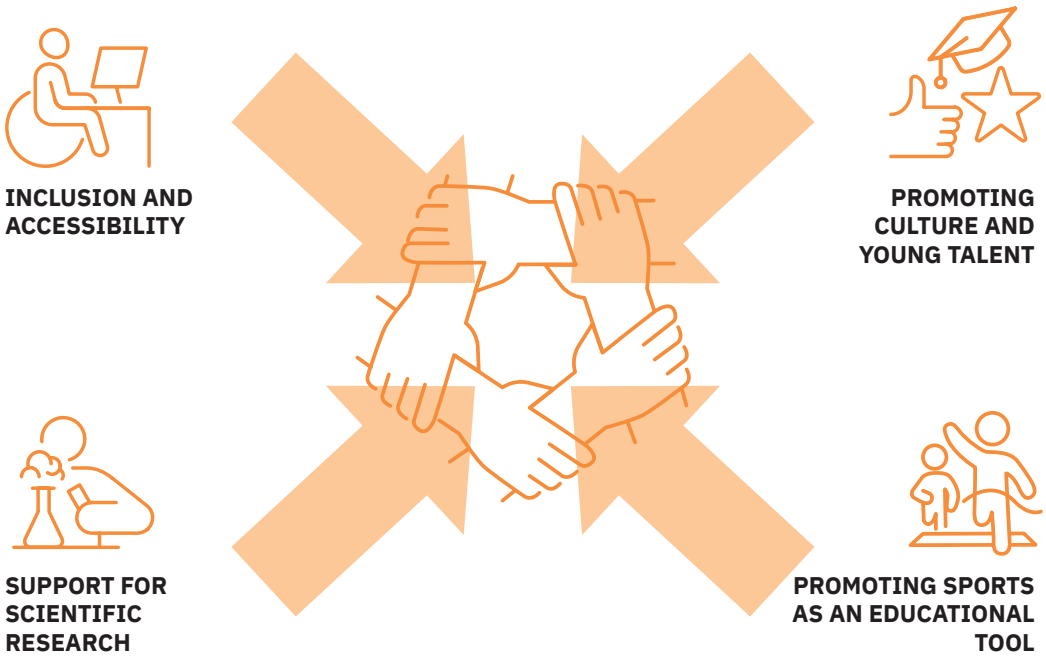
ABS S.p.A. has also decided to replace A4 sheets of paper (80 g) with an eco-sustainable 70 g alternative that is certified by Ecolabel and FSC.

[35] The graph refers to suppliers of ABS S.p.A.
[36] excluding the province of Udine

Connected with the community

ABS has always maintained strong ties with the local area and community. This commitment is translated into concrete actions, including the reduction and mitigation of environmental impacts, the promotion of employee wellbeing with a focus on work-life balance, and the support of initiatives and projects that bring value to the social and cultural fabric in which we operate.

Over the past year, activities promoting social responsibility have had a positive impact in several areas.



During FY 2024/25, ABS S.p.A. provided support to a number of local organisations, with a particular focus on projects in the areas of youth sports, culture, social issues, healthcare and the environment, carefully assessing their positive impact on the community. Some long-standing partnerships are renewed on an annual basis, demonstrating a constant and lasting commitment.

The **Cultural Circle of the Alpine Group** of Buttrio is one of the initiatives that has received support. This group organised a fundraiser event to create a state-of-the-art multisensory room equipped with the latest technology for the **Child and Adolescent Neuropsychiatry Department of the ASUFC**.

ABS S.p.A. has once again confirmed its ongoing commitment to supporting scientific research into rare genetic diseases by participating in the **"24x1ora"** charity relay race in aid of the **Telethon Foundation**. The company will be sending two teams to compete: one made up of employees, and one made up of supporters, family members and friends. Employees and their families strengthened their sense of belonging by participating in the relay race, which promoted solidarity and civic engagement.

ABS S.p.A. entered into a collaboration with the Municipality of Pozzuolo del Friuli to organise opera evenings, thereby providing support for the projects of the **Operaprima Wien** association.

Photo: *Progetto Puccini 2025 - Operaprima Wien.*

With a view to promoting the local area in a spirit of community, ABS S.p.A. supported the **Associazione Percoto Canta**, organiser of the 38th edition of the international music competition of the same name, which promotes young talent and spreads local musical culture.

ABS S.p.A. continues to maintain close ties with local sports associations, supporting football and basketball initiatives in partnership with **Associazione A.S.D. U.C.C. Pozzuolo**, **A.S.D. Pozzuolo Basket** and **Polisportiva Libertas Cussignacco**.

ABS Sisak supports the local community by sponsoring sports associations, such as the **Sisak Rowing Association** (**Udruga Lađara Sisak**), and cultural initiatives, such as those promoted by the **Sisak Tourist Board** (**Turistička Zajednica Grada Siska**).

Partnerships with schools

The Danieli Group is convinced that the future of the region also depends on the quality of education and training for the younger generation. For this reason, the Group has always paid close attention to the world of education, engaging in active collaboration. This initiative was initiated over twenty years ago with universities and colleges, and has since been expanded to encompass the entire educational cycle.

At ABS, we promote a modern approach to steelmaking by offering orientation programmes, internships, theses and doctorates, which stimulate young people's interest and encourage them to contribute their fresh ideas and perspectives.
The steel industry has undergone significant changes: plants now offer greater safety and energy efficiency, as well as a high-tech environment. For this reason, we are open and transparent in our communication with students. This approach allows us to effectively convey the complexity and value of the professional roles available within a modern, highly specialised company.

ABS S.p.A. is also committed to the local community, as demonstrated by its **support for regional schools and universities**. The company collaborates with Danieli to deliver **Education Project**. This project is part of a scholarship programme that aims to support children of employees who are successfully attending colleges, technical colleges and universities. Support is also provided through direct subsidies to institutions, with the aim of promoting mutual planning.
Particular emphasis is placed on fostering synergies with local Technical Institutes, with the objective of facilitating closer collaboration between schools and businesses, enhancing communication between them, and promoting the integration of young people into the workforce.

A prime example of this commitment is our partnership with the **Arturo Malignani State Higher Education Institute in Udine**, which has resulted in the ongoing **"Professionisti d'Acciaio"** (Steel Professionals) project.
The initiative, aimed at third-, fourth- and fifth-year students studying Mechanics and Mechatronics, involves a training programme divided into teaching modules, supplemented by factory visits and internships. The project forms part of the **Pathways for Transversal Skills and Orientation (PCTO)**, with the aim of introducing young people to the world of work and enhancing their technical skills.

Photo:*Education Project scholarship awards ceremony.*

At an academic level, ABS S.p.A. has established collaborative relationships with the **Universities of Udine, Padua, Venice and Trieste**. These partnerships include opportunities for students to work on thesis projects, applied research proposals and internships.

ABS has also expanded its international network of academic partners, signing agreements with several prestigious French institutions: the **École Européenne d'Ingénieurs en Génie des Matériaux (EEIGM)** and the **Institut Universitaire de Technologie de Metz (IUT)**.

EEIGM is a European centre of excellence in Materials Engineering. It is the only institute in Europe to have developed a professional apprenticeship programme that includes a compulsory three- to six-month period abroad. **ABS is the first Italian organisation to formalise a partnership with the Institute, thereby establishing an innovative model of transnational collaboration.**

The IUT in Metz is nationally recognised for the high quality of its work-oriented academic programmes. It represents a further step in the strategy to attract and develop young talent.


Photo: *Students in ABS.*

These partnerships reinforce ABS's commitment to establishing a comprehensive training network that focuses on the professional development of young people and the enhancement of human capital.

ABS Sisak
Following the 2020 earthquake, ABS Sisak provided renovated premises to enable the Faculty of Metallurgy to continue teaching while the university building was being repaired. The company also maintains relationships with schools and universities with a view to restarting training programmes following the production shutdown.

ABS Sisak is also a member of the Regional Competence Centre and contributes to vocational training projects, lifelong learning and formal and informal training programmes (such as internships, competitions and workshops).

Our future objectives

6

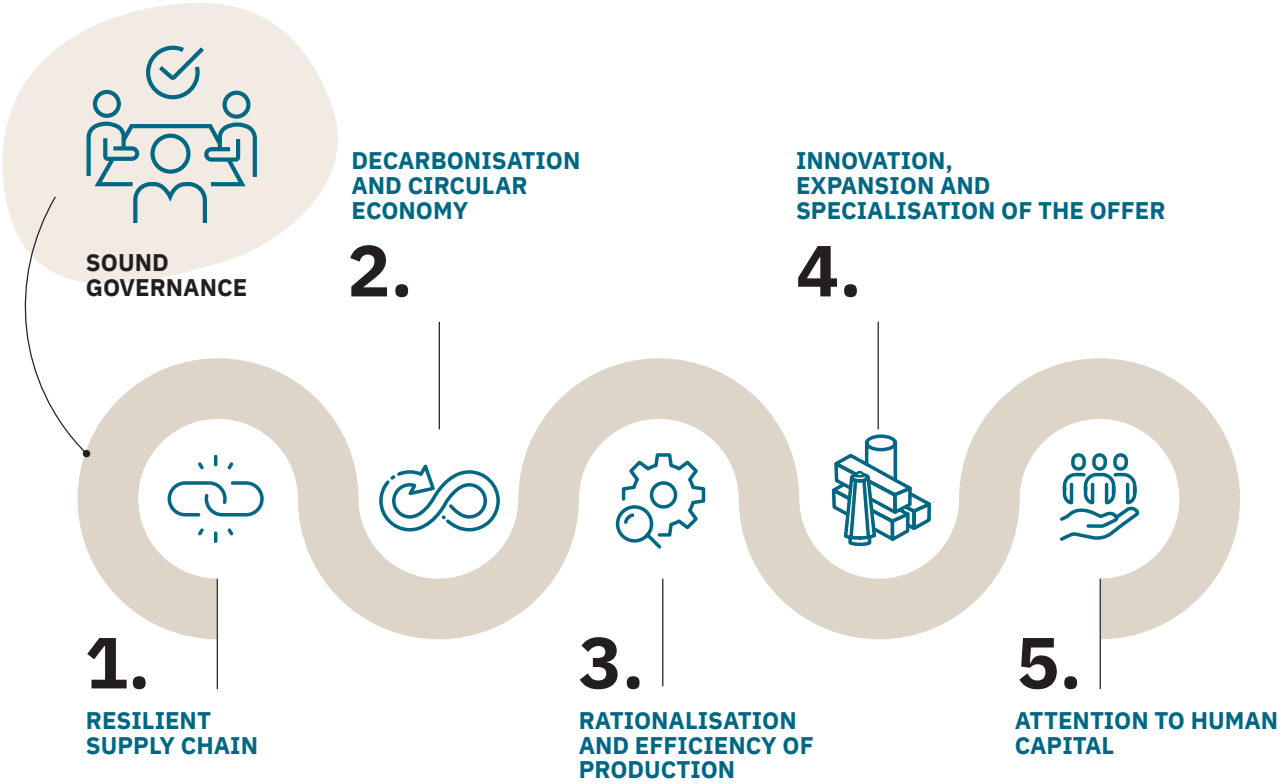
Sustainability Targets

The 2023/24 - 2028/29 business plan of ABS was developed based on a careful assessment of the main risks and, above all, the emerging opportunities related to sustainability challenges.

With its **Digital Green Vision**, ABS intends to implement an investment programme worth almost 1 billion euro between 2023/24 and 2028/29. This initiative is designed to enhance competitiveness and propel the transition towards a more sustainable and innovative production model.

The planned measures are focused on increasing shipping volumes from around 1,400,000 to over 2,000,000 tonnes, and are supported by a robust governance structure and five strategic focuses, which have been defined in response to market trends and global sustainability goals.

The initiatives are structured according to three time frames, with targets set for 2025-26, the medium term (2-5 years) and 2030, in line with ABS's commitment to creating lasting value for people, the environment and the community.



Cover photo: *bloom from casting during the rolling phase.*

2025-2026 targets

Governance

Risk assessment: ABS S.p.A. has set itself the goal of completing the review of risk assessment with a comprehensive risk mapping exercise, so as to integrate this activity with a three-year audit plan. This work will ensure a proactive approach to managing business vulnerabilities, including not only financial and operational threats, but also the aspects of sustainability. This will enable the company to identify critical issues and opportunities more accurately and develop responsible strategies to strengthen its resilience and reputation in the market.

Code of conduct: The introduction of an ABS Code of Conduct, complementary to the Code of Ethics, represents a fundamental step towards consolidating a corporate environment based on ethics and responsibility. This tool will establish clear principles and standards of integrity tailored to the organisation's specific needs, thereby strengthening its corporate culture and ensuring consistent behaviour.

Responsible Steel: ABS has set itself the strategic goal of obtaining certification under the ResponsibleSteel™ standard – a global initiative dedicated to promoting sustainability throughout the steel supply chain. This objective represents a concrete commitment to integrating environmental, social and governance criteria into our activities, ensuring transparency, accountability and continuous improvement.

ISO 14064 certification: ABS intends to obtain ISO 14064 certification, committing itself to measuring, monitoring and reporting its greenhouse gas emissions in a transparent manner. The objective is to ensure compliance with international standards, improve environmental performance and strengthen the company's commitment to sustainability.

ISO 14068 certification: ABS intends to achieve ISO 14068 certification by adopting transparent and verified practices for climate quantification and neutrality. The objective is to demonstrate the company's commitment to reducing emissions, offsetting residual emissions and promoting its sustainability efforts.

Decarbonisation and circular economy

Development of four product EPDs: During the year, ABS will prepare Environmental Product Declarations (EPDs) for a total of six types of steel: three from the wire rod range and three from the bar range.

Logistics Optimisation and Sustainability: In FY 2025/26, ABS S.p.A. will continue installing new tracks in the Luna area. Over 86 thousand euro was invested in this project in the previous financial year with the aim of optimising logistics operations.
The intervention will enable the finished product to be shipped directly from the production department and transferred internally by rail, thus reducing the use of flatbed transport. This will help reduce CO_2 emissions and improve the overall operational efficiency of the plant.

Rationalisation and efficiency of production

Revamping of melting furnace plants in Cargnacco (Udine): In the 2025-2026 financial period, work will continue on improving the efficiency of the EAF and DANARC melting furnaces. Over 350,000 euros were invested in these furnaces in the 2024–2025 financial year. These measures are primarily intended to increase operational efficiency and reduce safety risks to personnel.

Interventions to improve the efficiency of Luna line: ABS S.p.A. is continuing its significant investment, which will be completed by the 2025/26 financial year, aimed at overcoming bottlenecks in the finishing phase of the Luna line. This intervention will allow the plant to be managed more efficiently, with a positive effect on reducing emissions from the billet heating furnace and on the overall improvement of the line's energy and production efficiency.

Innovation, expansion and specialisation of the offer

Plant for the Production of Grinding Balls: ABS has started producing steel grinding balls for use in the mining industry at its Cargnacco plant. The plant, with an expected capacity of up to 150,000 tonnes per year, completed the installation of the heat treatment furnace in FY 2024/25.

In the 2025-2026 financial year, the company plans to consolidate its presence in the grinding balls market by participating in the main trade fairs in the sector and strengthening its online visibility through LinkedIn and a dedicated landing page (https://www.abssfere.it).

Attention to human capital

Targeted health and safety interventions: In FY 2024/25, over 1.6 million euro was invested in initiatives aimed at reducing risk and protecting people working in production plants. Some of the planned investments for FY 2024/25 have been postponed to the 2025/26 financial year, as they cannot be implemented until certain technical and plant engineering works are completed.

Training: ABS will continue to promote soft skills training programmes, focusing on communication, teamwork and leadership, to improve efficiency, team spirit and employee wellbeing.

Other initiatives: ABS S.p.A. intends to adopt a policy aimed at preventing violence and inappropriate behaviour in the workplace. The policy will promote a safe, inclusive and respectful environment for all employees.

2-5 year targets

Governance

Extension of the audit scope through General Review to all Steelmaking subsidiaries: In FY 2025/26, ABS intends to extend the scope of the audit to its Steelmaking subsidiaries through a General Review aimed at standardising internal controls and strengthening Governance.

Resilient Supply Chain

ACQ portal: ABS S.p.A. aims to introduce a new supplier selection and assessment portal that promotes sustainability by integrating ESG (environmental, social and governance) criteria into the procurement process. This tool will enable the selection of suppliers who are not only financially sound, but also share our company's ethical values and sustainable practices, as outlined in the "Supplier Code of Conduct". By adopting this approach, the company will be able to build a responsible supply chain, reduce its environmental and social impact and enhance its reputation in the market, thereby increasing consumer and investor confidence.

Decarbonisation and circular economy

EPD Process Development: ABS S.p.A. will develop a certified management system that will enable the issuance of EPDs for steel products. This tool enhances environmental transparency, demonstrating the company's commitment to more sustainable processes and products.

TCFD and SBTi: As part of its sustainability strategy, ABS S.p.A. plans to follow the recommendations of both the Task Force on Climate-related Financial Disclosures (TCFD) and the Science Based Targets initiative (SBTi). These commitments will ensure transparency in the management of climate change-related risks and opportunities, and will align emission reduction targets with international scientific standards. This will contribute to mitigating global temperature rise.

Implementation of technologies to reduce gas consumption: The company is continuing with its Multi-Year Plan, launched in 2019, to optimise the Plant's Combustion Systems. This plan involves the implementation of the most advanced technologies available to reduce methane consumption and greenhouse gas emissions. To date, eight of the thirteen projects in the plan have been completed, leading to a 7.8% reduction in methane gas consumption compared to the 2019/20 financial year, while the other five, still in progress, will lead to a further 7.2% reduction in consumption. The project will enable the plant to reduce CO_2 emissions by approximately 20,865 tonnes per year.

Recovery of waste heat: Over the next few years, ABS S.p.A. will be introducing new sustainable production plants. These systems will be equipped with closed-loop water treatment systems, which are designed to maximise the recovery of waste heat. This technology will enable water to be reused continuously, significantly reducing water consumption. At the same time, the recovered heat will contribute to increasing the overall energy efficiency of the plants and will be a key element in powering the Custard process, which will be explored in more detail in the dedicated target.

Implementation of sound-absorbing barriers: During the 2024/25 financial year, the mitigation hill south of the plant was completed, and the construction of additional barriers, designed as an effective noise and visual reduction system, will continue. The initiative aims to minimise the effects of production activities and ensure a more sustainable environment for communities.

Optimising the re-use of production waste: As part of the Vision programme, ABS S.p.A. enhances the value of production waste, increasing its recovery and reuse. The new Global Blue plant, dedicated to the production of Ecogravel® and Ecogravel® White, will increase in production capacity with the launch of the new Digital Green Plant production line. At the same time, innovative solutions are being studied, such as using Ecogravel® White to replace some of the lime used in the melting process, and projects dedicated to recovering refractories.

Integration of ESG parameters in MBO: To further strengthen its commitment to sustainability, ABS S.p.A. will adopt ESG criteria when designing its managerial remuneration structure, with the aim of delivering tangible results in the environmental and social areas.

Focus on rail transport: ABS S.p.A. is committed to enhancing the sustainability of logistics by increasing the use of rail transport and reducing road transport. Thanks to the development of an internal rail network and joint initiatives at regional and national level, the company is planning to increase the use of rail for incoming scrap (from 64% to 70%) and outbound shipments (from 16% to 45%).
Supported by investments exceeding 20 million euro, these measures will reduce Scope 3 emissions by over 23,000 tonnes of CO_2 per year, thereby improving the plant's logistical and environmental efficiency.

Climate Neutrality (Reprogrammed Target): ABS Sisak has confirmed its commitment to achieving climate neutrality by 2050 through the definition and implementation of a plan aimed at reducing net emissions to zero. In the 2025/26 financial year, concrete measures will be introduced, such as replacing ladle heaters with more efficient models that consume less natural gas, contributing significantly to reducing the environmental impact of the ETS plant.

Logistics and transport: Lean RoadMap Sisak Delivery Process (Reprogrammed Target):
In the coming financial year, ABS Sisak is committed to optimising the internal transportation of finished products by replacing the current road transport system with a rail transport system. The company intends to develop new shipping methods that reduce greenhouse gas emissions and improve delivery time efficiency with the Lean RoadMap project, "Sisak Delivery Process".

Investment in electric mobility (Reprogrammed Target): ABS Sisak intends to install two electric vehicle charging stations and complete the transition of its company fleet to electric vehicles by the 2025/26 financial year.

Rationalisation and efficiency of production

Hybrid Digital Green Plant: The installation of the Ecogravel® production plant in the Southern Areas has been completed. This intervention enables the decommissioning of the former Global Blue department, paving the way for the construction of the new Hybrid Digital Green Plant line, scheduled to commence in early 2026. For further details, please refer to the relevant section on page 41.

Business process transformation and adoption of SAP S/4. In order to ensure competitiveness, it is essential to have lean processes that are truly focused on simplification. These processes must be capable not only of reducing complexity, but also of optimising the way activities are carried out. This need led to the decision to launch a process of profound transformation in March 2023. This transition is not merely a change of technological platform; it is a move from the previous SAP ECC management system to the new SAP S/4 HANA. The principle behind this change is simplification and "back to standard", with the aim of reviewing and streamlining business processes in a more modern and efficient way. The new system will introduce more advanced tools and streamline data management, thereby improving performance. It will be able to process large volumes of information in a short time, ensure constant availability of reliable and up-to-date data, and offer an intuitive and responsive interface that can be used on different devices.

It is important to emphasise that adopting SAP S/4 is transforming business processes, affecting multiple departments significantly and helping to redefine operating methods. This will promote greater consistency, efficiency, and responsiveness to market challenges.

Innovation, expansion and specialisation of the offer

Monitoring system of impacts on local communities: Thanks in part to the adoption of the ResponsibleSteel™ standard, ABS S.p.A. will establish an internal observatory to monitor the environmental and social impacts of its activities, ensuring responsible and conscious management. This tool will protect local communities and encourage constructive dialogue based on respect and transparency.

Carbon Capture for the production of sodium bicarbonate: In FY 2023/24, ABS and Danieli obtained an EU grant of approximately 4 million euro for the Custard Carbon Capture and Usage project.

The initiative involves the installation of a system to capture CO_2 from the fumes of the billet heating furnace and reuse it in the production of sodium bicarbonate. The expected impact is a reduction of 15,000 tonnes/year of CO_2 and a production of 25,000 tonnes/year of bicarbonate.

In FY 2024/25, due to the economic situation and the development of the related DGP project, a 21-month postponement was requested and obtained from the European Commission.

Attention to human capital

Other initiatives: ABS S.p.A. aims to boost employee engagement by constantly collecting feedback and launching initiatives dedicated to diversity and inclusion. The objective is to establish a working environment that is welcoming, respectful and inclusive, thereby promoting productivity and organisational wellbeing.

2030 targets

Decarbonisation and circular economy

Electricity from renewable sources: The 2030 target is to increase the use of renewable energy and reduce greenhouse gas emissions by gradually installing photovoltaic panels until a total capacity of over 15 MWp is reached. Of this, 2.5 MWp will be dedicated specifically to producing green hydrogen.

Strategy towards Net-Zero: ABS is committed to reducing Scope 1 and 2 emissions by 30% by 2030 compared to the levels in FY 2022/23, and will integrate this goal into all projects and initiatives in the business plan. Joining the Science Based Targets initiative and the Task Force on Climate-related Financial Disclosures will enhance the strategy's measurability, with the ultimate goal of achieving climate neutrality by 2050.

Emissions ABS

2030

-30%

Scope 1 and Scope 2

2050

NET ZERO

Photo: *ABS forest.*

ANNEX
GRI Content Index

The ABS Group has reported the information specified in this GRI Content Index for the period July 1, 2024 - June 30, 2025, with reference to the GRI Standards.
The GRI 1 used: GRI 1 - Foundation 2021.

GRI	DISCLOSURE	REFERENCE	Page	NOTES
GRI 2	**GENERAL DISCLOSURES**			
2-1	Organisational details	The ABS Group	16-17	
2-2	Entities included in the organisation's sustainability reporting	The ABS Group Methodological note	16-17; 128-129	
2-3	Reporting period, frequency and contact point	Methodological note	128-129	
2-4	Restatements of information	Methodological note	128-129	
2-5	External assurance	Methodological note, Report of the independent auditors	128-129; 130-133	
2-6	Activities, value chain and other business relationships	Corporate Identity, Markets, Suppliers, Methodological note	11-19; 29-31; 103-104; 128-129	
2-7	Employees	Personnel, Tables of GRI and Custom KPI indicators	91-93; 122-123	
2-8	Workers who are not employees	Personnel	91	
2-9	Governance structure and composition	Our Governance Model, Governance of sustainability, GRI Content Index	51-52; 53-54; 116	There are no independent Directors on the BoD. Directors hold office for three financial years, are eligible for re-election and expire on the date of the shareholders' meeting. (Articles of Association). There are no under-represented social groups on the BoD. The BoD also receives information from the environmental and human resources delegates and makes decisions based on this information. Directors represent the following stakeholders: shareholders, employees.
2-11	Chair of the highest governance body	Our Governance Model	51	The ABS Code of Ethics, Model 231 and policies are designed to eliminate and, where appropriate, manage conflicts of interest.
2-12 a.	Role of the highest governance body in overseeing the management of impacts	Governance of sustainability	53-54	
2-13 a.	Delegation of responsibility for managing impacts	GRI Content Index	116	The BoD appointed senior managers responsible for impact management on the following topics Environmental permits. Environmental management system. Emissions into the atmosphere Water protection. Waste. Noise emissions. Health and safety.

GRI	DISCLOSURE	REFERENCE	Page	NOTES
2-14	Role of the highest governance body in sustainability reporting	Methodological note, GRI Content Index	128-129; 116	The Board of Directors approves both the Sustainability Report and the assessment of material topics.
2-16 a.	Communication of critical concerns	Ethics	20-21	
2-22	Statement on sustainable development strategy	Letter to the stakeholders	6-7	
2-23 c.	Policy commitments	GRI Content Index	117	Company policy documents *(https://www.absacciai.com/wp-content/uploads/2023/01/Politica-sicurezza-informatica-rev-0.pdf* *https://www.absacciai.com/wp-content/uploads/2024/06/Politica-integrata-rev-15.pdf* *https://www.absacciai.com/wp-content/uploads/2024/10/2024-ABS-CODE-OF-ETHICS.pdf* *https://www.absacciai.com/wp-content/uploads/2024/08/Sustainability-policy-Acciaierie-Bertoli-Safau-S.p.A_v0.pdf* *https://www.absacciai.com/wp-content/uploads/2025/07/Code-of-Conduct-for-Suppliers-Rev-0.pdf*
2-26	Mechanisms for seeking advice and raising concerns	Ethics	20-21	
2-27	Compliance with laws and regulations	Ethics	21	
2-28	Membership associations	Connected with the community, Strategy and business model, Health and safety	105-107; 36; 98	
2-29	Approach to stakeholder engagement	Materiality analysis	48	
2-30 a.	Collective bargaining agreements	Personnel	91	
GRI 3	**MATERIAL TOPICS**			
3-2	List of material topics	Materiality analysis	48-49	
	TOPIC STANDARD			
201	**Economic Performance**			
201-1	Direct economic value generated and distributed	Value generated and distributed to stakeholders	58-59	
204	**Procurement Practices**			
3-3	Management of material topics	Suppliers	103-104	
204-1	Proportion of spending on local suppliers	Suppliers	104	
205	**Anti-corruption**			
3-3	Management of material topics	Ethics	20-21	
205-3	Confirmed incidents of corruption and actions taken	Ethics	21	
206	**Anti-competitive behaviour**			
3-3	Management of material topics	Ethics	20-21	

GRI	DISCLOSURE	REFERENCE	Page	NOTES
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethics	21	
300	**ENVIRONMENTAL SERIES**			
301	**Materials**			
3-3	Management of material topics	Earth	75-77	
301-2	Recycled input materials used	Earth	76-77	
302	**Energy**			
3-3	Management of material topics	Energy	68-69	
302-1	Energy consumption within the organization	Energy	69	
303	**Water and Effluents**			
3-3	Management of material topics	Water	72-74	
303-1	Interactions with water as a shared resource	Water	72-74	
303-2	Management of water discharge-related impacts	Water	72-74	
303-3	Water withdrawal	Water	73	
305	**Emissions**			
3-3	Management of material topics	The approach to climate change, GHG emissions, Air	62; 63-67; 71	
305-1	Direct (Scope 1) GHG emissions	GHG emissions	63	
305-2	Energy indirect (Scope 2) GHG emissions	GHG emissions	63	
305-3	Other indirect (Scope 3) GHG emissions	GHG emissions	66	
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Tables of GRI and Custom KPI indicators	120	
306	**Waste**			
3-3	Management of material topics	Earth	78-81	
306-1	Waste generation and significant waste-related impacts	Earth	78-81	
306-2	Management of significant waste-related impacts	Earth	78-81	
306-3	Waste generated	Earth	78-79	
306-4	Waste diverted from disposal	Earth, Tables of GRI and Custom KPI indicators	78-79; 121	
306-5	Waste directed to disposal	Earth, Tables of GRI and Custom KPI indicators	78-79; 121	

GRI	DISCLOSURE	REFERENCE	Page	NOTES
308	**Supplier Environmental Assessment**			
3-3	Management of material topics	Suppliers	103-104	
308-1	New suppliers that were screened using environmental criteria	Suppliers	104	
400	**SOCIAL SERIES**			
401	**Employment**			
3-3	Management of material topics	Social aspects; Personnel	89-95	
401-1	New employee hires and employee turnover	Personnel, Tables of GRI and Custom KPI indicators	94; 124-127	
403	**Occupational Health and Safety**			
3-3	Management of material topics	Health and safety	98-102	
403-1	Occupational health and safety management system	Health and safety	98	
403-2	Hazard identification, risk assessment, and incident investigation	Health and safety	98-102	
403-3	Occupational health services	Health and safety	98-102	
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and safety	100-101	
403-5	Worker training on occupational health and safety	Health and safety	98	
403-6	Promotion of worker health	Health and safety	99	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety	98-102	
403-9	Work-related injuries	Health and safety	101-102	
404	**Training and Education**			
3-3	Management of material topics	Personnel	96-97	
404-1	Average hours of training per year per employee	Personnel	96	
405	**Diversity and Equal Opportunity**			
3-3	Management of material topics	Personnel, Our Governance Model	92; 51-52	
405-1	Diversity of governance bodies and employees	Our Governance Model, Personnel	51-52; 92	
406	**Non-discrimination**			
3-3	Management of material topics	Ethics, Social aspects	20-21; 90	
406-1	Incidents of discrimination and corrective actions taken	Ethics	21	
414	**Supplier Social Assessment**			
3-3	Management of material topics	Suppliers	103-104	
414-1	New suppliers that were screened using social criteria	Suppliers	104	

Tables of GRI and Custom KPI indicators

CUSTOM KPI	Reference	Page	NOTES
Information on industrial buildings and movements made using the company's fleet of vehicles	The ABS Group	16-17	
Certification scheme	The approach to risk	55-57	
Noise: percentage of investments in the last three years for activities seeking to contain noise impacts and/or vibrations	Noise and vibration	84	
Climate risk	The approach to risk	55-57	For further information on the risks related to Climate Change as well as the Group policy adopted, please refer to the Danieli Group Annual Report (section “Management of business risks”).

Channelled emissions (table supplementing page 71)

Emissions into the atmosphere	2024	2025
CO (t)	810.89	717.53
Dioxins (gr.)	0.098	0.48
NOx Nitrogen oxides (t)	419.53	416.04
Particulate matter (PM) (t)	35.081	25.54

Waste diverted from disposal (t)

(table supplementing page 78)

Waste diverted from disposal (t)	2024		2025	
	On-site	Off-Site	On-site	Off-Site
Hazardous waste				
Recycling	-	19,543	-	3
Preparation for reuse	-	3,468	-	-
Other recovery operations	3	98	-	19,280
Hazardous waste diverted from disposal (t)	**3**	**23,108**	**-**	**19,283**
Non-hazardous waste				
Recycling	-	44,424	-	5,398
Preparation for reuse	6	62,436	-	3,424
Other recovery operations	184	54,005	-	73,742
Non-hazardous waste diverted from disposal (t)	**190**	**160,866**	**-**	**82,563**
Total	**193**	**183,974**	**-**	**101,846**

Waste directed to disposal (t) (table supplementing page 78)

Waste directed to disposal (t)	2024		2025	
	On-site	Off-Site	On-site	Off-Site
Hazardous waste				
Incineration (with energy recovery)	-	83	-	-
Incineration (without energy recovery)	-	0	-	26
Landfill disposal	-	12,499	-	4,560
Other disposal operations	-	1,872	-	7,102
Hazardous waste directed to disposal (t)	**-**	**14,453**	**-**	**11,687**
Non-hazardous waste				
Incineration (with energy recovery)	-	2	-	-
Incineration (without energy recovery)	-	-	-	0
Landfill disposal	-	20,274	-	12,932
Other disposal operations	-	410	-	4,813
Non-hazardous waste directed to disposal (t)	**-**	**20,686**	**-**	**17,744**
Total	**-**	**35,139**		**29,432**

Total number of employees by contract category (fixed term and permanent), gender and geographical area

(table supplementing page 91)

	Female	Male	Total
2025	**125**	**1337**	**1462**
Italy	**90**	**1190**	**1280**
Permanent	86	1182	1268
Fixed term	4	8	12
Croatia	**29**	**120**	**149**
Permanent	28	104	132
Fixed term	1	16	17
France	**6**	**20**	**26**
Permanent	4	16	20
Fixed term	2	4	6
Germany	**-**	**3**	**3**
Permanent	-	3	3
Fixed term	-	-	-
Spain	-	2	**2**
Permanent	-	2	2
Fixed term	-	-	-
Sweden	-	2	**2**
Permanent	-	2	2
Fixed term	-	-	-
2024	**138**	**1,457**	**1,595**
Italy	**94**	**1,257**	**1,351**
Permanent	85	1,198	1,283
Fixed term	9	59	68
Croatia	**37**	**179**	**216**
Permanent	35	138	173
Fixed term	2	41	43
France	**5**	**16**	**21**
Permanent	4	13	17
Fixed term	1	3	4
Germany	**1**	**4**	**5**
Permanent	1	4	5
Fixed term	-	-	-
Spain	**1**	**-**	**1**
Permanent	1	-	1
Fixed term	-	-	-
Sweden	**-**	**1**	**1**
Permanent	-	1	1
Fixed term	-	-	-

Total number of employees by type of contract (full time and part time), gender and geographical area

(table supplementing page 91)

	Female	Male	Total
2025	**125**	**1337**	**1462**
Italy	**90**	**1190**	**1280**
Full time	86	1187	1273
Part time	4	3	7
Croatia	**29**	**120**	**149**
Full time	27	120	147
Part time	2	-	2
France	**6**	**20**	**26**
Full time	5	20	25
Part time	1	-	1
Germany	**-**	**3**	**3**
Full time	-	3	3
Part time	-	-	-
Spain	**-**	**2**	**2**
Full time	-	2	2
Part time	-	-	-
Sweden	**-**	**2**	**2**
Full time	-	2	2
Part time	-	-	-
2024	**138**	**1,457**	**1,595**
Italy	**94**	**1257**	**1351**
Full time	92	1,253	1,345
Part time	2	4	6
Croatia	**37**	**179**	**216**
Full time	37	179	216
Part time	-	-	-
France	**5**	**16**	**21**
Full time	4	16	20
Part time	1	-	1
Germany	**1**	**4**	**5**
Full time	1	4	5
Part time	-	-	-
Spain	**1**	**-**	**1**
Full time	1	-	1
Part time	-	-	-
Sweden	**-**	**1**	**1**
Full time	-	1	1
Part time	-	-	-

Total number of newly hired employees and percentage by age group, gender and geographical area

(table supplementing page 94)

2025

	Female		Male			
	Newly hired employees	% of new hires	Newly hired employees	% of new hires	Total newly hired employees	% of total new hires
2025	**5**	**4%**	**28**	**2%**	**33**	**2%**
Italy	**4**	**4%**	**23**	**2%**	**27**	**2.1%**
< 30 y.o.	1	4%	7	5%	8	4.6%
30-50 y.o.	3	5%	14	2%	17	2.5%
> 50 y.o.	0	0%	2	0%	2	0.4%
Croatia	**-**	**0%**	**-**	**0%**	**-**	**0%**
< 30 y.o.	-	0%	-	0%	-	0%
30-50 y.o.	-	0%	-	0%	-	0%
> 50 y.o.	-	0%	-	0%	-	0%
France	**1**	**17%**	**5**	**25%**	**6**	**23%**
< 30 y.o.	1	33%	1	20%	2	25%
30-50 y.o.	-	0%	3	23%	3	20%
> 50 y.o.	-	0%	1	50%	1	33%
Germany	**-**	**0%**	**-**	**0%**	**-**	**0%**
< 30 y.o.	-	0%	-	0%	-	0%
30-50 y.o.	-	0%	-	0%	-	0%
> 50 y.o.	-	0%	-	0%	-	0%
Spain	**-**	**0%**	**-**	**0%**	**-**	**0%**
< 30 y.o.	-	0%	-	0%	-	0%
30-50 y.o.	-	0%	-	0%	-	0%
> 50 y.o.	-	0%	-	0%	-	0%
Sweden	**-**	**0%**	**-**	**0%**	**-**	**0%**
< 30 y.o.	-	0%	-	0%	-	0%
30-50 y.o.	-	0%	-	0%	-	0%
> 50 y.o.	-	0%	-	0%	-	0%

2024

	Female		Male			
	Newly hired employees	% of new hires	Newly hired employees	% of new hires	Total newly hired employees	% of total new hires
2024	**20**	**14%**	**183**	**13%**	**203**	**13%**
Italy	**13**	**14%**	**105**	**8%**	**118**	**9%**
< 30 y.o.	7	32%	45	24%	52	25%
30-50 y.o.	5	8%	56	8%	61	8%
> 50 y.o.	1	9%	4	1%	5	1%
Croatia	**5**	**14%**	**73**	**41%**	**78**	**36%**
< 30 y.o.	1	10%	26	60%	27	51%
30-50 y.o.	3	20%	36	39%	39	36%
> 50 y.o.	1	8%	11	25%	12	21%
France	**1**	**20%**	**4**	**25%**	**5**	**24%**
< 30 y.o.	1	50%	2	40%	3	43%
30-50 y.o.	-	-	2	20%	2	17%
> 50 y.o.	-	-	-	-	-	-
Germany	**1**	**100%**	**1**	**25%**	**2**	**40%**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	1	100%	1	50%	2	40%
> 50 y.o.	-	-	-	-	-	-
Spain	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-
Sweden	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-

Total number and percentage of employee turnover by age group, gender and geographical area

(table supplementing page 94)

2025

	Female		Male			
	Turnover	% of Turnover	Turnover	% of Turnover	Total Turnover	Total % of turnover
2025	**18**	**14%**	**148**	**11%**	**166**	**11%**
Italy	**9**	**10%**	**88**	**7%**	**97**	**7.6%**
< 30 y.o.	1	5%	15	10.2%	16	9.6%
30-50 y.o.	7	11.9%	44	7.2%	51	7.6%
> 50 y.o.	1	9%	29	6.7%	30	6.7%
Croatia	**8**	**28%**	**59**	**49%**	**67**	**45%**
< 30 y.o.	2	25%	17	94%	19	73%
30-50 y.o.	4	44%	32	55%	36	54%
> 50 y.o.	2	17%	10	23%	12	21%
France	**-**	**0%**	**1**	**5%**	**1**	**4%**
< 30 y.o.	-	0%	1	20%	1	13%
30-50 y.o.	-	0%	-	0%	-	0%
> 50 y.o.	-	0%	-	0%	-	0%
Germany	**-**	**0%**	**-**	**0%**	**-**	**0%**
< 30 y.o.	-	0%	-	0%	-	0%
30-50 y.o.	-	0%	-	0%	-	0%
> 50 y.o.	-	0%	-	0%	-	0%
Spain	**1**	**0%**	**0**	**0%**	**1**	**100%**
< 30 y.o.	0	0%	0	0%	0	0%
30-50 y.o.	0	0%	0	0%	0	0%
> 50 y.o.	1	0%	0	0%	1	100.0%
Sweden	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-

2024

	Female		Male			
	Turnover	% of Turnover	Turnover	% of Turnover	Total Turnover	Total % of turnover
2024	**9**	**7%**	**165**	**11%**	**174**	**11%**
Italy	**8**	**9%**	**120**	**10%**	**128**	**10%**
< 30 y.o.	1	5%	21	11%	22	11%
30-50 y.o.	5	8%	61	9%	66	9%
> 50 y.o.	2	18%	38	9%	40	10%
Croatia	**1**	**3%**	**45**	**25%**	**46**	**21%**
< 30 y.o.	1	10%	14	33%	15	28%
30-50 y.o.	-	-	23	25%	23	22%
> 50 y.o.	-	-	8	18%	8	14%
France	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-
Germany	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-
Spain	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-
Sweden	**-**	**-**	**-**	**-**	**-**	**-**
< 30 y.o.	-	-	-	-	-	-
30-50 y.o.	-	-	-	-	-	-
> 50 y.o.	-	-	-	-	-	-

Methodological note

This document represents the Voluntary Sustainability Report of Acciaierie Bertoli Safau S.p.A. (hereinafter also “ABS S.p.A.”, and, with its subsidiaries, “ABS”), containing information relating to environmental, social, personnel topics, respect for human rights and the fight against corruption, in a transparent and complete way.

The Sustainability Report of ABS S.p.A. is published annually and was approved by the Board of Directors on September 25, 2025, and is published on the institutional website.

ABS reported the information mentioned in this document for the period from July 1, 2024, to June 30, 2025, with reference to the GRI Standards, published in 2021 by the Global Reporting Initiative (GRI).

The Sustainability Report by ABS has been prepared with a strategic approach in view of the creation of sustainable value for stakeholders. The information contained in the Sustainability Report refers to topics identified as material and related indicators.

The process of identifying the most important topics, on which to focus efforts and resources, started in 2016 and updated over the following years, led to the definition of material topics, understood as “topics that can generate significant economic, social and environmental impacts” on ABS activities or that could substantially influence stakeholders' assessments and decisions.
In particular, the definition of the content of this document is based on the principles of materiality, stakeholder inclusiveness, completeness of the data and information provided and considering the sustainability context.

The data and information in this document refer to the financial year 2025 (from July 1, 2024, to June 30, 2025).

Where possible, the information in the Sustainability Report has been complemented with a comparison to the 2023/24 financial year in order to ensure the principle of comparability between the data presented.

The boundary of the economic, financial and social data and information in this document is the same as in the Consolidated Financial Statements of ABS S.p.A. Data from the commercial companies ABS Deutschland GmbH (Germany), ABS Scandinavia AB (Sweden) and Acciaierie Bertoli Safau Iberica S.L. (Spain) is excluded for environmental indicators relating to water withdrawals and materials used, as these companies do not make a significant contribution to these indicators.
As from this year, environmental indicators relating to energy, emissions and waste also include the commercial companies mentioned. The environmental data of the commercial company ABS Sfere S.r.l. is included in the data of ABS S.p.A.
As these companies have a low impact on environmental indicators, expanding the scope does not affect comparability with data from the previous financial year.

In order to provide a correct representation of performance and to ensure the reliability of the data, the use of estimates was limited as much as possible.

It should also be noted that no changes have been made to the information reported in relation to the previous financial year. Any revisions have been clearly marked in the text.

There were no significant changes in the size, structure or supply chain of the organisation during the year compared to the previous reporting period.

The reporting process of the indicators in this document is based on a comprehensive collection per operating site. Indicators for which the data origin is exclusively central are excluded due to intrinsic characteristics of the management model.
A correspondence table “GRI Content Index” identifies each indicator used taken from the GRI Sustainability Reporting Standards and provides a clear view of the information and sustainability content following the standard.

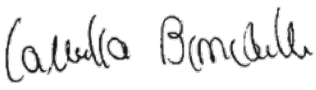
This document was also submitted to compliance assessment (limited assurance engagement in accordance with the criteria set out in ISAE 3000 revised) by Deloitte & Touche S.p.A..

The audit was carried out in accordance with the procedures set out in the “Report of the independent auditors”, included in this document.

For further information regarding the 2024/25 Sustainability Report, please contact:
sustainability@absacciai.com.

Pozzuolo del Friuli (Udine), September 25, 2025

Chairwoman of the Board of Directors
Camilla Benedetti



Report of the independent auditors

Deloitte.

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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of Acciaierie Bertoli Safau S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Acciaierie Bertoli Safau S.p.A. (hereinafter also "Company") and its subsidiaries (hereinafter also "Group") for the fiscal year ended on June 30, 2025.

Directors' Responsibility for the Sustainability Report

The Directors of Acciaierie Bertoli Safau S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), with reference to the selection of GRI Standards, as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with the Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

1. analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods of analysis and understanding of the context, identification, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;

2. comparison between the economic and financial data and information included in the paragraph "Value generated and distributed to stakeholders" of the Sustainability Report with those included in the Group's consolidated financial statement as of June 30, 2025;

3. understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Acciaierie Bertoli Safau S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

Report of the independent auditors

Deloitte.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at Group level:
  a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify consistency with available evidence;
  b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for Acciaierie Bertoli Safau S.p.A., that we selected based on its activities, its contribution to the consolidated performance indicators and its location, we carried out site visits, during which we met management and gathered supporting documentation, on a sample basis, with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group for the fiscal year ended on June 30, 2025 is not prepared, in all material aspects, in accordance with the GRI Standards, with reference to the selection of GRI Standards, as stated in the paragraph "Methodological note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Filippo Verardo
Partner

Udine, Italy
October 17, 2025

This report has been translated into the English language solely for the convenience of international readers.

Glossary

Blast furnace production

The **blast furnace production** uses iron ore and coke, with high carbon emissions from the combustion of coke, a fossil carbon source, and depletes the natural resource of iron ore. Despite efforts to improve energy efficiency, this method of reducing emissions is relatively slow.

Electric arc furnace production

The **electric arc furnace production** uses mainly recycled steel in the form of ferrous scrap and uses electrical energy. This method significantly reduces carbon emissions with the possibility of achieving even higher levels of sustainability, especially through the use of electricity from renewable sources.

Semi-finished products

This category includes raw continuous casting products intended not only for sale but also to feed our own internal production flows of rolled and forged products. The wide **range** of **raw blooms** from continuous casting reaches a record-breaking 850 mm cross section.
Round, square, rectangular or polygonal sections can be produced by casting the **range** of **ingots** using a mould car or a fixed mould station. After casting, the ingots are either delivered to sales in their raw state or continue towards the rolling line.

Forged and rotoforged products

The **forged products** manufactured by ABS are part of a family of products extending over a range of sizes, types of steel (case-hardened, quenched and tempered steels), finishes and heat treatment. This type of product is produced by the Danieli Breda automatic forging plant, located in the MARTE line.
Rotoforged products were the exclusive products created to combine the strengths of rolled and forged products into a single large-size product. The rotoforged product combines the structural integrity of a forged product with the surface quality characteristic of rolled products. In order to obtain it, the ABS S.p.A. team and the Danieli Group have designed the largest plant in the world for the rolling of long products: the RF 1800 Stand, with high value-added features.

Rolled products

Most of the rolled products are processed in ABS S.p.A.'s two lines, Luna and Marte, which produce **different types of round and square bars**. The stands are fed from continuous casting products or with ingots, using the hot charge process for the latter in order to reduce energy consumption whenever possible.
To guarantee the maximum quality of the products, we select the most suitable rolling methods and constantly monitor the reheating parameters. The rolled products are then **cooled using multiple cooling cycles on air cooling beds, insulated cooling beds for controlled cooling at critical stages, or in slow cooling pits**. Finally, the product is thoroughly checked and conditioned for the repair of any defect that might have been detected. Rolled products can then be delivered to the customers directly or submitted to subsequent finishing and/or heat treatment processes, where necessary.

Wire rod

A special hot rolling process, carried out on the innovative Saturno - QWR line at ABS S.p.A., also produces wire rod. **This wire is produced in coils. It has a circular cross-section and a defined diameter**. The wire rod is used in many sectors for applications requiring high strength and precision, such as wire knitting, wire drawing, automotive components and many other industrial applications. Due to its versatility and mechanical properties, wire rod is an essential material for many constructions and manufactures.

Grinding balls

At the new Mercurio plant in Cargnacco (Udine), the company uses rolled bars to manufacture a single product: **grinding balls for crushing and grinding in the mining industry**. ABS stands out in the market as one of the first companies to produce a range of grinding balls made of steel from an electric cycle from scrap.

Cold finished bars

After production and hot rolling, certain types of products are further processed at room temperature at ABS S.p.A.'s Giove line in Cargnacco. These processes, which may include **drawing, cold rolling, grinding or rolling**, improve the mechanical properties of the steel, such as strength, hardness and surface finish. Cold-finished special steels are often used in applications where precise dimensional tolerances, high-quality surface finishes and superior mechanical properties are required.

Industrial aggregates

ABS S.p.A. is directly involved in the circular economy through the production of industrial aggregates from the treatment and processing of smelting slag at the Global Blue plant. These aggregates, referred to as **Ecogravel®** and **Ecogravel® White** (depending on the nature of the slag from which they are derived), are produced with EC marking and are used in the construction and road building markets.

Long Steel Products

Long steel products include items such as bars, wire rod, sections, beams, rails and tubes. They are characterised by a significant length in relation to their cross-sectional area. The main fields of application are construction, construction of infrastructure and the production of mechanical components.

Flat Steel Products

Flat steel products include sheets, plates and strips, characterised by a reduced thickness in relation to length and width. They are mainly used in sectors such as automotive production, shipbuilding, household appliances, and construction (e.g. for roofing or wall covering).

Forging line

The **forging line** accounts for approximately 90% of order volumes and is aimed at customers in the wind and oil&gas, railway, medical and automotive markets as well as the production of machinery for the industry. These products are used in the manufacture of rings, gearboxes, bearings, flanges, railway wheels and axles and components.

Die forming

The **die forming line** is mainly aimed at customers in the automotive (passenger cars, commercial vehicles), truck and earthmoving sectors, as well as a constant number of customers in the oil & gas sector. The parts made with our steels include crankshafts, drive shafts, gear forks, gears, flanges and valve bodies.

Mechanical line

The **mechanical line** is focused towards mechanical workshops and distribution. Sales volumes are concentrated on treated rolled products and cold-processed products of the Qualisteel line, intended for the production of linkage for the wind and construction industry, gears, gearboxes, transmission shafts for the industrial, automotive, truck and earthmoving plant engineering sectors.

Wire Rod line

At the end of 2020, the QWR plant (Quality Wire Rod 4.0 - Saturn line) launched the **wire rod line** mainly to target the automotive market, for applications such as car springs and suspensions, bearings, engine fixing bolts, connecting rods, as well as the cold drawing, welding, prestressed reinforced concrete, and low and medium-high carbon sectors.

Global line

While the previous business lines are focused on the domestic and European markets, the **global export line**, on the other hand, is dedicated to the development of the entire ABS product range on a global level, with the aim of covering the automotive, truck (USA, Mexico, Brazil, UK), oil & gas (USA, Middle and Far East) and wind power (India, Brazil, South Africa) markets.

Sfere line (grinding balls)

The **grinding ball line** aims at gaining a market share in the grinding media sector. The steel grinding balls, customised in sizes from 30 to 150 mm with customised mechanical properties, will mainly be used in the mills of the mining industries in South America, South Africa and Eastern Europe as well as in the cement industry.

Operational Committees

The following Operational Committees are recognised within the ABS corporate structure:

- ABS Service Committee
- Semis Purchase Committee
- Plant loading committee
- Lending Committee
- Supplier Committee
- Investment Committee
- IT Committee
- Warehouse Committee
- Scrap Committee
- Grinding balls Committee
- Security Committee
- ICO Committee
- Maintenance Committee
- Quality Committee
- Safety Committee
- Sustainability Committee
- Communication Committee
- Customer Service Committee
- SAP Committee
- Opportunity Risk Management Committee

Scope 1: Direct emissions

Direct greenhouse gas (GHG) emissions come from sources owned or under the direct control of the company. These emissions include those from the combustion of fossil fuels, such as in boilers, furnaces, engines, generators and other industrial equipment, as well as from company vehicles. Scope 1 also includes fugitive emissions, such as fluorinated gas leaks from cooling and air conditioning systems.

Scope 2: Indirect emissions from purchased energy

Indirect greenhouse gas (GHG) emissions associated with the production of electricity, heat or steam purchased and consumed by the company fall under Scope 2. The emissions associated with the electricity used in the company's own buildings and offices have been calculated.

Emissions are reported using two methods:

- **Location-based method:**This method is based on average emission factors for energy production within defined geographical boundaries, such as national borders.
- **Market-based method:** This approach takes into account the actual energy mix linked to contracts with energy suppliers. Electricity consumption covered by Guarantees of Origin (GO) is multiplied by an emission factor of zero, while consumption not covered by GO is multiplied by the emission factor of the "residual mix", which reflects the national energy mix without renewables. This reporting method makes it possible to enhance the share of renewable energy purchased directly by the company.

Scope 3: Indirect emissions along the value chain

Indirect greenhouse gas (GHG) emissions, which are covered by Scope 3, include all emissions that are not directly generated by the company's operations (Scope 1) or purchased energy (Scope 2), but occur throughout the company's value chain. Scope 3 categories include:

- Purchased goods and services
- Capital goods
- Fuel and energy-related activities not included in Scope 1 or Scope 2
- Upstream transportation and distribution
- Waste generated in production
- Business trips
- Employee commuting
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchising
- Investments


ABS

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Moving on together to the next level

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