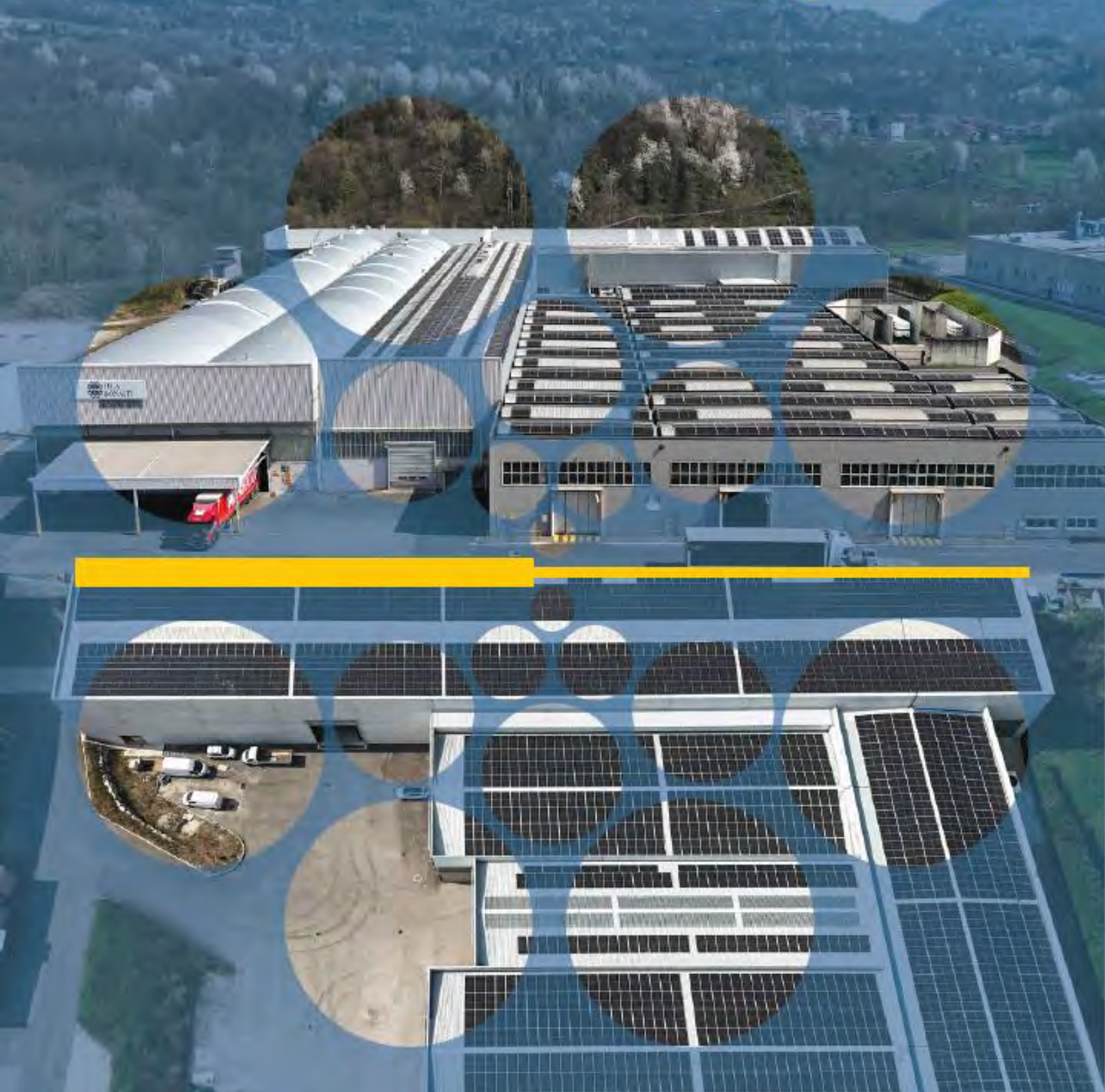


SUSTAINABILITY REPORT 2024



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1. ESRS - General principles for the preparation and presentation of sustainability information

INTRODUCTION

This chapter outlines the general principles that we have followed in preparing and presenting our sustainability report, in accordance with ESRS, the new European Sustainability Reporting Standards, introduced by the CSRD and which came into force in 2024.

We have used reliable and verifiable data sources to measure and communicate our impact and our sustainability performance, such as internal reports, stakeholder questionnaires, external certification, industry benchmarks and public databases. We have also applied the principles of completeness, balance, consistency and comparability to ensure that the information provided is comprehensive, objective, consistent in terms of time and space, and comparable with that of other organisations.

Our sustainability report is structured according to the aspects examined by ESRS: general principles, environment (E), social (S) and corporate governance (G). For each area, we have presented the information required by the ESRS, following the specific guidelines and indicators.

Virtuous governance is a key element, to be considered as in addition to the ability to ensure sustainable economic company performance over time. Effective corporate governance ensures the constant monitoring of processes, the systematic evaluation of results, and the strategic planning of actions for continuous improvement.

The result is a sustainable decision-making process that respects all stakeholders.

In accordance with the EU Corporate Sustainability Reporting Directive, as of 2025, all large companies will have to publish data on their social and environmental impact. Itla Bonaiti embraced its commitment to more detailed transparency obligations in 2022, and sustainability information will be accessible online. The aim of the new regulations is to render companies more accountable and transparent to their stakeholders, who will be able to more easily assess the company's impact, thanks to facilitated assessment and comparison. The aim is that the compliance with these obligations will have a positive domino effect, from large companies to small and medium-sized enterprises in the supply chain.

GOALS

- Economic sustainability
- Health and safety
- Compliance, ethics and risk management
- Fighting corruption
- Training, education and development
- Supporting the territory and local communities where we operate

All the initiatives that Itla Bonaiti undertakes in pursuit of its development goals are in full compliance with the law, regulations and its own values.

By adhering to the European Sustainability Reporting Standards (ESRS) for the fiscal year 2024, the Sustainability Report marks Itla Bonaiti's gradual transition from the Global Reporting Initiative (GRI) guidelines to the ESRS framework and the EU CSRD.

Key modifications include a Double Materiality Assessment (DMA) aligned with ESRS requirements to identify significant Impacts, Risks and Opportunities (IROs) within processes and throughout the value chain. Accordingly, the report provides detailed insight into key ESG issues, along with related Policies, Actions, Targets and Metrics, where available.

It should be noted that, as Itla Bonaiti is progressively adopting ESRS and EU CSRD reporting standards, which will become mandatory in the 2026 fiscal year or later, as announced by the European Commission, some information required in the future may not yet be available.

Itla Bonaiti S.r.l.

With a view to guaranteeing accurate data and evaluation, Itla Bonaiti is implementing measuring systems on machinery to allow a clear assessment of the impact of processes.

DMA - Double Materiality Analysis

Since 2025, Itla Bonaiti S.r.l. has been developing ESRS-compliant Double Materiality Analysis (DMA). This process identifies and evaluates Impacts, Risks and Opportunities (IRO). According to ESRS, these IROs generate numerous reporting requirements, which are addressed in this sustainability report. The DMA process comprises the taking into account of impacts (inside-out) and financial materiality.

In other words, IROs are assessed from the viewpoint of both impact and financial materiality. If a topic is considered material from either viewpoint, it is included in the final list of material topics (see the table at the end of the paragraph).

With a view to involving relevant external and internal stakeholders in the materiality analysis process, the following groups were identified: employees, clients, suppliers, service providers and shareholders. In reality, it should be noted that Itla Bonaiti has, for many years, been engaged in ongoing dialogue with stakeholders, including clients, employees, suppliers, financial partners, associations, universities and research institutes with the aim of promoting and developing a shared understanding of sustainability.

All identified impacts were classified as follows:

- Potential positive (PP)
- Potential negative (PN)
- Actual positive (AP)
- Actual negative (AN)

Impacts were then assessed according to specific aspects. Actual positive impacts were analysed according to their scale and scope, while actual negative impacts were analysed according to their scale, scope and reversibility.

The probability of occurrence of potential impacts was included in the assessment, along with scale and scope. All aspects were rated on a scale of 1 to 5.

In terms of risks and opportunities, these were qualitatively assessed according to their probability of occurrence (from 1=unlikely to 5=frequent) and potential financial impact (from A=insignificant to E=highly critical).

Results of the materiality analysis related to sustainability issues

Topics		Impact analysis	Financial materiality	Double materiality
ESRS E1 - Climate Change	p. 19-26			
ESRS E2 - Pollution	p. 27-28			
ESRS E3 - Water and marine resources	p. 29-30			
ESRS E4 - Biodiversity and ecosystems	p. 31-32			
ESRS E5 - Resource use and circular economy	p. 33-35			
ESRS S1 - Own workforce	p. 36-42			
ESRS S2- Workers in the value chain	p. 43-45			
ESRS S3 - Affected communities	p. 46			
ESRS S4 - Consumers and end-users	p. 47			
ESRS G1 - Business Conduct	p. 48-50			

Letter to Stakeholders

Oggiono, 31/03/2025

To all stakeholders of Itla Bonaiti

For our company, SUSTAINABILITY implies constant and preferably growing environmental, social and economic well-being, with a view to providing future generations with a better quality of life than the present.

Driven by these values, in 2022 we developed a five-year plan of activities and projects with the aim of promoting a process of sustainable growth, leading us to become one of the leading European figures in the cold rolling of special high-carbon steels.

We firmly believe in the opportunities that this process will offer Itla Bonaiti, and the drawing up of our third Sustainability Report is the means with which we share our way of doing business. The writing of this document, which has been adapted to EU regulations for the reporting of sustainability initiatives to ensure that they are comparable in accordance with CSRD guidelines, has seen the involvement of all areas of the company and bears witness to the desire for openness, exchange and growth that Itla Bonaiti intends to pursue together with all its stakeholders.

The global geopolitical situation since 2023 has seen Itla Bonaiti facing a series of complex challenges and dynamics: the ongoing conflict in Europe and West Asia (with the consequent Red Sea trade crisis and repercussions on global energy supply), the instability resulting from the current shift in global geopolitics and, last but not least, uncertainties arising from the political and financial consequences of the “tariff war”.

Despite all this, Itla Bonaiti has managed to maintain production volume essentially in line with the previous year, albeit with a slight reduction.

All investments and related research and development activities are aimed at increasing the sustainability of processes and products. Following entry into full production of the new MINO 800 rolling mill and the blanking machine, both of which have contributed to an increase in production capacity that allows Itla Bonaiti to provide customers with improved services, the investment plan includes the commissioning of the new hardening and tempering process, which came into operation in autumn 2024.

We have maintained our focus on the “Qualità 360°” (360° Quality) project with the aim of increasing the quality of our products and, consequently, customer satisfaction, with the secondary, but no less important, effect of reducing returns and consequently minimising CO₂ emissions related to the reworking or scrapping of rejected material.

We continued along our path towards digital transformation by accompanying the production of every single order with its relative digital process in order to obtain full traceability, and over the course of 2024, we progressively optimised the tools required for paper-free management (the mandatory substitute storage of all accounting documents).

We continue to believe that the process of internationalisation is indispensable for our development, and thanks to the work of the international sales department, we have managed to increase export quotas.

Passion and innovation are what drive Itla Bonaiti on the strategic path of continuous growth that leads to the creation of sustainable value for its stakeholders.

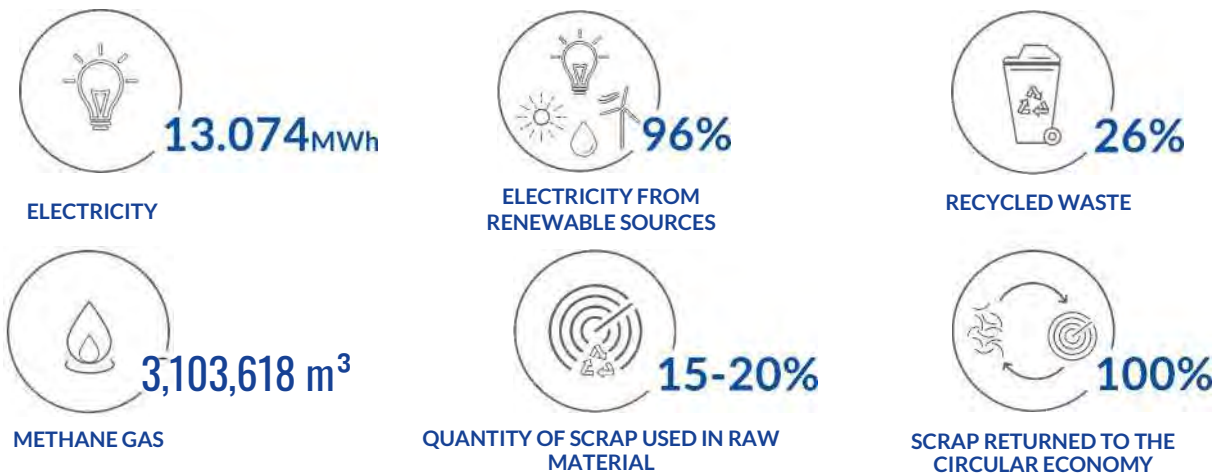
Happy reading

KPI 2024 HIGHLIGHTS

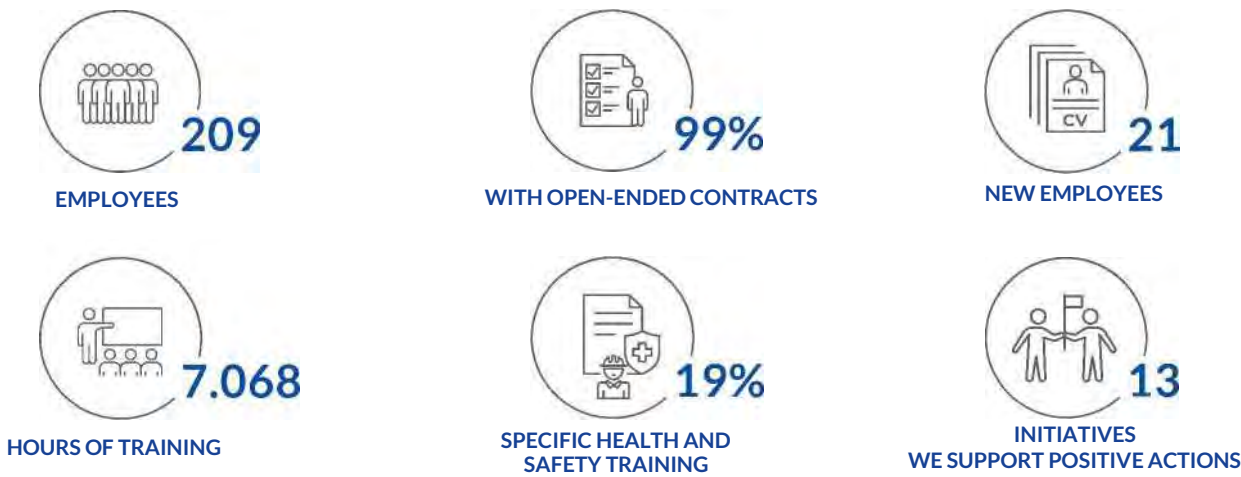
ECONOMIC SUSTAINABILITY



ENVIRONMENTAL SUSTAINABILITY



SOCIAL SUSTAINABILITY



2. ESRS - Profile and identity of Itla Bonaiti

INTRODUCTION

*In this chapter, we provide a general overview of our **organisation** and our main activities. This includes a description of our business model, our strategic goals, and how we are concretely committed to sustainability.*

2.1 BUSINESS MODEL: CORPORATE STRUCTURE

The corporate structure of the limited liability company Itla Bonaiti changed at the end of 2022, with ITLA S.p.A. becoming the *sole shareholder* by acquiring 35% of the shares owned by the company F.Ili Giuseppe Bonaiti S.r.l..

The strategic vision pursued in recent years to consolidate and develop Itla Bonaiti was confirmed, with the aim of leading the company to become one of the principal competitors in the European cold high-carbon steel re-rolling sector.

To this end, it is essential to develop a strategy that involves all the company's stakeholders, so that everyone plays a leading role in the achievement of development goals, beginning with international development, moving on to the diversification of products and finishes and arriving at the project launched in 2023 for "360° Quality".

2.2 VISION AND MISSION



We are a company that creates value by cold rolling special steels, providing clients with excellent products and services.

We base our work:

on people, without any form of discrimination, promoting their safety, well-being and training.

on the responsibility, integrity and transparency of our actions.

on the strength and development of our skills.

on passion, innovation and digitalisation.

We firmly support the reduction of emissions, doing more and wasting fewer resources.

We combat climate change, contributing to the transition of the supply chain towards low-emission steel.

2.3 STRATEGIC GOALS: UN - SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, the United Nations approved the Global Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) to be achieved by 2030. With half of the timeline for the implementation of the Agenda already passed, it is becoming increasingly clear that the concrete achievement of the goals requires the concerted involvement of all areas of society, from business to the public sector, from civil society to philanthropic institutions, from universities to research centres, and to cultural and information entities.

For the purposes of comparability and transparency, more and more companies are measuring their non-financial performance by describing how and to what extent they contribute to the achievement of the SDGs, and Itla Bonaiti also aims to assess its performance with these metrics.



2.4 COMMITMENT TO SUSTAINABILITY



For Itla Bonaiti, SUSTAINABILITY implies constant and preferably growing environmental, social and economic well-being, with a view to providing future generations with a better quality of life than the present.

This commitment requires responsible and effective corporate action for the benefit of its human capital, the surrounding area, organisations and administrations, as well as tertiary associations.

Itla Bonaiti has brought all of these aspects together in a **five-year plan launched in 2022**, which lists all the concrete actions aimed at improvement on the UN's four pillars of sustainable development on which the vision and mission are based. These specific actions will be presented in the chapters that follow.

2.5 PRODUCTION PLANTS

Itla Bonaiti has four production plants, which are substantially autonomous and not interdependent, with an overall covered area of 55,000 m². They differ mainly in size, rolling mill technology and type of finish, but each can individually complete the entire production cycle.

OGGIONO

- rolls, hardened and tempered rolls and sheets
- thicknesses of between 0.30 and 14 mm and widths of between 20 and 1.000 mm



PALAZZAGO

- rolls and spools
- thicknesses of between 0.10 and 4 mm and widths of between 3 and 800 mm



CIVATE

- rolls and sheets
- thicknesses of between 0.40 and 10 mm and widths of between 10 and 1.000 mm



MOGLIANO VENETO

- rolls
- thicknesses of between 0.10 and 6 mm and widths of between 7 and 460 mm



2.6 INNOVATION



Innovation and sustainability cannot be considered as two separate elements; on the contrary, it is to be understood that the combination of these two concepts can lead to significant forms of synergy.

Innovation involves the development and implementation of new ideas, technologies and processes to solve problems and improve results. Sustainability, on the other hand, is the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. The innovation of sustainable practices and technologies is crucial to ensuring a sustainable future, as it helps to reduce waste, conserve resources and mitigate the negative impact of human activity on the environment. As such, innovation and sustainability are key drivers of progress, and both must be pursued together to ensure a prosperous and resilient world for future generations.

Innovation is a process that requires not only advanced technology, but also the intelligence and creativity of the people involved. The skills of individuals and the ideas developed by workers are essential elements for innovation, as they enable original solutions to existing problems and the development of new business opportunities. Itla Bonaiti is convinced that in a constantly changing world, it is fundamentally important to value the contribution of each individual worker, offering them a stimulating working environment that promotes the sharing of ideas. Diversity in the experience and skills of individuals can

result in a unique combination of solutions, thus generating a competitive advantage for companies. Innovation thus becomes a driver for economic growth and a means to address social and environmental challenges. It is clear how central people are to the entire process of corporate sustainability.

Itla Bonaiti promotes both product and process innovation through digitisation and the structured use of new technology to provide our customers with increasingly higher quality.

2.7 PRODUCT QUALITY AND INNOVATION

The “360° Quality” project was launched in 2023, leading to the identification of the most critical production defects and the corresponding corrective and improvement actions for each Itla Bonaiti plant, with a view to positively influencing the quality standards expected by clients. On an operative level, the plan provides for the periodic reporting of defects in order to identify corrective action and promptly cascade it, through training, to the operators in all the plants. The philosophy on which the “360° Quality” operational plan is based is the premise that understanding the level of quality that customers require helps to recognise and prevent defects, and that a drive for higher levels of quality does not have a negative impact on productivity.



Plant-specific actions to correct defects mainly address problems characteristic of the machining process such as flatness, scoring, various forms of oxidation, thicknesses beyond tolerance levels, misaligned rolls.

Diversely, actions common to all plants that are the focus of attention include:

- optimising the management of the emulsion used in the Civate, Oggiono and Mogliano plants.
 - rationalisation and monitoring of raw material quality data.
 - implementation of checks to reject incorrect packaging.
- identification of correlations between maintenance data and defects in order to obtain improvements to the surfaces of products.

The company has also invested in control systems with a view to obtaining constant improvement in the limiting of defects in the supply chain. These systems have been designed by taking advantage of electronics and 4.0 technologies, with a dual purpose:

- The first, more immediate and immediately available, is to have access to an analysis of the product on request, which is no longer limited to samples of parts of the material, but rather covers the entire surface. This revolutionary approach will allow defects to be identified in advance and corrected, with data being shared with customers.
- In parallel, these detection systems are accompanied by the application of artificial intelligence, which is capable of analysing a much larger amount of data than available until now, assisting operators in the identification of patterns and correlations between the detected data, production cycles and raw materials. A much more extensive analysis of the downstream process, from procurement to the determination of production cycles, will be possible, with the dual advantage of preventing recurring faults and increasing process efficiency from both an economic and quality point of view.

Investments in intelligent control systems concern the following:

- A Parsytec surface-defect analysis tool on a slitting line, which uses advanced tracking technology to scan the entire surface of machined products. High-resolution cameras allow real-time scanning and fault-reporting for the entire surface of coils. These reports are then catalogued and analysed by the artificial intelligence system.
- For another circular cutting machine, testing is currently under way on an automatic straightness detection system, which, similar to the previous example, will allow for the immediate detection of any undesirable shearing flaws on the edges of the material throughout its length and to share the data with the end user. If tests prove positive, the system will be applied to every shear.
- 2023 saw the study of the development of a continuous flatness and dimensional analysis tool for the new blanking system, with measurement of the tolerances of the sheets produced, including the correctness of angles. This system was implemented in 2024.
- Again in 2024, an X-ray measuring system was installed on a Sendzimir rolling mill for the continuous measurement of the thickness and profile of the material being produced, with the reporting of faults related to the tolerances

guaranteed to the client.

In 2020, Itla Bonaiti S.r.l. joined the Politecnico di Milano's JRC-Matt (Joint Research Centre for Metal and Transformation Technologies), a consortium of companies operating in the steel and steel-processing sector, which annually entrusts university researchers with research projects on topics of common interest. On the one hand, this partnership allows research to be outsourced to a qualified entity at the forefront of the European scene, at the same time doing so for topics that involve numerous companies in the supply chain, sharing efforts and focusing investment. Obviously, the collaboration with the Politecnico di Milano is not limited to the consortium's projects but is gradually expanding to involve other areas of the company, in particular technologies related to the new plants currently being set up.

In 2024, a laser system for checking flatness and diagonals/off-pitch lines on the rolling/blanking system was developed in cooperation with the Politecnico di Milano. This system allows the geometry of each individual strip to be measured, meaning that any that do not meet customer specifications may immediately be identified and discarded. This constant monitoring activity results in a reduction in the need for manual inspections and an increase in overall production efficiency. Furthermore, the prompt identification of anomalies avoids the shipment of non-compliant material and helps to limit waste, as sorting takes place in real time, eliminating the need to reject entire pallets of sheets later.



Levelling
Sheets

materials with a resistance of up to 1,000 Nw
lengths of between 300 mm and 6,000 mm
widths of between 300 mm and 1,000 mm
thicknesses up to 10 mm



Civate plant - Levelling and blanking system with automatic packaging

The other processing stage subject to revolution and leading to product innovation is that of hardening and tempering. The lead hardening and tempering line in the Civate plant was decommissioned and sold in 2022, as it was no longer competitive and was a source of pollutants that required management through complex procedures to prevent these pollutants from entering the environment. A state-of-the-art hydrogen hardening and tempering system for the continuous production of hardened and tempered steel was ordered in 2020. The new system, which has involved extensive investment not only for the system itself, but also for the associated logistics and construction works, allows for a significant expansion of the product range. It was necessary to purchase an industrial area adjoining the Oggiono plant for the installation of the new hardening and tempering line, where Itla Bonaiti began construction of a dedicated building in 2022 that was completed in the first half of 2023, after which the installation phase for the hardening and tempering system itself began.

Assembly and testing were completed in October 2024, with the subsequent commissioning of the system. The machine, a modern industry 4.0 concept, is equipped with all the electronics required for product quality control and real-time production data analysis, as well as the highest operator safety requirements. In line with the installation of the system, a production and sales team dedicated to the development of tempered steel is being set up at Itla Bonaiti.



Oggiono plant - Hardening and tempering line

+QT strips

Tempering

up to 650mm wide
thicknesses of between 0.2 mm and 4 mm

with hydrogen



Oggiono plant - H+T Blue oven steel strip

2.8 PROCESS INNOVATION

In terms of process innovation, 2025 saw the implementation (following studies over the course of 2024) of a programme that tracks the quality of the entire production process. This system allows operators to immediately report any defects or anomalies found on the material during processing, ensuring constant quality control throughout the entire production process. Each report is recorded and subsequently analysed by production managers, who assess the origin of the problem and identify the most appropriate solutions to ensure that the finished product meets required standards. The traceability of defects allows for the creation of a detailed history, providing a clear overview of the most common problems. This enables proactive measures to be taken to improve product quality and reduce the percentage of scrapped material.



Oggiono plant - MINO 800 rolling mill

In terms of software, the modernisation of production management was completed and implemented in the Microsoft Dynamics 365 management software currently used by administration and sales. In addition to the clear benefits of integration with other company functions, this will lead to new methods for the management of production processes, first and foremost in terms of logistics and physical warehouses. The aim is to provide operators with a system that makes information more usable, both in terms of input and analysis, and that allows for development and improvements in the management of operational flows. Order Management, which represents this new management system, is able to calibrate flow within the various operations at Itla Bonaiti, rendering client orders easier to process.

Itla Bonaiti has also completed the modernisation of the control system for the furnaces, as well as their interconnection. The supervisor, i.e., the software system that governs furnace operation and records all processing data, has been completely overhauled for all systems. The implementation of the scheduler in the Microsoft Dynamics 365 management software provides access to integrated data analysis, optimising the management of material loading into the furnaces.

These new systems, accompanied by the required hardware modifications to the system (pipes, valves, measurement systems, etc.), allow for more effective programming of processing, including remotely, as well as greater control of production and the typical availability of more extensive and accurate data for subsequent analysis for development purposes.



Furnace revamping

Atmosphere

furnace control up to level 3
supervision

hydrogen



Oggiono plant - New pit for furnace revamping

Furthermore, the aim of Itla Bonaiti is to focus on reviewing the entire production process with a view to identifying and resolving inefficiencies. To this end, the company plans to track consumption on a job-by-job basis, allowing us to provide our clients with the exact level of Scope 2 emissions related to the material supplied. This project plays an extremely significant role in providing in-depth meaning to the average value on which Itla Bonaiti has based all its analysis so far. The role of Energy manager will be established, and an energy management software system will be put in place to supervise energy consumption on a plant-by-plant basis.

2.9 INTERNATIONALISATION

Ever since it was founded, Itla Bonaiti has always actively strived for the internationalisation of its products, pursuing a strategy of growth in markets close to Italy as well as the development of markets further afield. For Itla Bonaiti, internationalisation represents an important step towards economic sustainability, as foreign markets offer the greatest potential for development in terms of volume and product type. The company has an open and flexible mindset, allowing it to adapt to cultural differences and to the needs of clients in foreign markets.

Active in more than 24 countries, it has invested in recent years in setting up an export office that offers competence in terms of trade, foreign languages and export procedures. Specific resources have been recruited to strengthen this department, which has shown satisfactory results and paved the way for the future development of exports for Itla Bonaiti. The company works with an external consultant for customs compliance and export-related documentation in general. Additionally, it has signed up with the REX system for exports to the UK and has begun the process of becoming an AEO-approved exporter with the Customs and Monopolies Agency.

In 2022, particular attention was focused on the introduction of various national regulations that implement the European directive on packaging and disposal in order to comply with the new laws that have come into force.

The company has invested in participation in the international trade fairs held annually in Hannover (EuroBLECH) and Stuttgart (Blechexpo) and has begun research activities and collaboration with agents in numerous European and non-European countries.



Stand at the EuroBLECH trade fair in Hannover 2024

39% of turnover from export

24 countries [Bosnia, France, Germany, the United Kingdom, the Czech Republic, Slovakia, Slovenia, Spain...]

11% new customers in 2024

2.10 DIGITALISATION

In 2024, Itla Bonaiti followed up its investments in digitisation and process improvement by optimising the projects launched in previous years.

In particular:

- After having implemented Microsoft Dynamics 365 software in the management of production planning and scheduling, in 2024 Itla Bonaiti carried out a more in-depth study of sales order confirmation flow management, implementing an approval flow concerning both the control and verification of the correct client consignment date in accordance with the relevant schedule. Load volumes for each plant can be recalculated according to budget in order to highlight peaks in processing or periods of low activity. This has led to a significant improvement in synergy between production and sales.
- Following the implementation of document archiving for various processes commenced in recent years, 2024 saw the almost full completion of the Human Resources digitisation project. This transformation has allowed for streamlined and efficient control via an app on each employee's smartphone, providing them with a single source for all necessary company-related information, from pay slips to holiday schedules, from leave requests to expense report management.
- In terms of the process to integrate the plants with the IT system, 2024 saw a new level 3 flow for the heat treatment furnaces in all plants. The "scale of integration", from 1 to 3, indicates the extent to which the various systems are interconnected and able to dialogue with the IT system, exchanging data with the dual purpose of monitoring the specific process, with the gathering of relative data for analysis, and allowing the "remote" control of systems, providing active support to machine operators. As a result of this IT operation, it is now possible to set up furnace scheduling via the management system. This means that data are sent directly to the machine supervisors, avoiding all forms of error and speeding up furnace loading. Once heating is complete, processing data are automatically transmitted to the management system. The furnaces are consequently fully integrated to level 3 in the management system.
- In line with the provisions of the European NIS2 Directive with regards to cybersecurity, assessment activities continue in order to prepare and to equip the company with risk management measures as listed in article 21, point 2 of the Directive, and which include:

1. risk analysis and IT system security policies.
 2. incident management.
 3. business continuity, such as backup management and disaster recovery, and crisis management.
 4. supply chain security, including security aspects concerning the relationship between each entity and its direct suppliers or service providers.
 5. security regarding the acquisition, development and maintenance of computer and network systems, including vulnerability management and disclosure.
 6. strategies and procedures to assess the effectiveness of cybersecurity risk-management measures.
 7. basic cyber hygiene practices and cybersecurity training.
 8. policies and procedures regarding the use of cryptography and, where appropriate, encryption.
 9. human resource security, access control strategies and asset management.
 10. the use of multi-factor authentication or continuous authentication solutions, secure voice, video and text communications and emergency communication systems protected in-house, where required.
- Lastly, 2024 saw the activation of the management system quality module, with the management of complaints, returns and non-conformities. Furthermore, precise roll defect management has been implemented for every phase of operations: anomalies that do not conform to process standards for roll characteristics are recorded directly in the systems.

A new set of data is currently being collected, which will be analysed in order to improve processes and products.

E1.ESRS - Climate change

INTRODUCTION

In this chapter, we will examine the impact of climate change on our organisation and how we are responding to this global challenge. This includes an examination of how climate change affects our operations and how we are working to reduce our greenhouse gas emissions.

E1.1 REDUCTION OF GREENHOUSE GAS EMISSIONS: REDUCTION OF EMISSIONS FROM THE SUPPLY CHAIN

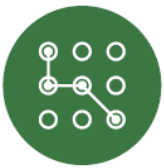
Reducing emissions from the supply chain is one of the most important challenges in combating climate change. This requires the implementation of a series of actions aimed at reducing greenhouse gas emissions throughout the entire life cycle of a product, from the production of its raw materials to its assembly, and to the end of its useful life. This requires commitment from all stakeholders, including manufacturers, suppliers, distributors and consumers.



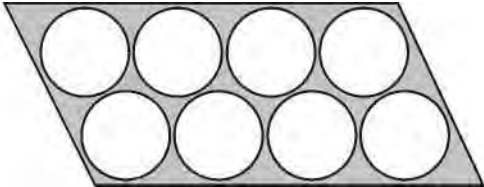
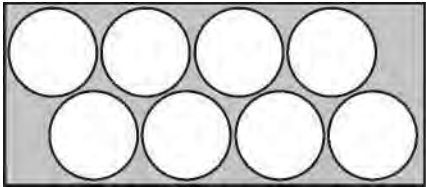
Itla Bonaiti is positioned at the head of the steel chain, immediately downstream from steel mills, and plays an important role in sending further downstream actions that can be taken to reduce overall emissions. These actions can include the adoption of more efficient and sustainable production processes, the use of low-environmental-impact technologies and the optimisation of transportation and logistics, right up to end consumers, who can contribute by adopting responsible behaviour, such as choosing low-environmental-impact products and reducing waste.

Chapters 2.6, 2.7 and 2.8 on innovation and chapter “E1.ESRS - Climate Change” describe the initiatives undertaken by Itla Bonaiti to bring processes within the supply chain that help to combat climate change.

The reduction of emissions in the supply chain is essential to meeting global greenhouse gas emission reduction targets and to mitigate the effects of climate change.



One example of emission reductions in the supply chain, introduced through product innovation implemented by Itla Bonaiti, is the possibility of producing not only rectangular sheets, but also parallelepiped-shaped sheets, so that die-makers producing staggered parts minimise material waste.



E1.2 PROCESSING OF LOW-EMISSION STEEL

The goal of introducing low-emission steel goes beyond sourcing, and also implies adapting the production process to be low-emission. As will be discussed in more detail in paragraph E1.4, Itla Bonaiti is making significant investments in the research and development of new steel-processing technologies and processes in order to reduce CO₂ emissions per ton consigned to clients.

Itla Bonaiti is also focusing attention on understanding how the European regulator aims to move in terms of the “labelling” of CO₂ in the steel industry; changes are constant, and a precise roadmap has not yet been identified. As of today, the ETS - Emission Trading System - is in force in Europe and is binding for steel mills. The ETS grants each steel mill a certain amount of CO₂ that can be emitted from its steel production every year. If it is virtuous and manages to emit a lower amount of greenhouse gases, it will have a surplus of ETS allowances that it can sell on the market. On the contrary, if its production emits more greenhouse gases, it will have a deficit of ETS allowances that it will have to acquire on the market. ETS allowances issued by the European regulator are more stringent with each passing year, with the aim of forcing companies involved to invest in the reduction of CO₂ emissions. For Itla Bonaiti, this system represents a risk for the purchase price of steel, as this will also be influenced by the price of ETS allowances, as well as the unknown factor of when the system will be extended to the supply chain at the re-rolling level, thus becoming subject to the mechanism itself.



The reform of the ETS saw the implementation in October 2023 of the new Carbon Border Adjustment Mechanism (CBAM), created to protect the European market from imports from countries without emission constraints. We made our first declarations for imported non-EU goods in 2024.

E1.3 IMPACT OF CLIMATE CHANGE: ASSETS AND PROCESSES

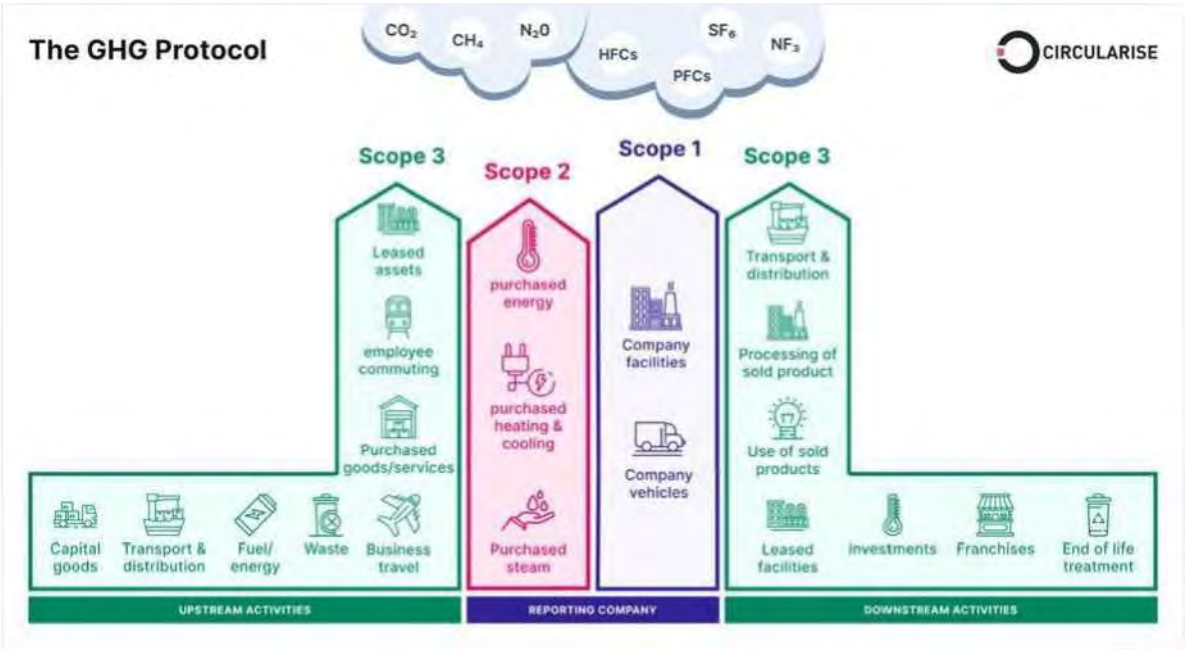
The fight against climate change undertaken by Itla Bonaiti cannot be limited to simply sourcing low-emission steel, and for the coming future of green steel, the company has a clear idea of the role that enterprises play in implementing actions with the aim of using resources and energy as efficiently as possible. As an operator in an energy-intensive sector, Itla Bonaiti assesses the direct and indirect climate impact of its assets and production processes with the aim of reducing them as much as possible. Itla Bonaiti is convinced that methods can be found to **produce more, using fewer resources**.

The reduction of energy and raw material resources per ton produced not only represents cost savings for the company but serves as a true performance indicator on a par with productivity. To this end, the role of production data analyst is increasingly central to providing clear guidance to decision-makers.

Itla Bonaiti focuses on the precise monitoring of Scope 1 and Scope 2 emissions, for which it is directly committed to reduction in line with European Fit55 targets, i.e., to reduce its greenhouse gas emissions by 55% by 2030 in relation to 1990 levels. Due to its inherent complexity, Scope 3 will be analysed in the coming years and will also be part of a dedicated reduction scheme; at present, there is a risk that a series of inferences would render the value obtained unreliable. This does not mean that the company is not committed to Scope 3 issues, and it places strong emphasis on raw material procurement, resource efficiency and transportation.

GOALS

- Waste management
- Energy efficiency
- Reduction in emissions per ton produced
- Lean manufacturing

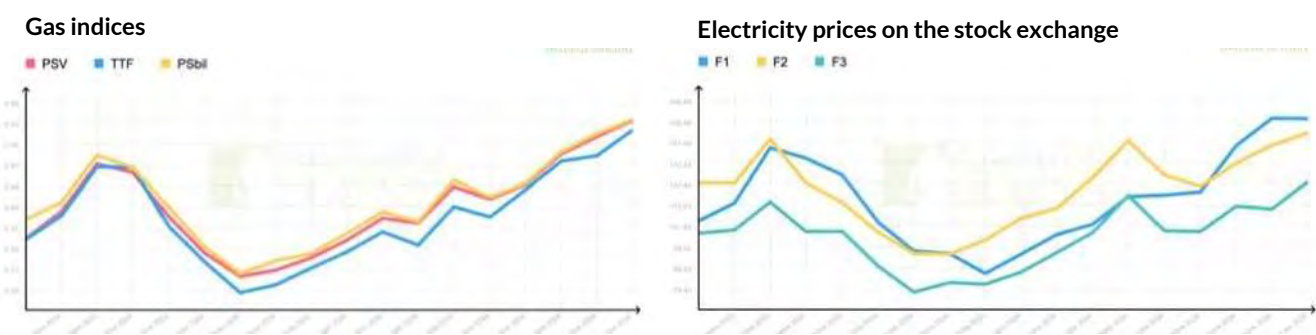


Circularise - The GHG Protocol

E1.4 RESPONSE TO CLIMATE CHANGE: ENERGY EFFICIENCY



The energy issue has been a highly topical matter since 2022 - although currently more mitigated - when, in the wake of the outbreak of conflict in Ukraine, we entered a period of crisis regarding the availability of methane gas, of which Russia was the largest supplier to the European Union. Methane gas that was not only a primary source for heating, but also for electricity generation, the price of which greatly increased, following the same trend as the price of methane gas. Since the end of 2022, the crisis has receded and although energy costs have not returned to pre-pandemic levels, they have at least stabilised. This scenario gave further impetus to a whole series of initiatives taken by Itla Bonaiti to reduce energy consumption and render it more efficient.



GAS and Electricity Prices - source Servizi per le utenze (serviziperutenze.it)

Shortly before the outbreak of the energy crisis, the company had already voluntarily undergone an Energy Audit involving its four plants, commissioned from the Confindustria Northern Lombardy Energy Consortium. The results played an extremely important role in developing a plan for energy efficiency and for the introduction of photovoltaic systems for the onsite generation of renewable energy. The plan for the purchase and commissioning of the photovoltaic systems will see a total of 4.5MW distributed over three plants to take place over the next three years.

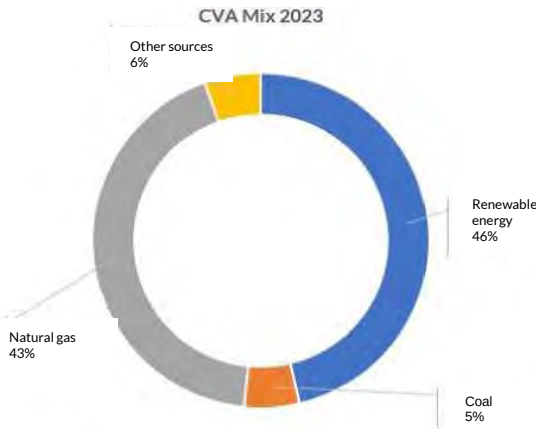


In 2023, the photovoltaic system was installed on a section of roofing on the buildings in Oggiono, and was commissioned in 2024. It is a solar power generation system of significant size, capable of generating up to 1 megawatt of electrical power under optimal solar radiation conditions. 95% of the power produced is consumed in-house and accounts for about 8% of overall electricity consumption.

An expansion of the Oggiono system is planned for the end of 2025, with an increase to 2 megawatts of power, and this will be followed by the installation of a similar system at the Palazzago plant.

Electricity is supplied through the Confindustria Northern Lombardy Energy Consortium, and through ongoing cooperation with the supplier CVA S.p.A., the majority of whose sources are renewable. Itla Bonaiti continues to campaign politically with the Northern Lombardy Energy Consortium to ensure that the choice of supplier is not only based on economic considerations, but also on the mix of sources, favouring renewables. Electricity suppliers certify fuel mix data at the end of June of the following year. As a rule, we use the previous year as reference for describing our consumption and therefore 2023 is the reference for 2024.

In 2023, the CVA energy mix showed significant improvement over 2022. In particular, the share of energy produced from renewable sources increased from 36.95% to 46.31%; this increase was mainly due to higher photovoltaic and wind power production, which saw respective growth of 10.6% and 15%.



Sources for CVA electricity production



Oggiono building - 1MWH photovoltaic system

In addition, in 2024 Itla Bonaiti purchased green credits from CVA amounting to 4.6 MWh. CVA’s “green conditionalities” represent a set of requirements and measures that energy-intensive companies must adopt in order to access general system charge benefits. These measures include ensuring that at least 30% of electricity consumed is from CO₂-free sources, which can be achieved through onsite-generation of electricity, the purchase of electricity through fixed-term contracts with renewable energy producers (Power Purchase Agreements - PPAs), or the acquisition and cancellation of Guarantees of Origin.

Companies can obtain increased benefits by reducing their carbon footprint for electricity consumption, to cover at least 50% of their energy demands from renewable sources.

These measures form part of the European Commission’s recently reformed regulations regarding tariff benefits.

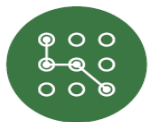
13,074 MWh	electricity consumption in 2024
96 %	electricity consumed in 2024 from renewable sources
3,103,618 m ³	methane gas consumption in 2024
-3 %	in comparison to 2023
6,158 tons	greenhouse gas emissions

E1.5 REDUCTION IN EMISSIONS PER TON PRODUCED

Itla Bonaiti has, for some years now, been pursuing Lean Manufacturing, which is a production approach that focuses on minimising waste and optimising workflow. This methodology was developed by Toyota in the 1950s and later adopted by many other companies around the world. Today, it is more relevant than ever in reducing the waste of resources and consequently emissions per ton of steel produced. This system recognises seven types of waste:

1. *Overproduction*: production of more products than the market demands.
This has little impact for Itla Bonaiti, as the company works on commission.
2. *Waiting*: time spent waiting for resources or upstream processes.
The digitisation of production will provide the key elements for monitoring this form of waste.
3. *Transportation*: the unnecessary movement of materials.
The creation within the organisation of a figure for the management of all company transportation aims at reducing waste to a minimum.
4. *Motion*: movement of personnel that adds no value to the product.
This is of little impact to Itla Bonaiti, which trains its workers in each plant to be specialised and experienced, in order to minimise waste caused by a lack of knowledge.
5. *Defects*: the production of defective products or products that do not meet customer expectations.
For Itla Bonaiti, quality as a fundamental element of doing business is embodied in the goal of ZERO COMPLAINTS, with the dual aim of creating customer satisfaction and avoiding resource waste. The handling of each return creates multiple levels of wasted resources, right up to the total scrapping of the order.
6. *Over-processing*: processing of a product beyond what is necessary.
Itla Bonaiti is committed to identifying the right machining process to achieve the physical, chemical and mechanical characteristics required by the customer while minimising the number of machining operations and energy resources used.
7. *Inventory*: accumulation of materials or products that are not needed.
Of little impact for Itla Bonaiti, which adopts a procurement policy aimed at maintaining stock unchanged.

For Itla Bonaiti, eliminating these forms of waste is a process of continuous improvement, composed of incremental steps in the form of instrumental or process innovations in order to maximise product quality and reduce production costs.



Two examples of individual Lean Manufacturing measures applied in the company with the aim of solving *over-processing* resulted in significant savings in resources while maintaining results:

- 1) - 28% annealing - wasting less methane gas and freeing up production space
- 50% rolling - wasting less electricity and freeing up production space
- 2) - 54% annealing - wasting less methane gas and freeing up production space
- 100% rolling - wasting less electricity and freeing up production space

E1.6 TRANSPORTATION

The transportation sector is a major contributor to Scope 3 greenhouse gas emissions, mainly due to vehicles that use fossil fuels. A move to rail transportation could make a significant contribution to reducing CO₂ emissions. In fact, rail transportation creates less pollution than road transportation, as trains emit less CO₂ and other air pollutants per unit of transported load. Furthermore, trains have greater transport capacity than road vehicles, which means they can transport more goods with fewer emissions.



As early as 2022, Itla Bonaiti completed the transition from road to rail transportation for all incoming tons of raw material steel from steel mills to its bonded warehouses, save for isolated cases due to force majeure.

The final remaining section of road was from the port to the bonded warehouse, resulting in the avoidance of significant Scope 3 emissions, as summarised in the table below.

	TRAIN	TRUCK	SAVINGS
Primary energy [MJ]	150,577.82	811,432.72	-81.4 %
Carbon dioxide [tons]	5.37	48.76	-89.0 %
CO ₂ equivalent [tons]	5.85	49.78	-88.2 %
Nitrogen oxides [kg]	8.16	201.18	-95.9 %
Non-methane hydrocarbons [kg]	1.97	18.35	-89.2 %
Sulphur dioxide [kg]	7.61	52.76	-85.6 %
Fine particles [kg]	1.08	6.19	-82.5 %

Data certified by Mercitalia Rail S.r.l., Gruppo Ferrovie dello Stato Italiane S.p.A.
 -> hypothesis: 40-ton trucks, 28 tons net of goods, 70% load factor (equivalent to 521 trucks)

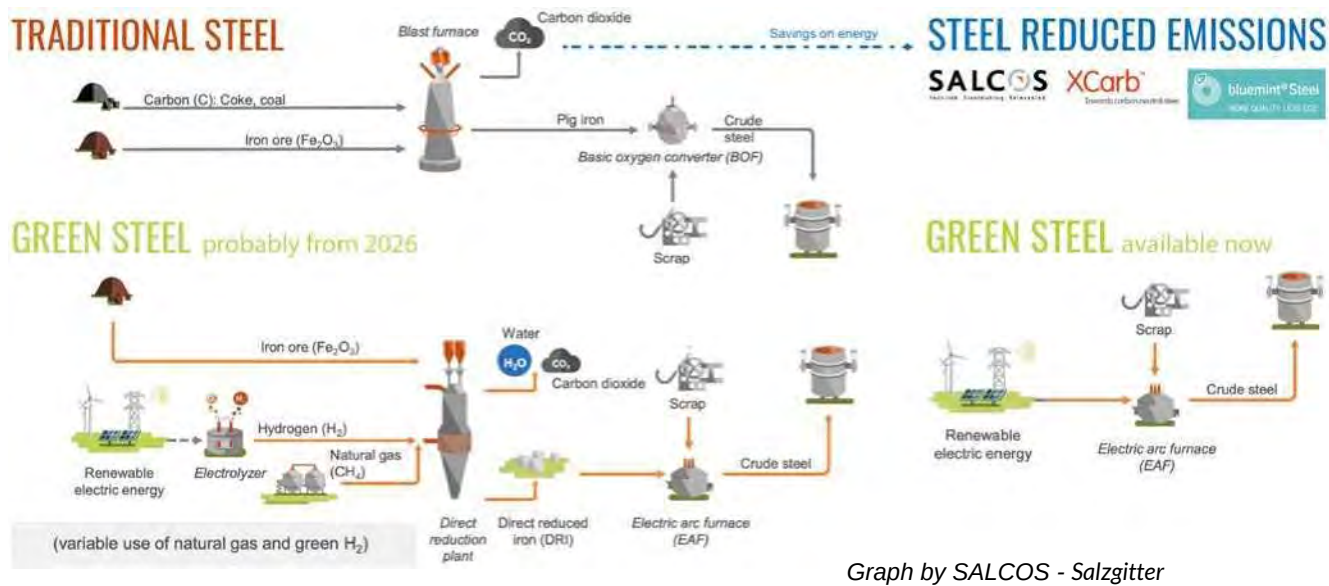
E1.7 LOW-EMISSION STEEL

The transition to green steel is a process that is crucial to reducing carbon emissions in the steel industry. Steel is one of the most widely used materials in the world, but its traditional production from iron ore is an extremely polluting process that contributes significantly to greenhouse gas emissions. This transition requires significant investment in technology and infrastructure, but results in huge long-term benefits in terms of reduced CO₂ emissions and environmental impact.

Steel is an energy-intensive product and a major emitter of CO₂, but it is also a raw material that drives the circular and low-emission economy. Itla Bonaiti is aware of the current challenges in reaching the targets for reducing emissions and the consequent mitigation of the increase in average global temperature within the limits set by the Paris Agreement; it considers the circularity of raw materials and the production of low-impact steel as a cornerstone of the company's sustainability strategy.

Currently, the only green steel available on the market is steel from electric furnaces powered by renewable energy and scrap. Unfortunately, in the specific case of high-carbon steels, used for most of the applications of Itla Bonaiti's clients, this technology does not achieve the same deformability that steel produced by traditional blast furnace methods offers. To achieve this performance, we have to wait for the first blast furnace systems fuelled with pre-reduced ore and hydrogen, which will be operational around 2026. In the meantime, Itla Bonaiti is working to secure supplies of the small quantities of low-emission blast furnace steel that producers began to offer the market in 2022. These items are low-emission steels offered by the leading European steel mills.

We are, however, set up to supply certified zero-emission steel through the purchasing of certificates to compensate for the low level of residual emissions.



Itla Bonaiti is aware of the problems of precise CO₂ traceability and “greenwashing” policies, and the aim of this sustainability report is to provide a clear indication of its firm commitment to the matter, with tangible actions and measurable results, even if these may appear modest compared to “zero-impact” or “climatically neutral” slogans that are in many cases based on climate offset campaigns with dubious actual calculations regarding the emissions compensated. Every one of Itla Bonaiti’s actions is intended to be substantial in order to make a real impact in mitigating the climate crisis.



- In 2022, Itla Bonaiti signed a Memorandum of Understanding with the Thyssen-Hohenlimburg steel mill to secure quotas of their low-emission steel BlueMint®.
- In 2023, the company signed a Memorandum of Understanding with Vulcan Steel in Oman to secure quotas of their low-emission steel.
- In 2024 Itla Bonaiti initiated discussions regarding a possible preliminary accord with Metinvest, an international group operating in the mining and steel sectors, to secure sustainable steel quotas from their soon-to-be-built plant in Piombino.

100% of Purchasing Department staff at all locations have been trained in sustainable procurement

2 suppliers with whom an agreement has been signed for the supply of low-emission steel

E1.8 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that play a significant role for us in terms of **Climate Change**. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

	Category	Value Chain			Timeframe		
IRO	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Energy consumption from own production processes	AN		✓	✓	*	*	*
Contribution to climate change through company greenhouse gas (GHG)	AN		✓	✓	*	*	*
Risks							
Deterioration of credit rating		✓	✓	✓		*	
Business losses due to non-compliance with client requirements		✓	✓	✓			*
Risk to the organisation's assets due to climate change			✓		*		
Disruption of business processes, including the value chain		✓	✓	✓		*	
Increase in energy costs/prices		✓	✓			*	
Opportunities							
Increased consumption of energy from renewable sources			✓		*	*	
Use of low-emission steel		✓				*	
Increase in credit rating		✓				*	

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)
 Value chain: U (Upstream) | O (Own Operations) | D (Downstream)
 Time horizon: in years

SUMMARY OF POLICIES, ACTIONS, TARGETS AND METRICS

POLICY	Corporate policy on Environment, Health and Safety
ACTIONS	See par. 2.6, Innovation, par. 2.7 Product Quality and Innovation, par. 2.8 Process Innovation (p.11-17), par. E1.4 Response to climate change: energy efficiency (p. 21-22)
TARGET	Achieve 2050 neutrality targets
METRICS	See p. 22 / 24

E2.ESRS - Pollution

INTRODUCTION

In this chapter, we will discuss the impact that our operations have on pollution and the measures we are taking to reduce it. This includes an examination of how we are working to reduce air, water and soil pollution.



E2.1 ATMOSPHERIC POLLUTION

Hazardous and non-hazardous atmospheric emissions other than greenhouse gases can have differing impact on the environment and human health. One of the hazardous emissions on which Itla Bonaiti reports annually is lead, a toxic chemical that, in high concentrations, has negative effects on health. It should be noted that the concentration of lead emitted into the atmosphere is below the legal limit and completely ceased in July 2022, following the decommissioning of the quenching and tempering furnace at the Civate plant.

Non-hazardous emissions other than greenhouse gases (e.g. SOx, NOx, VOCs, PM, particles), such as those from the combustion of fossil fuels, can still have negative effects on the environment, such as air and water pollution, soil acidification and loss of biodiversity. Itla Bonaiti has adopted policies and technologies that reduce emissions of hazardous and non-hazardous substances to ensure a healthy and sustainable environment for all.



- All annealing oven vents are equipped with filters, the efficiency of which is checked periodically.
- At the Oggiono plant, the oil mist extraction system for a rolling mill was replaced, obtaining improved pollutant capture performance.

For each new system installed, its noise impact is forecast, and measures to mitigate the same are planned, supplementing the acoustic map of the plant in which it is installed.

6,665 g	Polycyclic Aromatic Hydrocarbons (PAH)
345,230 g	Particles
11,722,269 g	Nitrogen oxides (NOx)

E2.2 SOIL POLLUTION

Itla Bonaiti’s commitment to minimising environmental impact remains a cornerstone of its respect for sustainability. That said, at Itla Bonaiti production plants, values for soil pollution, which are also monitored through analysis carried out by ARPA through core drilling, remain naturally well below the regulatory limits as a result of the specific nature of the processes and the attention paid to waste treatment as well as the storage of materials and products on non-draining surfaces. Lastly, there have been no incidents such as spills or other activities that may have potentially compromised soil quality.

E2.3 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that are relevant to us in relation to the topic of **Pollution**. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

IRO	Category	Value Chain			Timeframe		
	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Air pollution caused by the emission of particulate matter and exhaust gases during our production processes and/or upstream/downstream in the value	PN	✓	✓	✓	*	*	
Soil contamination by pollutants upstream/downstream in the value chain	PN	✓	✓		*	*	
Water pollution from pollutants used during our production processes or used upstream/downstream in the value chain	PN	✓	✓		*	*	
Environmental impact due to the incorrect disposal of hazardous substances generated at our sites during the production of our products	PN		✓		*	*	*

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)

Value chain: U (Upstream) | O (Own Operations) | D (Downstream)

Time horizon: years

SUMMARY OF POLICIES, ACTIONS, TARGETS AND METRICS

POLICY	/
ACTIONS	See par. E2.1 Atmospheric pollution (p. 27)
TARGET	The actions described in par. E2.1 are part of our systematic efforts to minimise and reduce the environmental footprint of our corporate activities.
METRICS	See p. 27

E3.ESRS- Water and marine resources

INTRODUCTION

In this chapter, we will discuss the impact of our operations on water and marine resources and the measures we are taking to protect them. This includes an examination of how we are working to reduce water use, prevent water pollution and protect marine ecosystems.



E3.1 WATER MANAGEMENT

Efficient water management within a company is a crucial factor in ensuring the sustainability and environmental responsibility of the organisation. Itla Bonaiti, aware of the value of water, has set up a water consumption monitoring system to detect any leaks or inefficiencies to be resolved.

Domestic water consumption has remained essentially unchanged since 2021, while industrial water consumption, similar to 2023 levels for the Civate, Palazzago and Mogliano Veneto plants, has increased at the Oggiono plant following the commissioning of a new heat treatment furnace and due to the final stages of construction that began in 2023.

Staff are trained and provided information on the importance of water and the sustainable practices to be adopted, such as recycling and reusing water and the importance of putting it back into circulation cleaner than it was when it was drawn from the mains supply or from wells.

Itla Bonaiti is equipped with oil separators at the Oggiono and Palazzago plants for the treatment of oil-contaminated wastewater. In any case, the water from all the plants is analysed periodically for compliance with legal parameters.

16,192 m³	INDUSTRIAL water consumption
13,526 m³	DOMESTIC water consumption

E3.2 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that play a significant role for us in terms of Water and marine resources. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

IRO	Category	Value Chain			Timeframe		
	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Water consumption upstream/downstream in the value chain and/or at company sites and in production processes	AN	✓	✓	✓	*	*	

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)
Value chain: U (Upstream) | O (Own Operations) | D (Downstream)
Time horizon: in years

SUMMARY OF POLICIES, ACTIONS, TARGETS AND METRICS

POLICY	/
ACTIONS	See par. E3.1 Water Management (p. 29)
TARGET	The actions described in paragraph E3.1 are part of our systematic efforts to minimise and reduce the environmental footprint of our water consumption
METRICS	See p. 29

E4.ESRS - Biodiversity and ecosystems

INTRODUCTION

In this chapter, we will discuss the impact of our operations on biodiversity and ecosystems and the measures we are taking to protect them. This includes an examination of how we are working to reduce the impact on biodiversity and protect vital ecosystems.

E4.1 IMPACT ON BIODIVERSITY

The relationship between a company and biodiversity may be complex and influenced by a range of factors: Itla Bonaiti has thus analysed the areas of activity that could potentially interfere with the local biodiversity of its four plants. The fact that the four plants are located in industrial areas that have been in operation since the 1950s, and considering the commitment to sustainable environmental management that does not involve air or groundwater pollution, means that the company's activities pose no potential risks to local flora and fauna.

The Oggiono and Civate plants are located on the northern border of Brianza, a hilly area at the foot of the Orobic Pre-Alps, in an area particularly rich in lakes and woods bordering urban centres. Construction work for the installation of new systems at the Oggiono plant, in areas that had previously been cemented over, uncovered a healthy subsoil free of pollutants.

The Palazzago plant is located in the hilly area at the foot of the Bergamo Orobic Pre-Alps, rich in forests bordering urban centres.

The Mogliano Veneto plant is in the Venetian plain behind the Venice lagoon and the area that surrounds urban centres is almost entirely agricultural.





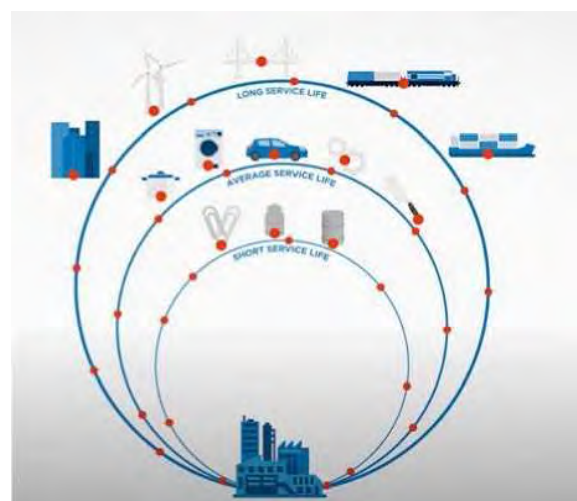
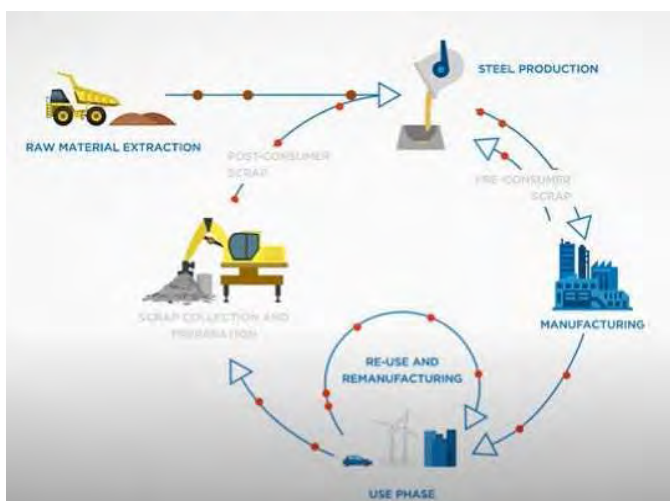
E5.ESRS - Resource use and circular economy

INTRODUCTION

In this chapter, we will discuss how our organisation uses resources and how we are working to promote a circular economy. This includes an examination of how we are reducing the use of non-renewable resources and promoting reuse and recycling.

E5.1 USE OF RESOURCES: PRODUCT CIRCULARITY

Steel is one of the most widely used materials in the world due to its strength and versatility. Steel production follows a circular process, which allows the material to be used and recycled efficiently. The life cycle of steel begins with the extraction of iron ore from mines, which is then transformed into crude iron and then into steel through smelting and refining processes. The steel is then used for the production of many goods, such as cars, ships, buildings and tools. At the end of their useful life, these objects can be dismantled, and the steel material recycled. Recycling steel saves resources and reduces the environmental impact of manufacturing new products. Thanks to the circularity of steel, it is possible to create a more sustainable economy and reduce the amount of waste that ends up in landfills.



The European Steel Association EUROFER - [YouTube video](#)

This intrinsic characteristic of steel is exploited by Itla Bonaiti in a virtuous manner, and 100 per cent of raw material steel production offcuts is recycled as scrap. The company is devising procedures to reduce this waste as much as possible, as presented in more detail in the following chapter “E5.2 - Circular Economy: materials, chemical products and waste”.

Itla Bonaiti is looking to introduce steel produced 100% from scrap in an electric furnace as part of its supply, aware that this material can only be used by a minority of customers due to the impurities present in the scrap (copper, nickel, molybdenum, tin, etc.).

100% of steel offcuts in production reintroduced as scrap into the circular economy

E5.2 CIRCULAR ECONOMY - MATERIALS, CHEMICALS AND WASTE

After having profoundly examined the raw material steel, which represents about 83% of supplies, Itla Bonaiti is committed to responsibly choosing the remaining 17%, which covers all the company's needs, from system operating materials to stationery, as well as personal protective equipment and much more.

To this end, a procurement evaluation procedure was implemented in 2022 that focuses on:

- ECONOMIC SUSTAINABILITY - all-round cost assessment
 - o taking into account the entire life cycle of the product and not just its use in the company.
 - o the estimating of disposal costs.
 - o examining hidden costs due to regulatory constraints.
 - o examining whether a purchase leads to savings or increases in energy costs.
 - o estimating maintenance costs.
- ENVIRONMENTAL SUSTAINABILITY - assessment of ecological impact.
 - o reducing - reusing - recovering - recycling.
 - o examining whether a purchase leads to savings or increases in energy consumption.
 - o verifying the disposal process.
 - o favouring products with low environmental impact certification.
 - o assessing the impact of transportation.
- SOCIAL SUSTAINABILITY - assessment of supplier responsibility.
 - o ensuring that the supplier does not violate the regulations in force regarding the welfare and protection of employees.

These supplies also include chemical products and hazardous substances for which there are specific procedures for use, storage, transport and disposal in accordance with current regulations; furthermore, each container is labelled with all the necessary information. Personnel who come into contact with these substances are equipped with the appropriate PPE and have been trained and informed on all the risks involved.

For the disposal of waste other than steel, which as explained in paragraph E5.1 is 100% recycled as scrap, a sorting and disposal process is followed in accordance with the relative EWC (European Waste Code). Itla Bonaiti has adopted the mapping of waste flows and all collection points for each plant:

- RECYCLABLE WASTE
 - o EWC 12 01 02: ferrous metal dust and particles
 - o EWC 15 01 06: mixed packaging
 - o EWC 13 02 08: other engine, gear and lubricating oils
 - o EWC 15 01 10: packaging containing residues of or contaminated by hazardous substances
- NON-RECYCLABLE WASTE
 - o EWC 15 02 02: absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances
 - o EWC 12 01 09: machining emulsions and solutions free of halogens
 - o EWC 13 05 02: sludges from oil/water separators



Plant of Mogliano Veneto - Separated waste collection - Collection of reusable cloths - Collection of materials contaminated with dangerous substances

Particular attention is paid to finding solutions that lead to a curbing of internal waste through the reduction, reuse, recovery or reprocessing of waste materials, for example, in 2022 Itla Bonaiti took action to reduce non-recyclable waste by extending the cloth rental and washing service (EWC 15 02 02) to all plants.



Training to raise awareness among employees on waste reduction and separation was carried out during the Energy Committee of April 2022, in the presence of the plant managers, the head of maintenance, the COO and the Safety and Environment Manager. In addition, during the five minutes dedicated to safety, all personnel in the production area are regularly reminded of the procedures for the proper disposal of all waste and the importance of taking care not to create any waste unless essential.

100%	recycled scrap - fed back into the circular economy
554 tons	generated waste not classified as scrap
60%	of waste is HAZARDOUS and is destined for specific treatment and disposal in accordance with legislation
14%	of waste is NOT hazardous and is destined for landfill disposal
26%	of waste is RECYCLED

E5.3 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that play a significant role for us in terms of use of resources and circular economy. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

IRO	Category	Value Chain			Timeframe		
	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Conservation of resources through closed-loop material cycles and high recycling rates	AP	✓	✓	✓	*	*	*
(High) consumption of resources, particularly in relation to production (including the entire value chain) and/or infrastructural measures such as the expansion of existing company sites and the construction of new sites.	AN		✓		*	*	*
Waste generated by our production processes and/or upstream/downstream in the value chain.	AN	✓	✓	✓	*	*	*
Risks							
Rising purchase prices and scarcity of resources		✓				*	
Opportunities							
Cost savings through efficient use of resources			✓		*		

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)
Value chain: U (Upstream) | O (Own Operations) | D (Downstream)
Time horizon: in years

SUMMARY OF POLICIES, ACTIONS, TARGETS AND METRICS

POLICY	See Company procedure on waste treatment
ACTIONS	See par. E5.2 Circular economy – Materials, chemicals and waste (p. 34)
TARGET	The actions described in par. E5.1 form part of our systematic efforts within the context of our ESG strategy to increase the percentage of reusable and recycled materials and reduce the amount of waste we produce through our daily operations, in order to protect the environment and conserve financial resources.
METRICS	See p.33 / 35

S1.ESRS - Company workforce

INTRODUCTION

In this chapter, we will discuss our workforce and our efforts to ensure their well-being and development. This includes an examination of how we value diversity, promote a safe and healthy working environment, and invest in the training and development of our employees.

S1.1 OUR OWN WORKFORCE



Itla Bonaiti considers as central the people who contribute every day to the achievement of all goals, be they economic, productive, social or environmental. In 2024, the company had a workforce of 209 people, including 21 new recruits. The workforce is 29% administrative staff and 71% manual labourers.

In accordance with legal regulations, with which compliance is ensured through external observers and the employees themselves, there is no illegal labour or employment of minors, or any type of work outside the scope of the law.

The company protects its employees on these issues through the application of the national collective bargaining contract, which contains specific indications related to equal opportunities, discrimination and the health and safety of employees in the workplace, all aspects that are constantly monitored by trade union representatives.

At Itla Bonaiti, the Human Resources department handles the management of trade union relations and human resources. Its responsibilities include verifying the proper application of the national collective bargaining agreement, through constant discussions with managers and trade union representatives, and by relative reporting to the board of directors. It is also constantly involved in decisions related to the economic aspects of personnel, reporting any anomalies and providing advice to managers with a view to avoiding inequalities.

The recruitment process is fully transparent, is clearly and formally communicated to all candidates, and provides both positive and negative feedback to all. During the selection process, a range of actions are implemented to prevent all forms of discrimination: human resources, the external consultant, the person in charge of the role and the board of directors are all involved in order to avoid preferential treatment that does not allow equal access to the position.

In accordance with the national collective bargaining agreement, the company communicates with the trade union representatives, who are elected in accordance with state regulations and present in each of the plants. Discussions are frequent and cover both formal aspects of direct relevance and all-round company initiatives, with the active involvement of all personnel. Relations are characterised by mutual cooperation, with a firm desire on everyone's part to maintain a calm climate in which solutions can constructively be identified.

A considerable part of the payroll, more than 8%, is allocated to second-level bargaining in order to provide incentives for the quality of the work that is guaranteed by the people working at Itla Bonaiti. There are numerous individual and collective incentives for productive growth and active collaboration. The rules for irregular working hours are respected, both in terms of quantity and remuneration, and in general facilitated hours are granted when required for personal needs (parental leave, part-time, etc.). The company provides its workers with the appropriate equipment for agile working and entrusts managers with organising this in agreement with the employees. In general, personal needs are catered for in the respect and pursuit of individual well-being.

Employees are always guaranteed the opportunity to discuss issues related to company life, working conditions, their relations with colleagues and more generally to any situations concerning their time in the company with their supervisors or management either directly or through their representatives. The HR department also provides for monitoring of the working environment and the identifying of answers to questions posed by workers.

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Salaries are adapted to levels and tasks and are negotiated in accordance with the national collective bargaining agreement, with the cooperation of the human resources department and trade union representatives, in full transparency. Salaries are in line with the average for the area and include, as already mentioned, a large percentage of fixed and variable second-level negotiation.

209	employees at Itla Bonaiti in 2022		
99%	open-ended contracts	1%	temporary workers
29%	offices workers	71%	manual labourers
8%	of the total payroll is related to second-level negotiation		

S1.2 DIVERSITY AND INCLUSION



The company uses the **National Collective Labour Agreement for the metalworking, mechanical engineering and system installation industry** of 5 February 2021, which contains specific provisions regarding equal opportunities, discrimination and occupational health and safety. The company protects its employees on these issues through the application of the contract, which is verified by trade union representatives.

Issues related to diversity and inclusion are governed by the code of ethics, which was updated in 2023 to incorporate the most recent advances in awareness on the subject and was approved in early 2024 by the Board of Directors.



Itla Bonaiti is committed to guaranteeing working conditions and environments that respect the law and contracts, protecting people and their rights. Interpersonal relationships must be managed with the avoidance of any form of abuse that is detrimental to personal dignity and autonomy. Discrimination and harassment against anyone on the basis of gender, race, religion, creed, age, ethnic origin, nationality, marital status, maternity/paternity, disability, sexual orientation or any other personal characteristic or condition is prohibited. A participative environment that accepts different opinions and values as long as they do not violate the rights of others is to be favoured.



Plant managers at Oggiono - Palazzago - Mogliano Veneto - Civate



Women account for 10 per cent of the total workforce, and 35% of office workers. There are no female manual labourers. It should be emphasised that, despite the company's efforts to find women to fill its available positions, the metalworking and mechanical engineering sector, particularly in the manufacturing area, continues to fail to attract women. A number of myths about the barriers to entry into production departments still need to be dispelled, such as the need to be in particular physical condition in order to carry out heavy duty work, which is now significantly reduced thanks to organisational measures and mechanical aids, or the fact that women are not mechanically inclined, when in polytechnics and stem subjects they achieve the same results as their male colleagues.

S1.3 OCCUPATIONAL HEALTH AND SAFETY

Itla Bonaiti invests considerable economic and human resources in creating a safe and healthy working environment for its employees.



Safety first is the motto that has accompanied the company since it was founded, represented specifically as part of the 2022-2027 sustainability plan through **I only act in safety**, and to this end, constant and concrete efforts are made to achieve the goal of **ZERO INJURIES**. Every person who comes into contact with the working environment and the company's products, be they employee, supplier or client, must perceive and actively contribute to this ongoing project, made to feel that they are in a completely safe environment when carrying out their work and that they play a conscious role in safe operational actions. These efforts must be constant, creating a proactive and effective mindset aimed at achieving this goal.

2023 also saw the commencement of the accreditation process for obtaining **ISO 45001** certification, which involved all components of Itla Bonaiti throughout 2024, with certification granted in 2025. The aim was to refine the framework of procedures to improve safety, reduce occupational risks and improve the health and well-being of workers, thus enabling increased health and safety performance for the entire organisation.

In particular, Itla Bonaiti is committed to ensuring a proactive approach to risk management, foreseeing potential hazards and acting accordingly to prevent occupational accidents and illnesses; it encourages the active participation of workers in the management of occupational health and safety, including the involvement of workers' representatives, in order to create a shared safety culture, with a view to ongoing improvement. Ongoing training is employed with a view to ensuring that everyone is aware of their duties and responsibilities in terms of health and safety.



HSO Oggiono - Civate and HSO Coordinator Palazzago - Mogliano Veneto

Working environments and machinery are set up and certified according to safety regulations, following an ongoing investment plan. In 2024, EUR 612,000 was invested to carry forward the process of upgrading the facilities and installing the new hardening and tempering furnace; each new installation is commissioned only once safety certification has been issued by both internal and external bodies. Further maintenance work and the purchase of materials related to safety involved a further investment of EUR 323,000.

Itla Bonaiti draws on operational procedures and structures related specifically to safety systems, such as:

- numerous procedures in accordance with Italian Legislative Decree 231/2001, in particular nos. 1, 2, 3, 9, 10, 12 and 13, which deal with the management of PPE, health surveillance, injuries, safety specifications in procurement, safety for maintenance activities and confined spaces, and the relative activities of the Supervisory Board.
- a first-level health and safety committee, which meets on a monthly basis with the board of directors and management and workers' representatives and addresses issues related to workers' health and safety, analysing any events that have occurred and possible solutions to ensure that they do not occur again, the improvement of procedures, safety training and any topics that might inspire the adoption of preventive measures.
- Safety Management Audits (SMAT) performed and discussed at each safety committee, an integral part of the proactive management mechanism by which potential risks within an organisation's operations are identified and monitored.
- several second-level committees, which implement the directives and initiatives of the safety committee, planning departmental meetings with all employees.
- the appointment of operational personnel (supervisors, first aid officers, internal fire prevention team, etc.) who are appropriately trained and actively involved in the safety strategy, with specific tasks related to intervention in and monitoring of the implementation of procedures.

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- training and information sessions (5 minutes of safety, collective and specific courses, etc.) directly involving operators, aimed at insuring that attention remains high and increasing the sense of contributing to the achievement of safety objectives, in which specific topics and operational activities are addressed.
- the drafting and updating of operating procedures and risk assessment documents for all activities both by internal staff and by suppliers and external staff in general, as well as the periodic implementation of all necessary monitoring activities to ensure that staff exposure levels are within the prescribed limits (chemical agents, noise, vibrations, etc.).
- the drafting and updating of operational procedures to anticipate risks to health and safety related to changes in role or the introduction of new operations.
- preventive maintenance of all equipment and machinery in accordance with a formal plan in order to avoid repercussions for internal and external workers, coupled with timely intervention in the event of breakdowns or unexpected events by personnel dedicated exclusively to maintenance and systems.
- the official attribution to Plant Managers of specific powers for intervention and investment aimed at rendering them independent and with autonomous spending capacity, with a generous dedicated and freely available budget in the areas of reference.

These structures and activities are in addition to those formally required by law, such as the controlled provision of certified PPE to all employees, the observance of working hours and rest periods in accordance with the national collective bargaining agreement, and the general observance of all the regulations included therein (for example in Title V) related to the health and safety of employees. These activities, in addition to being set out in 231-Model procedures and verified by the Supervisory Board, are monitored by the HR department and the latter's external consultants. In particular, the company makes a concerted effort to eliminate all doubts regarding the presence of workers without a regular employment contract, underage workers or any form of illegal situation, and always provides all employees with clear information about their rights.

The procurement of hazardous substances follows a specific procedure, always drawn up in accordance with Italian Legislative Decree 2001/231, with training for both the personnel acquiring the goods and those responsible for handling them. With particular reference to the latter, there are operational procedures conveyed through reported distribution, aimed at eliminating the possibility of harmful events for operators, their colleagues and the working environment in general.



Palazzago Plant - Safety procedures and use of PPE

Itla Bonaiti relies on the advice and the activities of multiple occupational physicians, in accordance with the location of the plant, who, in line with legislative requirements, plan and perform all examinations and check-ups related to worker health, identifying their suitability for assigned tasks from both a physical and psychological point of view. The occupational physicians, in cooperation with company personnel, ensure that all first aid equipment is present, and intervene in the event of extraordinary emergencies, as was the case with the COVID-19 pandemic in 2020-21. The company guarantees that all workers have hygienically suitable spaces

for carrying out their activities that are constantly sanitised in accordance with legal regulations.

Before each new system is installed, a study is made of the amount of noise it will generate during operation in order to comply with local regulations. Once the system has been installed, exposure levels are defined on the basis of environmental measurements, and the relative risk reduction and prevention measures are identified, including the obligation to use hearing protection if necessary.

The products are packaged and supplied to clients in compliance with safety criteria either indicated directly by the latter or prepared by Itla Bonaiti, which is aware of the inherent danger of its products in relation to their considerable weight and size. For certain products intended for automotive safety parts, the company follows ISO/TS procedures specifically dedicated to this category, with specific processes and controls, in accordance with the indications of the client.

EUR 935.000 investment in health and safety

100% employees examined by the occupational physician

PPE DISTRIBUTED

30 Helmets

226 Pairs of shoes

2,828 Sleeves

9445 Pairs of gloves

11,100 Hearing protection devices

3,600 Mineral salts and supplements

65 Visors

11 Level 1 Security Committees

7 Level 2 Security Committees

12,86 Frequency Rate

0.22 Gravity Rate

785 Safety minutes

243 Hours dedicated to prevention registers

381 Unsafe Acts analysed

415 Unsafe Conditions analysed

S1.4 TRAINING, EDUCATION AND DEVELOPMENT

At Itla Bonaiti, the people who work and contribute to the achievement of the company's goals on a daily basis are involved in internal and external training programmes. All workers, upon being hired, must attend "initial training courses", which involve training on safety issues, the communicating of company procedures and the Code of Ethics, job-specific training and any necessary information on how to carry out their work activities in accordance with company rules. In addition, a specific course is held with each change of role to instruct staff on their new working and safety procedures.

As previously mentioned, particular attention is paid to training on safety issues for all workers, with compulsory courses related to the carrying out of tasks accompanied by additional courses on specific topics of relevance to the company. Safety training is also carried out internally through coaching and the frequent application of dedicated procedures.



Civate plant - 5 minutes of safety

Safety training is complemented by specific staff training for skill development, through local training centres, such as Confindustria. Periodically, a list of courses available to employees and held at accredited training centres is distributed by the human resources department to all managers. In particular, Itla Bonaiti is committed to providing training through specific courses for the development of soft skills, language skills, leadership skills and ESG areas, as well as postgraduate master courses to meet specific needs in line with the career development of its employees.

Equal importance is dedicated to internal training on specific topics carried out through coaching, as well as through courses on dedicated themes held by company personnel.



Of particular importance was the **Quality Course - Defects and Criticalities** held as part of the “Qualità 360°” (All-round Quality) project by Itla Bonaiti’s Product Development & Professional Training Manager, an expert in the subject, who improved the technical competence and quality awareness of their colleagues through in-depth analysis of material processing issues at the various plants.

Also of note is the initiative by the ICT area, which was launched in 2022, and which uses weekly **IT Culture** “bites” sent to all PC users to provide training on digitisation-related topics from cyber security to “hacks” for speeding up work, as well as the management of computer archives.

All courses are reported on by the human resources department and a special calendar is created for course deadlines where applicable. A total of 7,068 hours of training were provided.

A career plan is provided for all figures in accordance with the national collective bargaining agreement, which is developed by the Board of Directors together with the human resources department for particularly talented figures, who are included in the company’s strategic and development plans. MBO (Management By Objectives) is envisaged for senior management, for whom particular targets are set, with different levels of remuneration related to their attainment, with objective data and definite deadlines. People are regularly assessed on the basis of their skills by their managers, with comparisons made according to specific tasks, and the personnel department is regularly consulted by managers to verify opportunities for the career growth of individuals.

7.068 hours of training

1.313 hours of specific training in Health and Safety

S1.5 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that are relevant to us in relation to the topic of our **own workforce**. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

IRO	Category	Value Chain			Timeframe		
	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Lasting prosperity for the company's workforce and/or the opportunity to carry out long-term planning through open-ended contracts	AP		✓		*	*	*
Ongoing professional development of specialised skills within the company's workforce	AP		✓		*	*	*
Employment that fosters company identification and trust through long-term employee loyalty	PP		✓		*	*	*
Improvement of health and healthy lifestyles within the company's workforce	AP		✓		*	*	*
Appreciation and inclusion of all individuals, regardless of gender, nationality, religion, sexual orientation or physical/mental disability	AP		✓		*	*	*
Endangering the health of the company's workforce through occupational accidents and inadequate safety precautions	PN		✓		*	*	*
Aggravating a lack of skilled labour, for example due to lack of opportunities for training and professional growth for the company's workforce	PN	✓	✓	✓	*	*	*
Risks							
Increased labour costs due to higher wages			✓			*	
Damage to the company's reputation/loss of business			✓			*	
Opportunities							
Innovation and increased competitiveness through targeted training			✓			*	

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)
 Value chain: U (Upstream) | O (Own Operations) | D (Downstream)
 Time horizon: in years

SUMMARY OF POLICIES, ACTIONS, TARGETS AND METRICS

POLICY	National Collective Labour Agreement, Code of Ethics
ACTIONS	See par. S1.1 Our workforce and further paragraphs (p. 36)
TARGET	Enhance the commitment to diversity, increase advanced training opportunities, increase safety training, develop skills internally
METRICS	See p. 37/ 40 / 41

S2.ESRS - Workers in the value chain

INTRODUCTION

At our company, we recognise the important role that workers play in the value chain. We have adopted ESRS S2 as part of our commitment to transparency and sustainability.

Our main objective in adopting ESRS S2 is to promote transparency in our activities. Our aim is to ensure that our stakeholders are fully aware of our sustainable practices and our respect for workers' rights throughout the value chain.

To comply with ESRS S2, we provide detailed information on our governance, strategy and impact management. This includes disclosing how we manage sustainability-related risks and opportunities.

ACTION

S2.1 SUPPLY CHAIN

Itla Bonaiti continues to monitor the ESG performance of its supply chain, which is to be divided into purchases of high-carbon steel raw materials and purchases for the health and safety of people, and the operation of plants, buildings and offices.

Since raw material plays a predominant role, Itla Bonaiti ensures that the map of its supply chain in terms of corporate responsibility is always state-of-the-art and of a high standard.

Main steel mills	Code of ethics	Environmental guidelines	Supplier code	Health and safety	Compliance with rules	Sustainability Report
Arcelor Mittal	●	●	●	●	●	●
Posco	●	●	●	●	●	●
Salzgitter	●	●	●	●	●	●
Thyssen	●	●	●	●	●	●

Main steel mills	ISO 9001 quality	IATF 16949 automotive	ISO 14001 environment	ISO 45001 safety	ISO 50001 energy	low-emission steel
Arcelor Mittal France	● 14/07/2027	● 14/07/2027	● 12/09/2027	● 12/08/2027	● 26/07/2026	XCarb® Veristeel
Posco Gwangyang	● 15/10/2026	● 15/10/2026	● 24/09/2027	● 04/06/2027	● 24/09/2027	/
Posco Pohang	● 15/10/2026	● 22/04/2027	● 24/09/2027	● 13/04/2026	● 24/09/2027	
China Steel Corp. Taiwan	● 27/09/2026	● 12/02/2027	● 21/06/2026	● 15/03/2026	● 07/07/2025	/
Salzgitter Flachstahl	● 29/08/2027	● 29/08/2027	● 03/10/2026	● 03/10/2026	● 03/10/2026	Salcos® Veristeel
Thyssen Hohelimburg	● 07/05/2025	● 21/07/2027	● 29/11/2025	● 29/11/2025	● 14/11/2025	Bluemint® Veristeel

S2.2 THE SEARCH FOR NEW LOW-CO₂-EMISSION SUPPLIERS

Bearing in mind that not all the world's steel mills produce high-carbon steels, it can be complicated to identify additional suppliers that offer excellent, low-emission products and adhere to high sustainability standards.

In spite of this, Itla Bonaiti is focused on introducing new suppliers among existing steel mills and those under construction. Diversifying sources of supply reduces dependence on a single source and mitigates the negative effects of any disruptions in the supply chain, such as delivery delays or price fluctuations in the supplier's region. Furthermore, promoting competition between suppliers drives innovation and fosters the continuous improvement of processes and products. Consequently, despite the challenges in finding quality and sustainable high-carbon steel, it remains crucial to keep the number of suppliers high in order to ensure the resilience and long-term sustainability of the company's operations.

To this end, Itla Bonaiti has identified the new green **Vulcan Steel** mill, which the Indian Jindal Steel group is building in Oman, as a potential partner for the purchase of high-carbon, low-emission steel. This modern facility, currently under construction, is a demonstration of Jindal Steel's commitment to sustainability and innovation in the steel sector. Strategically located in a position that favours both access to extremely high volumes of renewable sources of wind and photovoltaic energy and the distribution of finished products via the nearby port, the Vulcan Steel mill will adopt the most advanced ecologically sustainable production technologies and practices. We expect to be able to start receiving supplies in 2027.

In addition, Itla Bonaiti is currently setting up a preliminary agreement with **Metinvest**, an international group operating in the mining and steel sectors, to secure sustainable steel quotas from their soon-to-be-built plant in Piombino.

ACTION

S2.3 CLIENT CHAIN

The adopting of sustainable practices along the entire value chain downstream of Itla Bonaiti ensures the long-term survival of the entire supply chain. Our customers are increasingly aware and attentive to the environmental, social and governance policies of the companies they interact with, and integrating sustainability into the supply chain has become imperative to meeting their needs and expectations. From production to transportation, from distribution to consumption, every step in the chain must be guided by sustainability criteria to promote a circular and responsible economy.



In support of this commitment, in 2023 Itla Bonaiti signed the codes of ethics of 7 customers.

In 2024, Itla Bonaiti also began to share its code of ethics with its clients, asking them to subscribe to it as demonstration that they share the values and principles that guide its business model with a view to building a future in which the needs of present generations are met without compromising the ability of future generations to meet their own needs.

S2.4 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that play a significant role for us in terms of workers in the value chain. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

	Category	Value Chain			Timeframe		
IRO	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Prosperity for workers in the value chain	AP	✓		✓	*	*	*
Improvement of health and healthy lifestyles among workers in the value chain	AP	✓		✓	*	*	*
Placing the health of workers in the value chain at risk	PN	✓		✓	*	*	*
Financial exploitation of workers both upstream and downstream in the value chain	PN	✓		✓	*	*	*
Human rights violations (above all forced and child labour) both upstream and downstream in the value chain	PN	✓		✓	*	*	

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)
Value chain: U (Upstream) | O (Own Operations) | D (Downstream)
Time horizon: in years

SUMMARY OF POLICIES, ACTIONS, TARGETS AND METRICS

POLICY	Code of ethics for suppliers, environmental, energy and occupational safety guidelines
ACTIONS	See par. S2.1 Supply chain and par. S2.2 Search for new low-CO2-emission suppliers (p. 43-44)
TARGET	Acceptance of the Supplier Code of Conduct by all suppliers, increasing the number of suppliers with environmental, energy and occupational safety certifications
METRICS	n/a

S3.ESRS - Affected communities

INTRODUCTION

In this chapter, we will explore ESRS S3, the standard concerning affected communities: the aim is to promote transparency in our business operations and encourage sustainable practices that take into account affected communities. Therefore, with a view to transparency and sustainability, we provide information on governance, strategy and impact management.

S3.1 SOCIAL RESPONSIBILITY: SUPPORTING THE TERRITORY AND LOCAL COMMUNITIES

In 2021, Itla Bonaiti launched a programme called "Sosteniamo le buone azioni" (We support positive actions) aimed at aiding the territory, tertiary associations and international projects deemed worthy of support. The budget allocated in 2024 was essentially the same as that for 2023. The 2024 projects identified were:

- the Enactus foundation, for the support of projects by university students around the world aimed at setting in motion enterprises with positive social impact.
- Nostra Famiglia (Spazio RAP and Insieme verso una nuova vita), an association dedicated to the care and rehabilitation of people with disabilities, especially in childhood.
- the Progetto Scout Cooperative, an association supporting scouting in Lecco.
- the Lega del Filo d'Oro Foundation.
- the Oltretutto Association.
- the La Goccia Association.
- the Fabio Sassi ODV Association.
- We support positive actions - contribution for personal expenses related to situations of particular hardship.

In addition, there were initiatives entirely subsidised by Itla Bonaiti employees in favour of:

- the Umberto Veronesi Foundation, a cancer research foundation.

The programme is also focused internally, allocating funds to company employees. In particular, 2024 saw the following actions:

- 10 scholarships awarding the children of employees who finished university or compulsory school in the current year with excellent results.
- 11 school allowance packages for disabilities and/or learning disorders for children of employees.
- An increase in the amount allocated to company welfare in relation to the minimum amount provided for by the national collective bargaining contract, equal to 1% of the salary, in order to extend the availability of measures for employees, generally aimed at providing support in the areas of family, health and educational expenses.
- A contribution on the birth of children or the marriage of employees.
- METAsalute, to augment the private health insurance provided for by the national collective bargaining agreement.

9 organisations from the local area, tertiary associations and for international action in areas of crisis

10 scholarships awarded to deserving students

11 school allowance packages

3 babies born

1 wedding

S4.ESRS - Consumers and end-users

INTRODUCTION

This chapter provides information on the impact of the company's products and/or services on consumers and end-users, including access to quality information, privacy and child protection.

On the basis of the assumption that Itla Bonaiti produces raw materials and consequently the products do not go directly to end consumers, it has implemented quality control and a quality policy to ensure that the products its clients make are reliable.

As it has leading automotive suppliers among its customers, Itla Bonaiti is itself part of this supply chain and is certified according to the IATF 16949 standard. Itla Bonaiti is therefore committed to ensuring the safety of its products destined for the automotive sector for end-users by implementing strict policies to guarantee product quality and client satisfaction. This conduct is also in line with the specific automotive requirements outlined in the IATF 16949 standard, as is the effort to achieve specific targets in order to minimise defects while maximising positive impact on product safety. Itla Bonaiti constantly monitors the effectiveness of its actions to improve product safety and is committed to taking corrective measures when necessary.

In more general terms, and in any case beyond the scope of the IATF standard, Itla Bonaiti is committed to supplying quality products and protecting the safety of end-users to the extent of its capabilities, carrying out high-tech processing on a material such as steel, which, although extremely resistant and versatile, has intrinsic characteristics that can influence the performance of the final product. These characteristics include susceptibility to corrosion, variation of mechanical properties depending on temperature, and the risk of deformation under high loads.

Itla Bonaiti is committed to minimising these risks through the use of advanced technology and state-of-the-art processing practices. However, it cannot be held liable for any problems that may arise due to these inherent characteristics of the steel.

G1.ESRS - Business conduct

INTRODUCTION

In this chapter, we will examine the business conduct of our organisation and how we strive to maintain high ethical standards in our operations (ESRS G1). In addition, we will explore ESRS S3, the affected communities standard: the aim is to promote transparency in our company's operations and encourage sustainable practices that take into account affected communities. Therefore, with a view to transparency and sustainability, we provide information on governance, strategy and impact management.

G1.1 GOVERNANCE SYSTEM

Itla Bonaiti is committed to ensuring and reinforcing ethical behaviour in the workplace through the promotion and dissemination of the Code of Ethics in force since March 2020, together with the quality and health and safety policies in force since August 2021. It therefore ensures that staff are informed of all commitments and are consciously and actively involved in the pursuit of the goals.

To ensure compliance with the law and the proper functioning and reliability of the company, as well as the protection of its reputation and know-how, in March 2020 Itla Bonaiti adopted an organisational, management and control model to prevent offences covered by Italian Legislative Decree 231/2001, with the aim of establishing rules of conduct for all employees as well as for processes, areas, "delicate" activities and related controls. Furthermore, in order to supervise the proper functioning of and compliance with the 231 Model, Itla Bonaiti has appointed a Supervisory Board composed of an external member to ensure compliance with regulatory requirements concerning autonomy, independence and continuity.



The adoption of the 231 Model, the Code of Ethics, and both Quality and Health and Safety Policies, together with the implementation of a Quality Management System certified to ISO 9001 and IATF16949 standards, form the framework for ensuring that activities comply with applicable national and international standards and best practices.

In 2024, there were no violations of anti-corruption laws, no prosecutions related to anti-competitive, anti-trust or monopolistic practices, and no significant penalties or fines were received in relation to social and economic compliance.

Itla Bonaiti's governance structure is composed of the Board of Directors and the auditing firm Price Waterhouse Cooper, whose task is to supervise and monitor compliance with the law and the principles of proper administration and reporting of the company's operations.

The Board of Directors remained unchanged in 2024 and is composed of:

Board of Directors since 19/12/2022

Giandionigi Ghislanzoni	Chairman and CEO
Francesca Ghislanzoni	Managing Director
Cristina Battiston	Director
Marcello Gandolfo	Director

G1.2 COMPLIANCE, ETHICS, RISK-MANAGEMENT AND ANTI-CORRUPTION

With the introduction of company administrative responsibility pursuant to Italian Legislative Decree 231/2001, Itla Bonaiti formalised its commitment to governing business processes by adopting:

- a map of risk activities, identifying potential problems.
- an organisational model.
- a Code of Ethics.
- specific internal procedures for the various company processes.
- a system of mandates and responsibilities.
- a disciplinary system.

Although the company's core business is far removed from the markets and areas most affected by corruption and bribery, its size means that it is appropriate to specify, within its procedures, practices to prevent the company from falling victim to offences of this nature. In particular, the procedures related to procurement, finance and administration contain steps specifically set out to ensure that, on the one hand, process managers cannot engage in unsupervised misconduct and that, on the other, operational roles can be actively monitored by those in charge to ensure full transparency at all stages.

In addition to bribery and corruption, conflict of interest, fraud, money laundering and anti-competitive practices were also covered by the analysis of potential risks.

Suppliers are verified by means of a special check list to ensure that they meet all requirements and are not suspected of interfering with company personnel; the entire purchasing process is made up of a series of steps and checks that allow multiple independent persons to detect any anomalies. It should be pointed out that the vast majority of purchases are made from leading, large-scale companies, which in turn have codes of conduct and strict procedures, and that for amounts above a certain level, multiple supply alternatives must be evaluated. In the case of sensitive expenditure items, further control and attention is applied by the personnel involved and documentation of suitability is requested from the supplier.

The administrative processes are certified by a leading external auditor (Price Waterhouse Coopers for 2022), and procedures have been implemented to allow multiple, independent parties to verify the absence of external interference in the processes. The company also employs an independent administrative consultant who, among other things, closely monitors formal processes and periodically checks corporate compliance.

The company has adopted the GDPR directive and was certified as compliant by an external body in 2019, guaranteeing the security of the data it holds from any uses not required by law, and training has been provided to all employees to this effect. The data are stored according to regulations and the processes are reviewed by the persons responsible appointed by the Board of Directors.



Employees have been trained and informed through the sharing of the Code of Ethics, 231-Model procedures and the GDPR directive with regards to the possible risks related to corruption and bribery, conflict of interest, fraud, money laundering, anti-competitive practices and information security. In addition, all employees have direct contact with the Supervisory Board (which is completely external and independent) so that they are able to report suspicious conduct in a completely anonymous manner - **whistleblowing**. The Supervisory Board periodically audits compliance with these procedures, as well as verifying the competence of company personnel with respect to these issues in their specific field.

In 2024, no reports were received by the Supervisory Board, which is constantly at the disposal of stakeholders should they identify problems in these areas, in addition to the usual application of the company's Code of Ethics.

Itla Bonaiti also communicates its principles externally by sharing its Code of Ethics and Conduct with all customers, suppliers and stakeholders in general, in addition to formalising and reporting on its commitment to ESG issues in this Sustainability Report.

G1.3 DOUBLE MATERIALITY AND IRO ANALYSIS

As part of the Double Materiality analysis, we identified the impacts, risks and opportunities (IROs) that are relevant to us in relation to the topic of **business conduct**. The table below provides an overview of these IROs, their position in the value chain and their timeframe:

IRO	Category	Value Chain			Timeframe		
	AP AN PP PN	U	O	D	1	1-5	>5
Impacts							
Lack of identification with duties due to a lack of corporate culture	PN		✓		*	*	*
A clearly communicated and actively implemented corporate culture that enables employees to identify with the company and feel job satisfaction	PP		✓		*	*	*
Protection for whistleblowers and increased likelihood of misconduct being reported and discovered	PP		✓		*	*	
Contribution to stable supply chains as a reliable contractual and business partner for suppliers	AP	✓	✓		*	*	*
Opportunities							
The creation of more solid relationships with stakeholders and clients with benefits in terms of market standing			✓				*

Category: AP (Actual Positive) | AN (Actual Negative) | PP (Potential Positive) | PN (Potential Negative)
 Value chain: U (Upstream) | O (Own Operations) | D (Downstream)
 Time horizon: in years