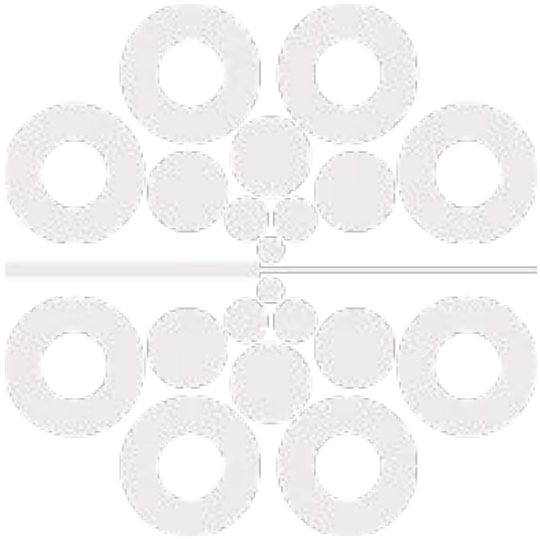
ITLA BONAITI

The cold rolled steel specialist

SUSTAINABILITY REPORT 2025





Contents

1. ESRS - GENERAL PRINCIPLES FOR THE PREPARATION AND PRESENTATION OF SUSTAINABILITY INFORMATION 5

LETTER TO STAKEHOLDERS 7

KPI 2025 HIGHLIGHTS 8

economic sustainability 8

environmental sustainability 8

social sustainability 8

2. ESRS - PROFILE AND IDENTITY OF ITLA BONAITI 9

2.1 business model: corporate structure 9

2.2 vision e mission 9

2.3 strategic goals: UN – sustainable development goals 10

2.4 commitment to sustainability 10

2.5 production plants 11

2.6 innovation 11

2.7 product quality and innovation 12

2.8 process innovation 15

2.9 internationalisation 16

2.10 digitalisation 17

E1. ESRS – CLIMATE CHANGE 19

E1.1 reduction of greenhouse gas emissions: reduction of emissions from the supply chain 19

E1.2 processing of low-emission steel 20

E1.3 impact of climate change: assets and processes 20

E1.4 response to climate change: energy efficiency 21

E1.5 reduction in emissions per ton produced 23

E1.6 transportation 23

E1.7 low-emission steel 24

E1.8 double materiality and IRO analysis 26

E2. ESRS – POLLUTION 27

E2.1 atmospheric pollution 27

E2.2 soil pollution 27

E2.3 double materiality and IRO analysis 28

E3.ESRS – WATER AND MARINE RESOURCES 29

E3.1 water management *29*

E3.2 double materiality and IRO analysis *29*

E4.ESRS – BIODIVERSITY AND ECOSYSTEMS 31

E4.1 impact on biodiversity *31*

E5.ESRS – RESOURCE USE AND CIRCULAR ECONOMY 33

E5.1 use of resources: product circularity *33*

E5.2 circular economy - materials, chemicals and waste *34*

E5.3 double materiality and IRO analysis *35*

S1.ESRS – COMPANY WORKFORCE 36

S1.1 our own workforce *36*

S1.2 diversity and inclusion *37*

S1.3 occupational health and safety *38*

S1.4 training, education and development *40*

S1.5 double materiality and IRO analysis *41*

S2.ESRS – WORKERS IN THE VALUE CHAIN 43

S2.1 supply chain *43*

S2.2 the search for new low-CO2-emission supplies *44*

S2.3 client chain *44*

S2.4 double materiality and IRO analysis *45*

S3.ESRS – AFFECTED COMMUNITIES 46

S3.1 social responsibility: supporting the territory and local communities *46*

S4.ESRS – CONSUMERS AND END-USERS 47

G1.ESRS – BUSINESS CONDUCT 48

G1.1 governance system *48*

G1.2 compliance, ethics, risk-management and anti-corruption *49*

G1.3 double materiality and IRO analysis *50*

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

INTRODUCTION

This chapter illustrates the general principles we followed for the preparation and presentation of our sustainability report in accordance with the ESRS standards, the new European sustainability reporting standards introduced by the CSRD directive and effective from 2024.

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

Our sustainability report is structured according to the ESRS thematic domains: general principles, environment (E), social (S), and governance (G). For each domain, we reported the information required by the ESRS, following the specific guidelines and indicators.

A virtuous Governance constitutes a key element and complements the ability to guarantee a sustainable economic performance over time. Effective corporate governance ensures constant monitoring of processes, a systematic evaluation of results, and the strategic planning of actions for continuous improvement.

This results in a sustainable decision-making process that respects all stakeholders involved.

From 2025, under the EU Corporate Sustainability Reporting Directive, all large companies must publish data on their social and environmental impact. Itla Bonaiti has already been committed to more detailed transparency obligations since 2022, and its sustainability information are accessible online. The new rules aim to make companies more accountable and transparent towards stakeholders, who will be able to assess corporate impact more easily as verification and comparisons will be straightforward. The goal is a virtuous domino effect from the large companies adhering to these obligations to the small and medium-sized enterprises within the supply chain.

GOALS

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

All initiatives undertaken by Itla Bonaiti to pursue its growth objectives are fully compliant with laws, regulations and its own values.

By adhering to the European Sustainability Reporting Standards (ESRS) for the 2025 financial year, Itla Bonaiti's Sustainability Report marks the progressive transition from the Global Reporting Initiative (GRI) guidelines to the regulatory framework of the ESRS and the EU CSRD Directive.

The main updates include a Double Materiality Assessment (DMA) aligned with ESRS requirements to identify significant Impacts, Risks and Opportunities (IROs) within processes and across the value chain. Consequently, the report provides detailed insights into key ESG topics, along with relevant Policies, Actions, Targets and Metrics, where available.

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

To ensure the accuracy of data and assessments, Itla Bonaiti is implementing measuring devices on its machinery to clearly define the impact of its processes.

DMA – Double Materiality Assessment

Starting from 2025, Itla Bonaiti Srl has developed a Double Materiality Assessment (DMA) compliant with the ESRS. This process identifies and assesses Impacts, Risks and Opportunities (IROs). According to the ESRS, these IROs generate numerous disclosure requirements, which are addressed in this sustainability report. The DMA process is divided into the consideration of impacts (inside-out) and financial materiality.

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

To involve relevant external and internal stakeholders in the materiality analysis process, we have identified the following groups: employees, customers, suppliers, service providers and shareholders. Moreover, it should be noted that Itla Bonaiti has already been engaged for years in an ongoing dialogue with stakeholders—including customers, employees, suppliers, financial partners, associations, universities and research institutes—in order to promote and develop a shared understanding of sustainability.

All identified impacts have been classified as follows:

- Potential Positive (PP)
- Potential Negative (PN)
- Actual Positive (AP)
- Actual Negative (AN)

The impacts were then assessed based on specific criteria. Actual positive impacts were analysed according to their scale and scope, while actual negative impacts were analysed based on their scale, scope and reversibility.

For potential impacts, the likelihood of occurrence was included in the assessment alongside scale and scope. All criteria are scored on a scale from 1 to 5.

As for risks and opportunities, they were qualitatively assessed based on the likelihood of occurrence (from 1 = unlikely to 5 = frequent) and the potential financial impact (from A = insignificant to E = highly critical)

Results of the materiality analysis related to sustainability issues

Temi		Impact analysis	Financial materiality	Double materiality
ESRS E1 – Climate change	pp. 19-26			
ESRS E2 – Pollution	pp. 27-28			
ESRS E3 – Water and marine resources	pp. 29-30			
ESRS E4 – Biodiversity and ecosystems	pp. 31-32			
ESRS E5 – Resource use and circular economy	pp. 33-35			
ESRS S1 – Own workforce	pp. 36-42			
ESRS S2 – Workers in the value chain	pp. 43-45			
ESRS S3 – Affected communities	p. 46			
ESRS S4 – Consumers and end-users	p. 47			
ESRS G1 – Business Conduct	pp. 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 the aim of leaving future generations a better quality of life than the present one.

Driven by these values, in 2022 we developed a five-year plan of activities and projects aimed at promoting a process of sustainable growth. This path is designed to establish us as one of the leading European players in the cold rolling of high-carbon special steels.

We strongly believe in the opportunities that this journey will bring to Itla Bonaiti, and the preparation of our third Sustainability Report is the tool through which we share our way of doing business. The writing of this document—already adapted to EU regulations for reporting sustainability initiatives so that they are comparable under the CSRD guidelines—has involved the commitment of all corporate departments. It testifies to the willingness for openness, dialogue and growth that Itla Bonaiti intends to pursue together with all its stakeholders.

From 2023 to the present day, the global geopolitical scenario has imposed increasingly complex challenges on Itla Bonaiti, given the transformation of uncertainty into a structural market factor. The continuation of conflicts in Europe and the Middle East heavily conditions global trade routes: the crisis in the Red Sea area, now chronic, has made maritime routes towards the Suez Canal less predictable and more costly, with direct impacts on logistical costs and energy supply. Added to this picture is a tightening of global protectionist policies: the evolution of the "customs duty war" and the introduction of new customs barriers and European regulations (such as the CBAM and the strengthening of steel safeguard measures) now demand a prompt capacity for adaptation to defend the sector's competitiveness in an increasingly fragmented market.

In practice, Itla Bonaiti has managed to slightly increase production and sales volumes compared to the previous year, despite recording a slight contraction in turnover in 2025 as well.

All investments and connected research and development activities aim to strengthen the sustainability of both processes and products. Following the full commissioning of the new MINO 800 rolling mill and the slitting line—both contributing to increased production capacity through which Itla Bonaiti can offer a better service to customers—the investment plan sees the commissioning of the new hardening process, inaugurated in autumn 2024.

Our attention remains focused on the "Quality 360°" project with the goal of increasing the quality of our products and, as a consequence, customer satisfaction. This has the secondary, yet equally important, effect of reducing returns and thereby minimising CO2 emissions related to the reworking or scrapping of claimed material.

We have continued our digital transformation path, pairing production with the digital process of every single order to ensure complete traceability. Furthermore, throughout 2024, we progressively optimised tools for paper-free management (mandatory compliant archiving of all accounting documents).

We continue to believe that the internationalisation process is vital for our development, and thanks to the work of the export sales office we have succeeded in increasing our export shares.

Passion and innovation are the fuel driving Itla Bonaiti along the strategic path of continuous growth, leading to the creation of sustainable value for its stakeholders.

Enjoy the reading

KPI 2025 highlights

ECONOMIC SUSTAINABILITY

131
€ MILLION IN REVENUES

70
YEARS OF COMPANY EXISTANCE

41%
EXPORT QUOTA

4
PRODUCTION SITES

14%
SELF-PRODUCED ELECTRICAL ENERGY

26
DESTINATION COUNTRIES

ENVIRONMENTAL SUSTAINABILITY

13.075MWh
ELECTRICITY

96%
ELECTRICITY FROM RENEWABLE SOURCES

29%
RECYCLED WASTE

3.420.322m³
METHANE GAS

15-20%
SCRAP QUANTITY IN RAW MATERIAL

100%
SCRAP RELEASED IN CIRCULAR ECONOMY

SOCIAL SUSTAINABILITY

206
WORKING EMPLOYEES

94%
PERMANENT CONTRACTS

17
NEW HIRES

8.005
TRAINING HOURS

24%
SPECIFIC TRAINING ON HEALTH AND SAFETY

10
PROJECTS SUPPORTING GOOD DEEDS

2.ESRS - Profile and identity of Itla Bonaiti

INTRODUCTION

*In this chapter, a general overview of our **organisation** and our main activities is provided. This includes a description of our business model, our strategic objectives and how we concretely commit to sustainability.*

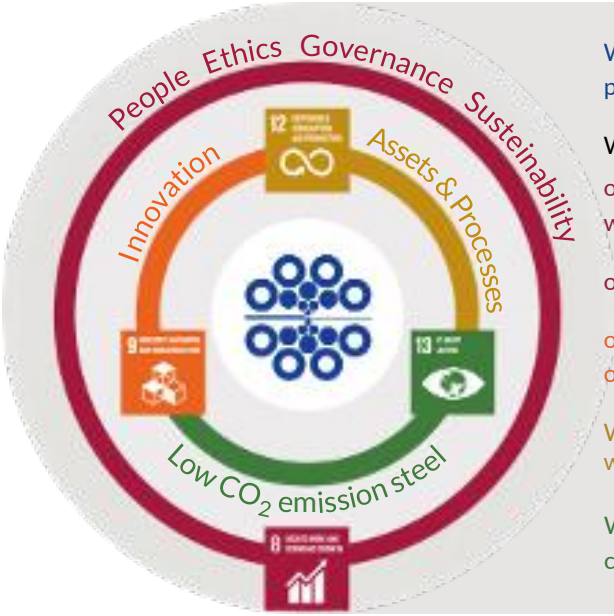
2.1 BUSINESS MODEL: CORPORATE STRUCTURE

The corporate structure of the limited liability company Itla Bonaiti changed at the end of 2022, when ITLA Spa became the sole shareholder by acquiring the 35% stake owned by F.lli Giuseppe Bonaiti Srl.

The strategic vision pursued in recent years, aimed at consolidating and developing Itla Bonaiti, is confirmed with the objective of becoming one of the major competitors in the European cold re-rolling sector for high-carbon steels.

To achieve this, it is essential to develop a strategy that involves all stakeholders within the company, ensuring everyone plays a leading role in reaching growth targets. This approach spans from international development and the diversification of products and finishes to the "Quality 360°" project launched in 2023.

2.2 VISION AND MISSION



We are a company that creates value by cold rolling special steels, providing customers 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 concretely 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. Halfway through the implementation timeline of the Agenda, it is increasingly clear that to concretely achieve these goals, a strong involvement of all components of society is required, from companies to the public sector, from civil society to philanthropic institutions, and from universities to research centres and cultural and information operators.

For the purposes of comparability and transparency, an increasing number of companies are measuring their non-financial performance by describing how and to what extent they contribute to the achievement of the SDGs: Itla Bonaiti is also committed to measure itself against these metrics.



2.4 COMMITMENT TO SUSTAINABILITY



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

This commitment requires a responsible and impactful corporate activity towards its human capital, the surrounding territory, public authorities and administrations, and third-sector associations.

Itla Bonaiti summarised all of this in a **five-year plan launched during 2022**, which outlines all the concrete improvement actions relative to the four UN SDG pillars on which its vision and mission are based. These will be detailed into specific actions in the next chapters.

Furthermore, Itla Bonaiti confirms its commitment to responsible growth by announcing that it has achieved the EcoVadis Silver Medal. This recognition places the company within the top 25% of evaluated businesses globally, certifying the effectiveness of its policies in crucial areas such as environment, labour and human rights, ethics, and sustainable procurement. Participating in the EcoVadis assessment process is not only an act of transparency but also demonstrates Itla Bonaiti's concrete willingness to integrate ESG principles into every stage of its value chain, guaranteeing partners and customers a solid, ethical and future-oriented business model.

2.5 PRODUCTION PLANTS

Itla Bonaiti consists of four manufacturing facilities, which are substantially autonomous and not interdependent, covering a total indoor area of 55,000 square metres. They differ mainly in terms of size, rolling technologies and the type of finishes, 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



ACTION

2.6 INNOVATION

Innovation and sustainability cannot be considered as two separate elements; rather, significant synergies can emerge from their combination.

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 reduce waste, conserve resources and mitigate the negative impacts of human activities on the environment. As such, innovation and sustainability are key drivers of progress, and both must be pursued together to guarantee a prosperous and resilient world for future generations.

Innovation is a process that requires not only advanced technologies, but also the intelligence and creativity of the people involved. People's skills and the ideas brought forward by workers are essential elements for innovation, as they allow for the discovery of original solutions to existing problems and the development of new business opportunities. Itla Bonaiti is convinced that, in a constantly evolving world, it is fundamental to value the contribution of every single worker, providing them with a

stimulating work environment that encourages the sharing of ideas. The diversity of people's experiences and skills can lead to a unique combination of solutions, thereby generating a competitive advantage for businesses. In this way, innovation becomes an engine for economic growth and a means to address social and environmental challenges. It is evident how central people are throughout the entire corporate sustainability journey.

Itla Bonaiti promotes both product and process innovation through digitalisation and the structured use of new technologies to provide our customers with ever-higher quality.

2.7 PRODUCT QUALITY AND INNOVATION

In 2023, the "Quality 360°" project was launched, through which the most critical production defects and the related corrective and improvement actions were identified for each Itla Bonaiti plant, in order to positively influence the quality standards expected by customers. At an operational level, the plan involves the periodic reporting of defects to identify corrective actions and promptly disseminate them through a cascading training initiative to the operators of all plants. The philosophy underlying the "Quality 360°" operational plan lies in the assumption that awareness of the quality required by customers helps recognise and prevent defects, and that efforts undertaken towards higher levels of quality do not have a negative impact on productivity.

The corrective actions for plant-specific defects focus essentially on issues which are characteristic of the manufacturing process, such as flatness, scratching, various oxidation phenomena, out-of-tolerance thicknesses, and coils with misaligned windings. On the other hand, the initiatives common to all plants currently receiving attention include:

- optimisation of the management of the emulsion used at the Civate, Oggiono and Mogliano plants;
- rationalisation and monitoring of raw material quality data;
- implementation of error-proofing controls on incorrect packaging;
- identification of correlations between maintenance data and defects in order to achieve an improvement in product surfaces.

The company has also invested in control systems to target constant improvement within the supply chain towards defect limitation. These systems have been designed with a dual objective in mind, leveraging electronics and Industry 4.0 technologies:

- the first one, more immediate and directly applicable, is to have analytical product control on request. This is no longer limited to sampling portions of material but is extended across its entire surface. The revolutionary nature of this approach will allow for the preventive identification of defects and their correction, with data being shared with customers.
- In parallel, these detection systems are accompanied by artificial intelligence, capable of analysing a much larger volume of data than previously available, guiding operators towards identifying patterns and correlations between the detected data, production cycles and raw materials. A much more extensive analysis of the downstream process will be possible—from procurement to the determination of production cycles—with the dual benefit of preventing recurring defects and increasing process efficiency from both an economic and qualitative perspective.

Investments in intelligent control systems include:

- the Parsytec surface defect analysis tool on a slitter, which scans the entire surface of the processed products using advanced tracking technology. High-resolution cameras allow for the real-time scanning of the entire strip surface and report defects, which are then categorised and analysed by the artificial intelligence system. Specific training by the manufacturer was provided to the Itla Bonaiti personnel responsible for operating the Parsytec, which will be followed by the mapping of the most relevant defects in collaboration with the Politecnico di Milano;
- Since the beginning of 2025, stations equipped with optical measurement systems have been operational for all cutting lines, allowing the straightness of the material to be checked against customer specifications and enabling prompt intervention in case of deviations. Furthermore, all measurements are automatically acquired and archived, making it possible to conduct statistical analyses and correlations with process parameters to continuously improve the quality of the finished product;

- Throughout 2023–2024, a tool for the continuous analysis of flatness and dimensions on the new blanking line was studied and is next to enter service, featuring tolerance detection of the sheets produced, including the correctness of the angles;
- An X-ray measurement system on a Sendzimir rolling mill for the continuous detection of material thickness and profile during production, reporting defects related to the tolerances guaranteed to the customer.

Since 2020, Itla Bonaiti Srl has been a member of the JRP-Matt of the Politecnico di Milano (Joint Research Platform for Metal and Transformation Technologies), a consortium of companies operating in the steel and steel processing sector, which annually commissions research projects of common interest to university researchers. This partnership allows the company, on one hand, to outsource research to a qualified, leading institution on the European scene, whilst simultaneously focusing on topics that involve multiple companies within the supply chain, sharing efforts and concentrating investment. Naturally, the collaboration with the Politecnico di Milano is not limited to consortium projects alone but is gradually expanding into other corporate areas, particularly into technologies linked to the new plants currently being set up.

In 2024, a laser system for checking flatness and diagonals/out-of-squareness was developed in collaboration with the Politecnico di Milano for the levelling/blanking line. This system, due to be commissioned in 2026, allows the geometry of every single blank to be measured, enabling those that do not meet customer specifications to be identified and rejected immediately. Thanks to this constant monitoring, the need for manual inspections is reduced while overall production efficiency is enhanced. Moreover, the prompt identification of anomalies prevents the shipment of non-compliant material and helps limit waste, as selection takes place in real time without the need to scrap entire pallets of blanks at a later stage.

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







Civate plant – Levelling and blanking line with automatic packaging

The other processing phase undergoing a revolution, leading to product innovation, is the one linked to hardening and tempering. During 2022, the lead hardening and tempering furnace at the Civate plant was decommissioned and sold, as it was no longer competitive and was a source of pollutants requiring complex handling procedures to prevent environmental dispersion. In 2020, a latest-generation hydrogen hardening and tempering line was ordered for the continuous production of hardened and tempered strips. The new system, which is the result of a significant investment not only in itself but also in the associated logistics and construction work, allows the product range to be considerably expanded. To install the new hardening and tempering line, it was necessary to purchase an industrial area adjacent to the Oggiono plant, where Itla Bonaiti began constructing a purpose-built warehouse in 2022. This was completed in the first half of 2023, after which the installation phase of the actual hardening and tempering line commenced.

Following the completion of assembly and testing activities in October 2024, the new production line officially entered operation at the beginning of 2025. The plant was designed according to the latest Industry 4.0 criteria and is equipped with advanced

electronic systems for quality control and real-time analysis of production data, while simultaneously ensuring high safety standards for operators.

Among the most significant equipment is the new laser flatness gauge, which enables the monitoring of the product's geometric characteristics, thereby contributing to improving the stability and qualitative consistency of the finished product.

The initial operational phases have provided positive feedback, both in terms of dimensional uniformity and mechanical performance. Research and development activities are now focused on optimising the treatment of new steel grades, with the objective of progressively expanding the range of hardened and tempered strips.



Plant di Oggiono plant – Hardening and tempering line

+QT strips up to 650mm wide
thicknesses of between 0.3 mm and 4 mm

Tempering with hydrogen





Oggiono plant – H+T Blue oven steel strip

2.8 PROCESS INNOVATION

ACTION

In terms of process innovation, a software programme that tracks the quality of all production entered service in 2025, following the completion of its study during 2024. This system allows operators to report in real time 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 root cause of the issue and identify the most appropriate solutions to ensure that the finished product meets the required standards. Thanks to defect traceability, it is possible to create a detailed history, providing a clear overview of the most frequent critical issues. This enables proactive intervention to improve product quality and reduce the percentage of scrapped material.



Oggiono plant –MINO 800 rolling mill

On the software side, the modernisation of production management has been completed, integrating it into the Microsoft Dynamics 365 ERP software already used by administration and sales departments. Beyond the clear benefits of integration with other corporate functions, this will enable new ways to manage production processes, starting with logistics and physical warehouses. The goal is to provide people with a system that makes information more accessible—either for simple data entry or for analysis—leaving room for development and improved management of operational workflows. Order Management, which embodies this new approach, can calibrate workflows across Itla Bonaiti' s various functions, ultimately streamlining the fulfilment of customer orders.

Itla Bonaiti has also completed the modernization of the furnace control system and its interconnection. Across all plants, the supervisor—the software system governing furnace operation and collecting all processing data—has been completely renewed. Implementing the scheduler within the Microsoft Dynamics 365 ERP software provides access to integrated data analysis, optimizing the management of material batches within the furnaces.

The next step will involve rolling schedule planning; as with the furnaces, the planning method will be unified across all rolling mills in Itla Bonaiti' s facilities, standardising operations for all plants.

From an IT perspective, to improve the productivity of the rolling mills and precisely analyse the nature of downtimes, new PLCs will be installed to monitor plant operations in real time; in the event of a stoppage, operators will be able to record the reason for the downtime. This improvement is also planned for the packaging line at the Mogliano Veneto plant.

Furthermore, the maintenance module integrated into the information system is operational, combined with the schedule for routine electrical and mechanical interventions, as well as the ability to record extraordinary maintenance for each plant and its components.

With the new systems, accompanied by the necessary hardware modifications to the plant (piping, valves, measurement systems, etc.), it is now possible to achieve more effective processing schedule planning, including remotely. This also ensures greater production control and the standard availability of more extensive and accurate data for subsequent analysis aimed at future development.

Furnace revamping	furnace controls up to level 3 supervision
Atmosphere	hydrogen





Oggiono plant – New pit for furnace revamping

Furthermore, Itla Bonaiti intends to focus on reviewing the entire production process to identify and resolve inefficiencies. In fact, a project is underway to track energy consumption on an order-by-order basis, in order to provide our customers with the exact expenditure in terms of Scope 2 emissions related to the supplied material. This project is highly important as it adds greater depth to the average value on which Itla Bonaiti has based all its analyses so far. An Energy Manager role will be established, and an Energy Management System software will be commissioned to supervise precise energy consumption plant by plant.

Still within the energy framework, energy detection devices were installed between 2025 and 2026, linked to the main production lines in Oggiono and Civate. For the Palazzago facility, the energy analysis software for the main plants has been updated. To this end, a dedicated energy network has been created, capable of tracking the energy meters of each plant.

2.9 INTERNATIONALISATION

Since its birth, Itla Bonaiti has always actively driven the internationalisation of its products, pursuing a growth strategy in markets adjacent to Italy and developing more distant markets. For Itla Bonaiti, internationalisation represents an important step towards economic sustainability, as foreign markets offer the highest development potential in terms of volumes and product types. The company maintains an open and flexible mindset to ensure a willingness to adapt to cultural differences and customer needs in foreign markets.

Actively involved in 26 countries, in recent years Itla Bonaiti has invested in the creation of an export office, skilled in commercial matters, foreign languages and export procedures.

Specific resources have been hired to strengthen this department, which has delivered satisfactory results and sown the seeds for the future development of Itla Bonaiti' s exports. The company utilises an external consultant for customs compliance and, more generally, for export-related documentation. Furthermore, it has registered with the REX system for exports to the United

Kingdom and has initiated the procedures to become an Authorised Economic Operator (AEO) with the Customs and Monopolies Agency.

Particular attention has been paid since 2022 to the incorporation of the European directive into various national regulations regarding packaging and disposal, ensuring full compliance with the new laws that have entered into force.

The company has invested in participating in international trade fairs held annually in Hanover (EuroBLECH) and Stuttgart (Blechexpo) and has commenced research and collaboration with agents across numerous European and non-European countries.





Stand at the Blechexpo trade fair in Stuttgart 2025

41%	of turnover from export
26	countries [Bosnia, France, Germany, United Kingdom, Czech Republic, Slovakia, Slovenia, Spain…]
13%	new customers in 2025

2.10 DIGITALISATION

Throughout 2024 and 2025, Itla Bonaiti continued its investments in digitalisation and process improvement, optimising the projects launched in previous years.

In particular:

- following the implementation of Microsoft Dynamics 365 software for production planning and scheduling management, in 2024 Itla Bonaiti went deeper into managing the sales order confirmation workflow. This was achieved by implementing an approval flow for both monitoring and verifying correct customer delivery dates in compliance with relative timelines. Load volumes for each facility can be recalculated based on the budget to highlight peak workloads or periods of low activity. This has led to a significant improvement in the synergy between production and the sales department.
- With the rollout of document archiving across various processes initiated in recent years, the Human Resources digitalisation project reached near completion in 2024. Thanks to this transformation, a streamlined and efficient monitoring system is now available via a smartphone app for every employee. This provides a single point of access for

all information useful to their corporate life—from payslips to holiday plans, and from leave requests to expense account management.

- Regarding the integration of plants with the information system, a new level-3 workflow has been active since 2024 for the heat-treatment furnaces across all plants. The "integration scale" from 1 to 3 indicates how interconnected the systems are with the ERP and their capacity to communicate with it, exchanging information for the dual purpose of monitoring the specific process—collecting relative data for analysis—and enabling "remote control" of the facilities as active support for machine operators. Consequently, following the IT intervention, it is now possible to set furnace programming directly from the ERP system. In this way, data is sent straight to the machine supervisors, preventing errors of any kind and accelerating furnace loading. Once the heating cycle is complete, processing data is automatically returned to the ERP system. The furnaces are therefore fully integrated at level 3 within the ERP system.
- In line with the provisions of the European NIS2 Directive in the field of Cybersecurity, an assessment is currently underway to ensure preparedness and equip the company with risk management measures as listed in Article 21, paragraph 2 of the Directive, which include:
    1. policies on risk analysis and information system security;
    2. incident handling;
    3. business continuity, such as backup management and disaster recovery, and crisis management;
    4. supply chain security, including security-related aspects concerning the relationships between each entity and its direct suppliers or service providers;
    5. security in network and information systems acquisition, development and maintenance, including vulnerability handling and disclosure;
    6. policies 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 resources security, access control policies and asset management;
    10. the use of multi-factor authentication or continuous authentication solutions, secured voice, video and text communications and secured emergency communication systems within the entity, where appropriate;
- Finally, the quality module has been activated within the ERP system to manage complaints, returns and non-conformities. Furthermore, the management of specific coil defects has been implemented for each processing phase: anomalies that do not conform to the process standard regarding coil characteristics are reported directly on the plants.

The collection of the new dataset is currently underway, which will be analysed to improve both the process and the product.

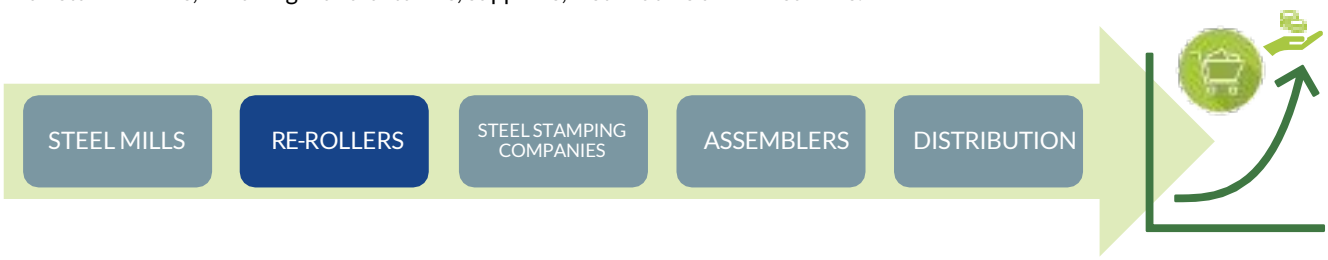
E1.ESRS – Climate change

INTRODUCTION

In this chapter, the impact of climate change on our organisation and how we are responding to this global challenge will be discussed. This includes a discussion on 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 within the supply chain represents one of the most significant challenges in addressing climate change. This involves implementing 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, through its assembly, to the end of its useful life. This requires the commitment of all stakeholders, including manufacturers, suppliers, distributors and consumers.

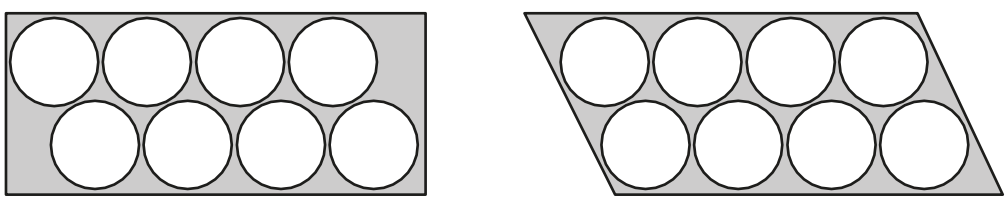


Itla Bonaiti is positioned at the head of the steel supply chain, right below the steel mills, playing a significant role in cascading downstream the actions that can be adopted to reduce overall emissions. These actions can include the adoption of more efficient and sustainable manufacturing processes, the use of low environmental impact technologies, and the optimisation of transport and logistics, extending right through to final consumers, who can contribute by adopting responsible behaviours, such as choosing low environmental impact products and reducing waste.

Chapters 2.6, 2.7, and 2.8 on innovation, as well as the chapter "E1.ESRS – Climate Change", describe the initiatives undertaken by Itla Bonaiti to introduce processes into the supply chain that benefit the fight against climate change.

Reducing emissions within the supply chain is essential to achieving global greenhouse gas emission reduction targets and mitigating the effects of climate change.

An example of emission reductions within the supply chain, introduced by a product innovation from Itla Bonaiti, is the ability to produce blanks not only in rectangular shapes but also in a parallelepiped form. This allows stampers of staggered parts to minimise material scrap.



E1.2 PROCESSING OF LOW-EMISSION STEEL

The objective of introducing low-emission steel does not stop at procurement alone but also implies adapting the manufacturing process to be low-emission in its own right. As will be discussed in further detail in section E1.4, Itla Bonaiti is investing significantly in the research and development of new technologies and processes for steel processing, with the aim of reducing CO2 emissions per tonne delivered to the customer.

Itla Bonaiti remains highly attentive to understanding how the European regulator intends to proceed regarding CO2 "labelling" within the steel sector; in light of recent geopolitical and macroeconomic developments, news remains a daily occurrence, and a precise roadmap has not yet been identified. In practice, the ETS (Emissions Trading System) is currently in force in Europe and is binding at the steel mill level. The ETS framework dictates that each steel mill has a specific annual allowance of CO2 emissions permitted for its steel production: if it is virtuous and manages to emit fewer greenhouse gases, it will have a surplus of ETS allowances that it can resell on the market. Conversely, if it emits more greenhouse gases for the same level of production, it will face a deficit of ETS allowances that it must purchase on the market. The ETS allowances issued by the European regulator become increasingly stringent year by year to compel the companies involved to invest in reducing their CO2 emissions. For Itla Bonaiti, this system represents a price risk on purchased steel, as the purchase price will also be influenced by the price of ETS allowances. Furthermore, it involves uncertainty as to when the system will be extended downstream to the supply chain at the re-rollers' level, thereby subjecting the company itself to the mechanism.



With the reform of the ETS system, the new Carbon Border Adjustment Mechanism (CBAM) entered into operation to protect the European market from imports from countries without emission restrictions as of October 2023. We have submitted the first declarations for goods imported from outside the EU starting from 2024.

E1.3 IMPACT OF CLIMATE CHANGE: ASSETS AND PROCESSES

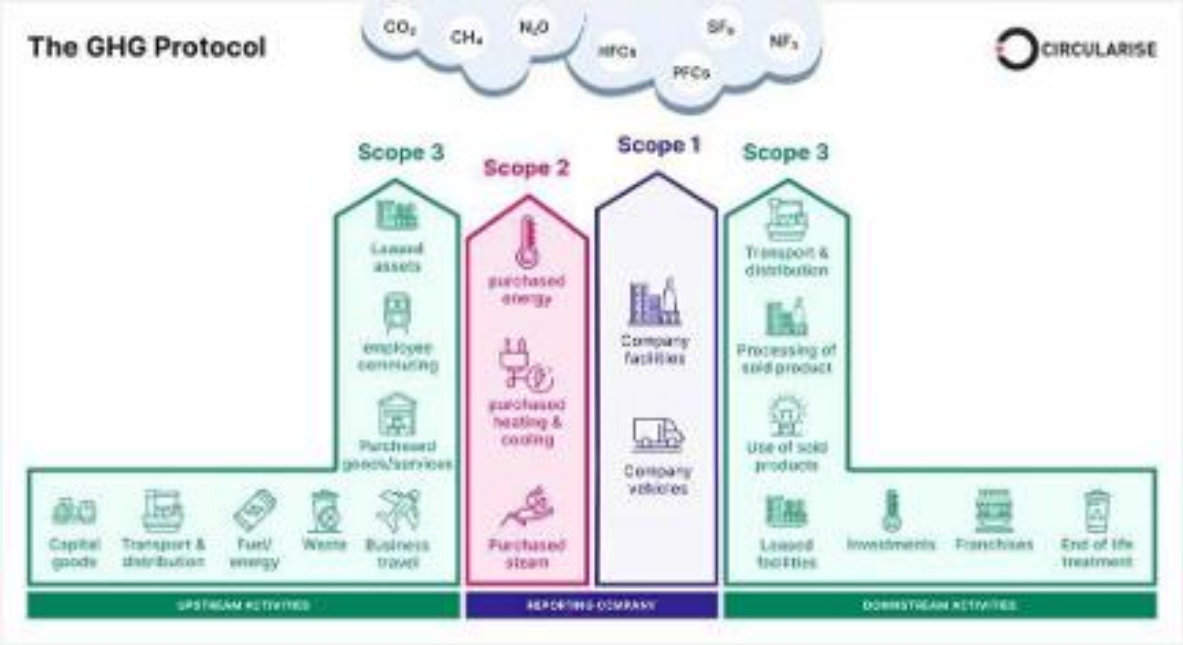
The fight against climate change undertaken by Itla Bonaiti cannot be limited solely to the procurement of low-emission steel and, in the near future, green steel. For the company, the role of businesses in implementing actions aimed at the most efficient possible use of resources and energy is clear. As an operator in an energy-intensive sector, Itla Bonaiti assesses the direct and indirect climate impacts that its assets and manufacturing processes entail, with the objective of reducing them as much as possible. Itla Bonaiti is convinced that ways can be found **to produce more whilst using fewer resources**.

The reduction of energy and raw material resources per tonne produced is not only a cost saving for the company, but a genuine performance indicator on a par with productivity. To this end, the role of the production data analyst is increasingly central in providing clear insights to decision-makers.

Itla Bonaiti focuses on the precise tracking of Scope 1 and Scope 2 emissions, which it is directly committed to reducing in line with the European Fit for 55 targets—namely, to reduce its greenhouse gas emissions by 55% by 2030 compared to 1990 levels. Due to its intrinsic complexity, Scope 3 will be analysed over the coming years and will also be included in a dedicated reduction scheme; at present, a series of interference factors would risk making the value obtained unreliable. This does not mean that the company is not committed to Scope 3 issues, as strong attention is paid to raw material procurement, the efficient use of resources and transport.

GOALS

- Waste management
- Energy efficiency
- Reduction of emissions per tonne produced
- Lean manufacturing



Circularise – The GHG Protocol

E1.4 RESPONSE TO CLIMATE CHANGE: ENERGY EFFICIENCY

ACTION

The energy issue became highly topical starting from 2022, and although mitigated, it persists to this day. Following the outbreak of the conflict in Ukraine, a crisis period emerged regarding the availability of methane gas, for which Russia was the main supplier to the European Union. Methane gas was not only the primary source for heating but also for electricity generation, the prices of which exploded dramatically, following the same trend as the price of methane gas. Since the end of 2022, the peak of the crisis has subsided and, although energy costs have not returned to pre-pandemic values, they have at least stabilised. This scenario has provided further impetus to a whole series of initiatives undertaken by Itla Bonaiti to reduce and streamline energy consumption.





GAS and Electricity Prices – source Sorgenia (sorgenia.it)

Shortly before the outbreak of the energy crisis, the company had already voluntarily undergone an Energy Audit across its four plants, commissioned to Confindustria's Consorzio Energia Lombardia Nord. The result was highly significant for developing an energy efficiency plan and introducing photovoltaic systems for the self-generation of renewable energy.

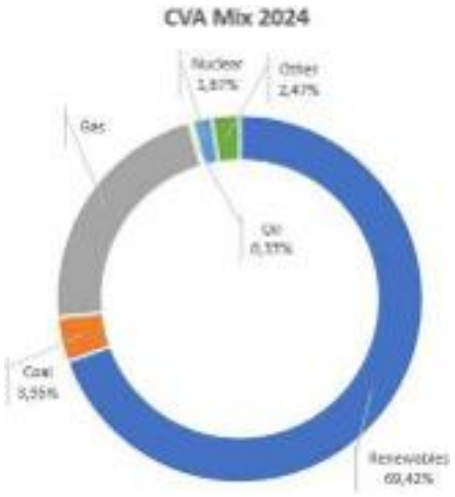
Itla Bonaiti srl

The plan for the purchase and commissioning of the photovoltaic systems will see a total capacity of 4.5MW distributed across three plants, to be implemented over the next three years

During 2025, the Oggiono plant was doubled to 2 MWh, a 1 MWh system was installed in Palazzago, and at the end of the year, the installation of a 350 kWh system began in Mogliano Veneto, which will enter into operation at the beginning of 2026. Self-consumption in 2025 amounted to 96% of the generation and accounted for approximately 14% of overall electricity consumption.
Furthermore, a further expansion of the Oggiono plant has been ordered, with the objective of exceeding 25% self-generation during 2026.

Electricity procurement takes place through Confindustria's Consorzio Energia Lombardia Nord and thanks to the continuous collaboration with the supplier CVA s.p.a., whose sources are largely renewable. Itla Bonaiti continues its commitment to campaigning with Consorzio Energia Lombardia Nord to ensure that supplier selection parameters include not only economic criteria but also a source mix favouring renewables. Electricity suppliers receive their certified fuel mix data at the end of June of the following year: by convention, we use the previous year as a reference to describe our consumption, and therefore for 2025, we use the 2024 reference data.

In 2025, CVA's energy mix showed a significant improvement compared to 2024. Specifically, the share of energy produced from renewable sources increased from 46% to 69.42%; this increase was mainly due to higher photovoltaic and wind energy generation, which has grown substantially over recent years.



Sources for CVA electricity production



Oggiono building –1MWH photovoltaic system

Furthermore, in 2025 Itla Bonaiti purchased green credits from CVA for an amount equal to 4.98 MWh. CVA's "green conditionalities" represent a set of requirements and measures that energy-intensive companies must adopt to benefit from reductions on general system charges. These measures include covering at least 30% of electricity consumption with CO2-free sources, which can be achieved through the self-generation of electricity, the purchase of electricity via forward contracts with renewable energy producers (Power Purchase Agreements - PPAs), or the acquisition and cancellation of Guarantees of Origin. In practice, companies can obtain a higher level of benefits by reducing the carbon footprint of their electricity consumption to cover at least 50% of their consumption from renewable sources.

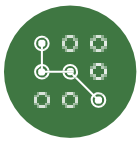
13,373 MWh	electricity consumption in 2025
96%	electricity consumed in 2024 from renewable sources
3,420,322 m^3	methane gas consumption in 2025
-4%	in comparison to 2024
6,786 ton	greenhouse gas emissions

E1.5 REDUCTION IN EMISSIONS PER TON PRODUCED

For years, Itla Bonaiti has pursued Lean Manufacturing, a production approach focused on minimising waste and optimising workflow. This methodology was developed by Toyota in the 1950s and subsequently adopted by many other companies worldwide. Today, it is more relevant than ever for reducing resource waste and, consequently, reducing emissions per tonne of steel produced. There are seven types of waste recognised in this system:

1. *Overproduction waste:* producing more products than required by the market.
   Of little impact for Itla Bonaiti as it works on a make-to-order basis.
2. *Waiting waste:* time spent waiting for resources or previous tasks to be completed.
   The digitisation of production will provide the key elements to monitor this waste.
3. *Transport waste:* unnecessary movement of materials.
   The introduction of a dedicated transport management role within the organisational chart aims to minimise this waste.
4. *Motion waste:* movement of personnel that does not add value to the product.
   Of little impact for Itla Bonaiti, which develops its workers on a per-plant basis so they are specialised and experienced, thus minimising waste caused by a lack of knowledge.
5. *Defects waste:* manufacturing defective products or items that fail to meet customer expectations.
   Quality as a cornerstone of Itla Bonaiti's business strategy is reflected in its ZERO COMPLAINTS goal, aiming both to ensure customer satisfaction and prevent resource waste. Handling returns involves multiple levels of wasted resources, potentially leading to the total scrapping of the order.
6. *Over-processing waste:* processing a product more than necessary.
   Itla Bonaiti is committed to finding the right manufacturing process to achieve the physical, chemical, and mechanical properties requested by the customer, while minimising the number of operations and energy resources used.
7. *Inventory waste:* accumulation of unnecessary materials or products.
   Of little impact for Itla Bonaiti, which follows a careful procurement policy to keep warehouse stock levels constant.

For Itla Bonaiti, eliminating these wastes is a continuous improvement process. It progresses through incremental steps driven by tool or process innovations, with the aim of maximising product quality and reducing production costs.



Two examples of individual Lean Manufacturing measures applied within the company, which address *over-processing waste*, have delivered significant resource savings while achieving identical 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 transport sector is one of the main contributors to Scope 3 greenhouse gas emissions, primarily due to vehicles using fossil fuels. Shifting to rail transport can significantly contribute to reducing CO_2 emissions. In fact, rail transport is less polluting than road transport, as trains emit less CO_2 and fewer atmospheric pollutants per unit of cargo carried. Furthermore, trains have a higher transport capacity than road vehicles, meaning they can move more goods with lower emissions.

Itla Bonaiti srl

As early as 2022, Itla Bonaiti completed the transition from road to rail transport for all tonnes of incoming steel raw material, from the steel mills to its own customs warehouses, except for isolated cases due to force majeure.

The final leg that had remained on the road was from the port to the customs warehouse, achieving the result of avoiding significant Scope 3 emissions, as summarised in the table below.

	TRAIN	TRUCK	SAVINGS
- Primary energy [MJ]	148,250.40	815,660.15	-81.8%
- Carbon dioxide [tons]	5.12	49.20	-89.6%
- CO2 equivalent [ton]	5.60	50.45	-88.9%
- Nitrogen oxides [kg]	7.85	198.5	-96%
- Non-methane hydrocarbons [kg]	1.82	17.90	-89.8%
- Sulphur dioxide [kg]	7.10	53.10	-86.6%
- Fine particles [kg]	0.95	6.25	-84.8%

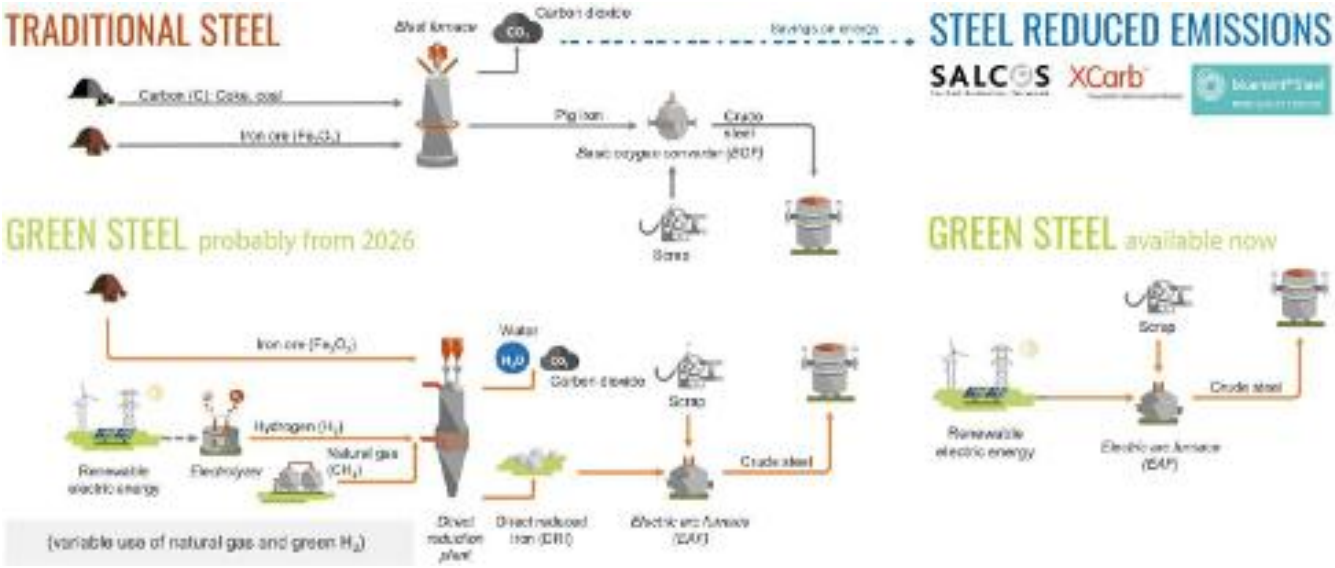
Dati certified by Mercitalia Rail srl, Gruppo Ferrovie dello Stato Italiane spa
-> hypothesis: 40-ton trucks, 28 tons net of goods, 70% load factor (equivalent to 521 trucks)

E1.7 LOW-EMISSION STEEL

The transition to green steel is a crucial process for reducing carbon emissions in the steel industry. Steel is one of the most widely used materials in the world, but traditional production from iron ore is a highly polluting process that contributes significantly to greenhouse gas emissions. This transition requires significant investment in technology and infrastructure, but the long-term benefits in terms of CO_2 reduction and environmental impact are immense.
Steel is an energy-intensive product and a major CO_2 emitter, yet at the same time, it stands as a driving raw material for a circular, low-emission economy. Itla Bonaiti is aware of the current challenges in achieving emission reduction targets and the consequent containment of the global average temperature rise within the limits set by the Paris Agreement; it places raw material circularity and the production of low-impact steel as a cornerstone of the company's sustainability strategy.

At present, the only green steel available on the market is produced by means of Electric Arc Furnaces (EAF) powered by renewable energy and scrap. Unfortunately, for most applications of Itla Bonaiti's customers, the high-carbon steel niche does not achieve the same deformability performance with this technology as it would with steel produced from a traditional Blast Furnace (BF). To achieve this, we must await the arrival of the first blast furnace plants powered by pre-reduced iron ore and hydrogen, which will become operational around 2026. In the meantime, Itla Bonaiti is working to secure the supply of the small quantities of low-emission blast furnace steel that steel mills began offering to the market as early as 2022: the benchmarks are the low-emission steels from major European steelmakers.

Nevertheless, we are set up to supply certified net-zero steel by purchasing certificates to offset the low level of residual emissions.



Grafica di SALCOS - Salzgitter

Itla Bonaiti is aware of the challenges surrounding the accurate traceability of CO_2 and "greenwashing" policies. With this sustainability report, the company aims to clarify its concrete commitment to the cause through tangible actions and measurable results, even if these may appear modest in light of "zero-impact" or "climate-neutral" slogans. In many cases, such claims are backed by climate offsetting campaigns with questionable real-world calculations of the offset emissions. Every action taken by Itla Bonaiti is intended to be substantial, delivering a real, beneficial impact on 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 BlueMint® steel.

In 2023, it signed a Memorandum of Understanding with the Vulcan Steel mill in Oman to secure quotas of their low-emission steel.

In 2025, Itla Bonaiti signed a pre-agreement with Metinvest, an international mining and steel group, to secure quotas of sustainable steel from their plant to be built in Piombino.

In a regulatory landscape increasingly oriented towards sustainability and supply chain transparency, Itla Bonaiti is accelerating its alignment with the most rigorous international standards.

On the ecological transition front, we have implemented **CBAM** (Carbon Border Adjustment Mechanism) monitoring. The process currently involves **two strategic suppliers**, but we are already prepared to extend the scope of our reporting: a meticulous review of the **Combined Nomenclature** is underway to precisely map every new import flow. Concurrently, confirming our long-term vision, we have already submitted the application to obtain **Authorised CBAM Declarant** status for the direct and simplified management of climate-related customs obligations.

This technical evolution is part of a broader corporate qualification strategy. Indeed, we are completing the specialist training process to achieve **AEO (Authorised Economic Operator)** certification. Having a certified in-house professional will optimise dialogue with customs authorities and make Itla Bonaiti an even more solid, secure, and competitive commercial partner in global markets.

100%	of Purchasing Department staff at all locations have been trained in sustainable procurement
3	suppliers with whom an agreement has been signed for the supply of low-emission steel
2	suppliers involved in the CBAM process
1	employee involved in the AEO (Authorized Economic Operator) certification process

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 organization'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 (pp.11-17), par. E1.4 Response to climate change: energy efficiency (pp.21-22)
TARGET	Achieve 2050 neutrality targets
METRICS	See pp. 22 / 24

E2.ESRS – Pollution

INTRODUCTION

In this chapter, we will discuss the impact of our operations on pollution and the measures we are adopting to reduce it. This includes a discussion on how we are working to reduce air, water, and soil pollution.

E2.1 ATMOSPHERIC POLLUTION

ACTION

Hazardous and non-hazardous atmospheric emissions other than greenhouse gases can have various impacts on the environment and human health. Among the hazardous emissions reported annually by Itla Bonaiti is lead—a toxic chemical substance that, in high concentrations, has adverse health effects. It should be noted that the concentration of lead emitted into the atmosphere is below the legal limit and, since July 2022, following the decommissioning of the hardening furnace at the Civate plant, it has completely ceased.

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



All annealing furnace vents are equipped with filters, the efficiency of which is periodically monitored.

At the Oggiono plant, the oil mist extraction system of a rolling mill was replaced, and its performance has ensured greater pollutant capture.

For the installation of every new plant, an acoustic impact assessment is also carried out and its mitigation is designed, integrating it into the acoustic map of the plant where it is installed.

6,364 gr	Polycyclic Aromatic Hydrocarbons (PAH)
466,940 gr	Particles
10,846,669 gr	Nitrogen oxides (NOx)

E2.2 SOIL POLLUTION

Itla Bonaiti's commitment to minimising its environmental impact remains a key point of its approach to sustainability. That said, at Itla Bonaiti's production plants, soil pollution levels—monitored also through core drilling analyses conducted by ARPA (the Regional Environmental Protection Agency)—naturally remain well below regulatory limits. This is due to the specific nature of the manufacturing processes and the strict attention paid to waste treatment, as well as the storage of materials and products on non-draining surfaces. Finally, there have been no incidents, such as spillages or other activities, that could have 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 play a significant role for us in terms of **Pollution**. 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							
Air pollution caused by the emissions 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: in 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 adopting to protect them. This includes a discussion on how we are working to reduce water consumption, prevent water pollution, and protect marine ecosystems.

E3.1 WATER MANAGEMENT

ACTION

Efficient water management within a company is fundamental to ensuring the organisation's sustainability and environmental responsibility. Aware of the value of water, Itla Bonaiti has structured a water consumption monitoring system to detect any leaks or inefficiencies to be resolved. To this date, domestic water consumption has remained substantially unchanged since 2021. Meanwhile, industrial water consumption—although decreasing compared to 2024 for the Civate, Palazzago, and Mogliano Veneto plants—recorded an increase at the Oggiono plant following the commissioning of a new heat treatment furnace and, in a later moment, due to construction site activities that began during 2025.

Personnel are trained and informed about the importance of water and the sustainable practices to adopt, such as water recycling and reuse, and the importance of returning it to the system cleaner than when it was drawn from the water mains or wells.

Itla Bonaiti is equipped with oil separators at the Oggiono and Palazzago plants for the treatment of wastewater contaminated by oils. Nevertheless, all water from all plants is periodically analysed to ensure compliance with legal parameters.

15,376 m³	INDUSTRIAL water consumption
13,901 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:

	Category	Value Chain			Timeframe		
IRO	AP AN PP PN	U	O	D	1	1-5	>5
Impatti							
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 par. 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 ed ecosystems

INTRODUCTION

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

E4.1 IMPACT ON BIODIVERSITY

The relationship between a company and biodiversity can be complex and influenced by various factors: Itla Bonaiti has therefore 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 active since the 1950s, combined with the commitment to sustainable environmental management that does not cause atmospheric or groundwater pollution, led to the conclusion that there are no potential risks to local flora and fauna from the company's operations.

The Oggiono and Civate plants are located on the northern border of Brianza, a hilly area at the foot of the Orobic Prealps, particularly rich in lakes and woodlands just outside urban centres. Construction works for the installation of new machinery at the Oggiono plant, carried out in areas that were already previously built over, revealed a healthy subsoil free of pollutants.

The Palazzago plant is located in the hilly area at the foot of Bergamo Orobic Prealps, surrounded by rich woodlands just outside urban centres.

The Mogliano Veneto plant is situated in the Venetian plain behind the Venetian Lagoon, and the surrounding area outside urban centres is almost entirely agricultural.



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E5.ESRS – Resource use and circular economy

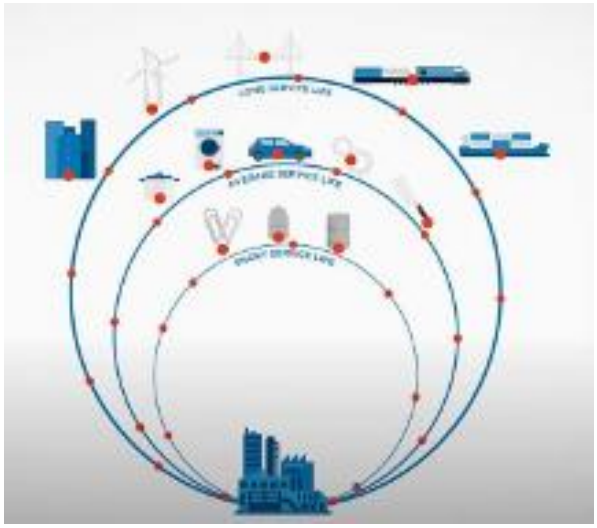
INTRODUCTION

In this chapter, we will discuss how our organisation uses resources and how we are working to promote a circular economy. This includes a discussion on 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 pig iron and subsequently into steel through melting and refining processes. Steel is then used to manufacture many objects, such as cars, ships, buildings, and tools. At the end of their useful life, these objects can be dismantled and the steel material can be recycled. Recycling steel saves resources and reduces the environmental impact of manufacturing new products. Thanks to the circular process 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 - video YouTube

This intrinsic characteristic of steel is exploited by Itla Bonaiti in a virtuous manner, and 100% of the raw steel production scrap is recycled as scrap metal. The company is studying procedures to reduce this waste as much as possible, as specified in more detail in the subsequent chapter, "E5.2 – Circular economy: materials, chemical products, and waste".

Itla Bonaiti is studying the introduction of steel produced 100% from scrap in electric arc furnaces into a portion of its supplies, aware that this material can only be used by a minority of its 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 thoroughly addressing the raw material steel, which accounts for approximately 83% of supplies, Itla Bonaiti is committed to responsibly selecting the remaining 17% that covers all the company's needs—from plant operating materials to stationery, including personal protective equipment and much more.

To this end, a procurement evaluation procedure was issued in 2022, focusing on:

- ECONOMIC SUSTAINABILITY – 360° cost assessment
  - Considering the entire life cycle of the product and not just its use within the company
  - Estimating disposal costs
  - Monitoring hidden costs caused by regulatory constraints
  - Checking whether it leads to savings or increases in energy costs
  - Estimating maintenance costs
- ENVIRONMENTAL SUSTAINABILITY – assessment of ecological impact
  - Reduce – reuse – recover – recycle
  - Checking whether it leads to savings or increases in energy consumption
  - Verifying the disposal process
  - Favouring products with low environmental impact certifications
  - Evaluating the impact of transport
- SOCIAL SUSTAINABILITY – assessment of supplier responsibility
  - Checking that the supplier does not violate current regulations regarding employee well-being and protection

Among these supplies, there are also chemical products and hazardous substances for which specific procedures are in place for their use, storage, transport, and disposal in accordance with current regulations. Furthermore, each container is provided with a specific label containing all necessary information. Personnel who come into contact with these substances are equipped with the appropriate PPE and have been trained and informed about all associated risks.

For the disposal of waste other than steel—which, as explained in paragraph E5.1, is 100% recycled as scrap metal—a process of segregation and disposal is followed according to the relevant EWC (European Waste Catalogue) code. Itla Bonaiti has implemented waste flow mapping and identified all collection points across its plants:

- RECYCLABLE WASTE
  - EWC 120102: ferrous metal dust and particles
  - EWC 150106: mixed packaging
  - EWC 130208: other engine, gear and lubricating oils
  - EWC 150110: packaging containing residues of or contaminated by hazardous substances
- NON-RECYCLABLE WASTE
  - EWC 150202: absorbents, filter materials, wiping and protective clothing contaminated by hazardous substances
  - EWC 120109: halogen-free machining emulsions and solutions
  - EWC 130502: sludges from oil/water separator





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

Great attention is paid to finding solutions that lead to the reduction of internal waste through the reduction, reuse, recovery, or repurposing of waste materials. For example, in 2022 Itla Bonaiti took action to reduce non-recyclable waste by extending the rental and laundering service for wiping cloths (EWC 150202) to all plants.



Training to raise employee awareness about waste reduction and segregation was conducted during the Energy Committee meeting in April 2022, attended by the plant managers, the head of maintenance, the COO, and the Safety and Environment Manager. Furthermore, during the five-minute safety briefings, production personnel are frequently reminded of the procedures for correct waste disposal and the importance of avoiding waste creation whenever possible.

100%	recycled scrap– fed back into the circular economy
503 ton	generated waste not classified as scrap
71%	of waste is HAZARDOUS and is destined for specific treatment and disposal in accordance with legislation
1%	of waste is NOT hazardous and is destined for landfill disposal
28%	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:

	Category	Value Chain			Timeframe		
IRO	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 pp.33 / 35

S1.ESRS – Company workforce

INTRODUCTION

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

S1.1 OUR WORKFORCE

ACTION

Itla Bonaiti places the people who contribute daily to achieving all economic, production, social, and environmental goals at the absolute centre of its operations. In 2025, the company employed 206 people, with 17 new hires. The workforce is composed of 30% office staff and 70% factory workers.

In compliance with legal regulations, the adherence to which is guaranteed by external observers and the employees themselves, there are no forms of illegal, child, or non-compliant labour within the organisation.

The company protects its employees on these matters through the application of the National Collective Labour Agreement (CCNL), which contains specific provisions relating to equal opportunities, non-discrimination, and health and safety in the workplace, continuously verified by trade union representatives. At Itla Bonaiti, the Human Resources department manages industrial relations and human resources. Among other responsibilities, it verifies the proper application of the CCNL through constant dialogue with managers and trade union representatives, reporting back to the Board of Directors on the matter. It is also constantly involved in decisions related to personnel remuneration, flagging any anomalies and advising managers to prevent disparity of treatment.

The recruitment process is fully transparent, communicated clearly and formally to all candidates, and provides feedback to everyone, whether positive or negative. During the selection process, various measures are implemented to prevent any type of discrimination: the involvement of Human Resources, external consultants, the hiring manager, and the Board of Directors aims to avoid preferential processes that do not guarantee equal access to the position.

In line with the provisions of the CCNL, the company maintains an active dialogue with trade union representatives, who are elected according to national regulations and are present at each plant. This dialogue is frequent and covers both formal matters of direct relevance and broader corporate initiatives, with the active involvement of all personnel. Relations are based on mutual cooperation, with a firm commitment from all parties to maintain a peaceful environment where finding solutions is a constructive process.

A considerable portion of the budget—over 8% of total payroll costs—is allocated to second-level bargaining (supplementary company-level agreements) to incentivise the quality of work delivered by Itla Bonaiti's personnel. Numerous individual or collective incentives exist to foster production growth and active collaboration. Regulations concerning atypical working hours are strictly respected in terms of both volume and remuneration. Generally, flexible working hours are granted when requested for personal needs (parental leave, part-time schedules, etc.). The company has provided its workers with the appropriate equipment for remote working and relies on managers to organise this in agreement with employees. Overall, personal needs are accommodated in the pursuit and respect of individual well-being.

Employees are always guaranteed the opportunity to discuss matters related to their corporate life, working conditions, relationships with colleagues, and more generally, any situations regarding their time at the company, either directly or through their representatives, with their managers or executive leadership. The Human Resources department continuously monitors the working environment and addresses any questions raised by the workforce.

Remuneration is aligned with professional levels and duties, and is negotiated in compliance with the CCNL, in full transparency and with the cooperation of the HR department and trade union representatives. Salaries are in line with the local average and include, as previously indicated, a substantial percentage of second-level bargaining, both fixed and variable.

206	employees in Itla Bonaiti in 2025		
94%	open-ended contracts	6%	temporary workers
30%	office workers	70%	manual labourers
8%	of the total payroll is related to second-level negotiation		

S1.2 DIVERSITY AND INCLUSION

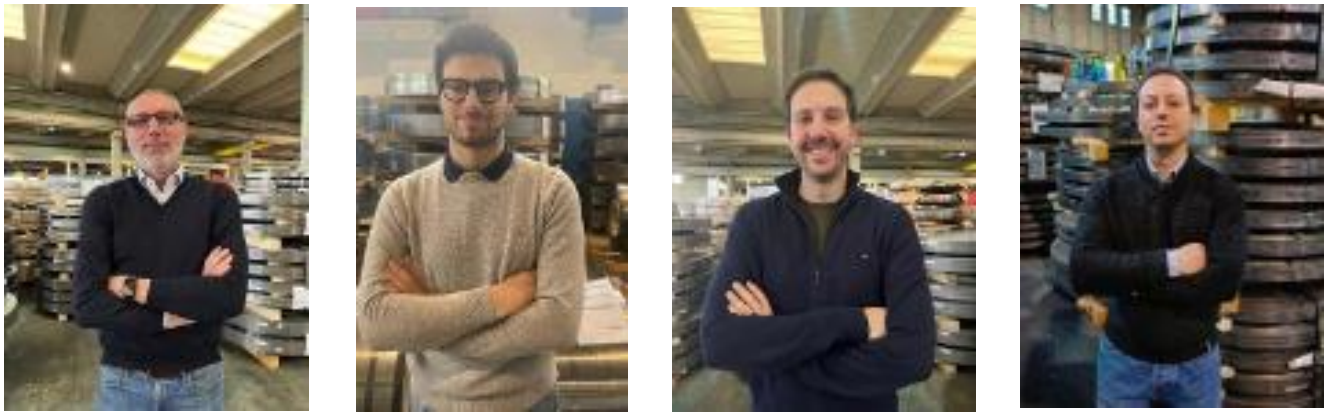
ACTION

The company adopts the **National Collective Labour Agreement (CCNL) for the metalworking and plant installation industry** of 5 February 2021, which contains specific provisions relating to equal opportunities, non-discrimination, and employee health and safety in the workplace. Through the application of this agreement, verified by trade union representatives, the company protects its employees on these matters.

Furthermore, the renewal of the CCNL, signed on 22 November 2025 and effective until 30 June 2028, represents a further pillar of Itla Bonaiti's commitment to social sustainability. Indeed, the agreement goes beyond mere salary adjustments, strengthening organisational well-being through the enhancement of contractual welfare and an investment in continuous training. These initiatives consolidate the bond with employees, promoting an inclusive working environment oriented towards professional growth.

The themes of diversity and inclusion are regulated within the Code of Ethics, which was updated in 2023 to incorporate the latest insights on the matter and approved by the Board of Directors in early 2024.

Itla Bonaiti is committed to ensuring working conditions and environments that respect laws and collective agreements, protecting the individuals and their rights. The management of interpersonal relationships must be developed by avoiding any form of abuse that is harmful to personal dignity and autonomy.
Discrimination and harassment against anyone are strictly prohibited on the basis of gender, race, religion, belief, age, ethnic origin, nationality, marital status, maternity/paternity, disability, sexual orientation, or any other personal characteristic or condition. A participatory environment is encouraged, welcoming diverse opinions and values, provided they do not violate the rights of other.



Plant managers at Oggiono – Palazzago – Mogliano Veneto - Civate

Female employment represents 10% of the total workforce, rising to 35% when limited to office staff, as there are currently no female factory workers. It is worth highlighting that despite the company's commitment to finding female candidates for its open positions, the metalworking sector—especially on the production side—is still not attractive to the female workforce. Several myths regarding entry barriers to production departments still need to be debunked. These include the perceived need for physical strength suitable for heavy work, which is now significantly reduced thanks to organisational adjustments and mechanical aids, and the misconception that women do not have a mind suited to engineering, whereas they achieve the same results as their male colleagues in polytechnics and STEM subjects.

ACTION

S1.3 OCCUPATIONAL HEALTH AND SAFETY

Itla Bonaiti invests significant economic and human resources to create a work environment that is safe and healthy for its employees.

"Safety first" is the motto that has accompanied the company since its inception, specified for the 2022–2027 sustainability plan as **"I act only if safe"**. Constant and concrete effort is directed towards this area to achieve the goal of **ZERO ACCIDENTS**. Every person who comes into contact with the working environment and the company's products—whether an employee, supplier, or customer—must perceive and actively contribute to this ongoing project, feeling integrated into a completely secure environment during their activities and acting as a conscious protagonist of safe operational practices. This effort must never diminish, fostering a proactive and effective "forma mentis" to achieve this objective.

Furthermore, the accreditation process for **ISO 45001** certification began in 2023, involving the commitment of the entire Itla Bonaiti organisation throughout 2024 and resulting in its attainment in 2025. The aim is to refine the procedural framework to enhance safety, reduce workplace risks, and improve workers' health and well-being, thereby increasing health and safety performance across the whole organisation.



HSO Oggiono - Civate and HSO RSPP Palazzago - Mogliano Veneto

Specifically, Itla Bonaiti is committed to ensuring a proactive approach to risk management, anticipating potential hazards and acting accordingly to prevent accidents and occupational diseases. It encourages the active participation of workers in occupational health and safety management, including the involvement of workers' representatives, in order to create a shared safety culture geared towards continuous improvement. Continuous training is utilised as a tool to ensure that everyone is aware of their specific duties and responsibilities regarding health and safety.

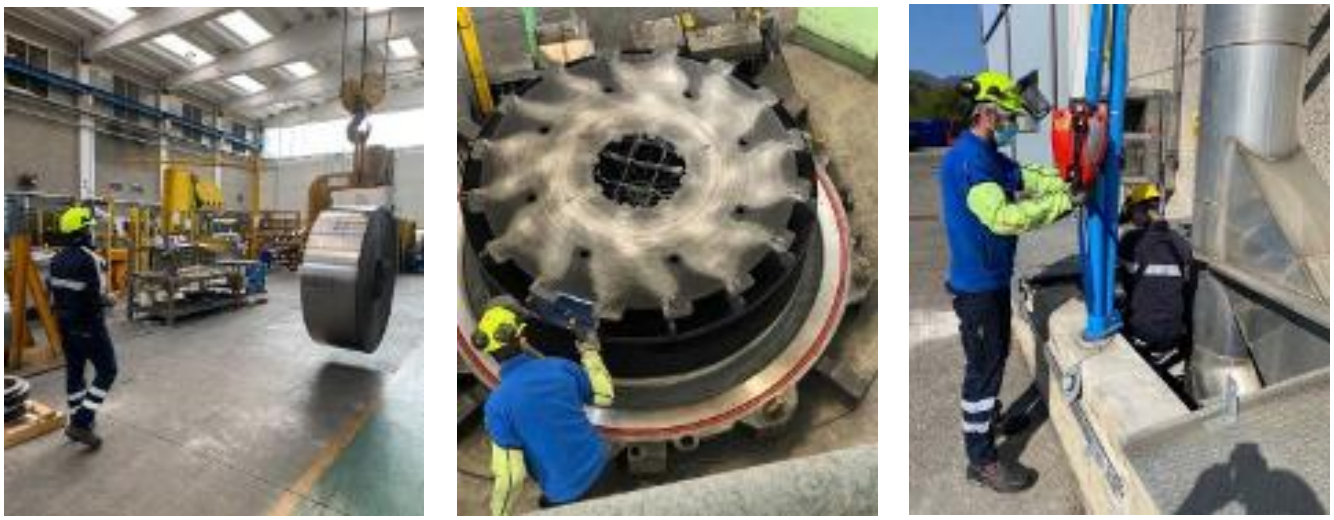
Work environments and machinery are set up and certified according to safety regulations, following a continuous investment plan. In 2025, €247,500 was invested to continue upgrading the plants; each new installation becomes available for use only after receiving safety certification from both internal and external bodies. Other maintenance interventions and material purchases, also within the safety scope, involved an additional investment of €175,000.

Itla Bonaiti utilises operational procedures and structures that specifically deal with safety systems, including:

- Numerous procedures in compliance with Italian Legislative Decree 231/2001 (specifically Nos. 1, 2, 3, 9, 10, 12, and 13), which cover PPE management, health surveillance, accidents, procurement safety, safety specifications in supply chains, safety in maintenance activities, and confined spaces, alongside the related activities of the Supervisory Body (*Organismo di Vigilanza*);

- A first-level health and safety committee, which meets monthly with the Board of Directors, management representatives, and workers' representatives to address employee health and safety issues, analysing any incidents that occurred and potential solutions to prevent recurrence, procedural improvements, safety training, and topics that can inspire preventive measures;
- Safety Management Audits (SMAT), conducted and discussed at every safety committee meeting, which form an integral part of the proactive management mechanism through which potential risks within an organisation's operations are identified and controlled;
- Multiple second-level committees, which receive directives and initiatives from the safety committee and implement them, planning department meetings with all employees;
- The appointment of operational personnel (supervisors, first-aid officers, internal firefighting teams, etc.) who are appropriately trained and actively involved in the safety strategy, with specific tasks for intervention and monitoring the implementation of procedures;
- Training and briefing sessions ("five-minute safety talks", collective and specific courses, etc.) that directly involve operators to maintain high attention levels and increase the sense of contribution towards achieving safety goals, during which specific topics and operational activities are addressed;
- The drafting and updating of operating procedures and Risk Assessment Documents (DVR) for all activities, carried out by internal staff, suppliers, and external personnel in general, as well as the periodic execution of all necessary measurements to ensure that staff exposure levels are within legal limits (chemical agents, noise, vibrations, etc.);
- The drafting and updating of operating procedures to anticipate health and safety risks associated with job rotations or the introduction of new operations;
- Preventive maintenance, according to a formal plan, of all equipment and machinery to prevent negative impacts on internal and external workers, coupled with timely intervention in the event of breakdowns or extraordinary events, carried out by personnel exclusively dedicated to maintenance and plant engineering;
- The granting of specific intervention and investment powers to Plant Managers via power of attorney, aimed at making them independent with autonomous spending capacity, backed by a high, freely disposable budget within their respective areas.

All these structures and activities run alongside those formally required by law, such as the monitored supply of certified PPE to all employees, compliance with working hours and rest periods according to the CCNL, and generally all regulations included therein (for example, in Title V) concerning employee safety and health. These activities, besides being explicitly detailed in the 231 procedures and verified by the Supervisory Body, are monitored by the HR department and its external consultants. In particular, the company ensures there is no ambiguity regarding the presence of unregistered workers, underage workers, or any situation outside legal regulations, always providing all employees with clear information regarding their rights.



Palazzago plant - Safety procedures and use of PPE

The procurement of hazardous substances follows a specific procedure, always drafted in accordance with the provisions of Italian Legislative Decree 231/2001, providing training both for the personnel purchasing the goods and those handling them. With particular reference to the latter, operating procedures are issued through a tracked distribution system, aimed at eliminating any risk of harmful events occurring to operators, colleagues, and the wider working environment.

Depending on the location of each plant, Itla Bonaiti relies on the advice and services of several occupational health physicians. In compliance with regulatory requirements, they plan and conduct all medical check-ups and health monitoring for workers, determining their suitability for assigned tasks from both a physical and psychological perspective. In cooperation with company staff, the occupational physicians verify the presence of all first-aid equipment and intervene during extraordinary emergencies, as was the case during the Covid-19 pandemic in the 2020–2021 period. The company guarantees all workers hygienically appropriate spaces for carrying out their activities, which are constantly sanitised in compliance with legal standards.

Prior to installing any new plant or machinery, a study is carried out on the noise level it will generate during steady-state operations to ensure compliance with local zoning regulations. Once the equipment is installed, exposure levels are defined on the basis of environmental monitoring, and the corresponding risk reduction and prevention measures are identified, including any mandatory use of hearing protection.

Products are packaged and supplied to customers in compliance with the safety criteria specified directly by them as well as those established by Itla Bonaiti, which remains fully aware of the intrinsic hazards of its products related to their significant weight and dimensions. For certain products intended for safety components in the automotive sector, the company follows the specific ISO/TS procedures dedicated to this category at the customer's request, implementing specialized processes and controls.

422,500 € investment in health and safety

100% employees examined by the occupational physician

PPE DISTRIBUTED

50 Helmets	**189** Pairs if shoes	**2,063** Sleeves	
6,549 Pairs of gloves	**10,700** Hearing protection devices	**6,000** Minerals salts	**95** Visors

9 Level 1 Safety Commitees

7 Level 2 Safety Committees

15.91 Frequency Rate

0.33 Gravity Rate

900 Minutes of Safety Briefings

500 Hours dedicated to prevention registers

275 Unsafe Act analysed

220 Unsafe Condition analysed

ACTION

S1.4 TRAINING, EDUCATION AND DEVELOPMENT

At Itla Bonaiti, the people who work every day and contribute to achieving corporate goals are involved in both internal and external training programmes. Upon hiring, all workers must complete "induction training courses", which cover health and safety topics, the sharing of company procedures and the Code of Ethics, specific job role training, and all information necessary to carry out their duties in accordance with company regulations. Furthermore, whenever there is a change of duties, a specific course is provided to instruct personnel on the new operational and safety procedures.

As previously mentioned, particular attention is paid to safety training for all workers. In addition to the mandatory courses required for their specific roles, supplementary courses on topics of strategic relevance to the company are also provided. Safety training is also conducted internally through on-the-job mentoring and the frequent use of dedicated procedures.



Civate plant – Five- minutes safety briefing

Safety training is complemented by programmes dedicated to personnel skills development, which are also delivered through accredited local centres, such as Confindustria. Periodically, the Human Resources department provides managers with the list of courses available to employees. In particular, Itla Bonaiti promotes training pathways focused on the development of soft skills, language skills, leadership capabilities, and ESG topics, as well as post-graduate master's degrees aligned with the professional growth and career development needs of its workforce.

No less important is the internal training on specific topics carried out through on-the-job mentoring, as well as through dedicated courses conducted by internal company personnel.

As part of the "Quality 360°" project, it is worth highlighting the specific manufacturer training provided to the Itla Bonaiti personnel responsible for operating the Parsytec system (equipment that has already been the subject of investment, see page 14). This will be followed, in collaboration with the Polytechnic University of Milan, by the mapping of the most significant defects for automatic detection, and the drafting of an action plan to mitigate the issues encountered.

All courses are monitored by the Human Resources department, which also plans the schedules for periodic renewal activities. In 2025, 8,005 hours of training were delivered, representing an increase compared to the 7,068 hours in 2024, confirming the growth path of internal skills. This increase is linked both to investments in technical training and to the mandatory safety refresher training required by Italian Legislative Decree 81/08, confirming Itla Bonaiti's commitment to protecting workplace health and safety.

A defined career plan is in place for all professional roles in accordance with the CCNL, developed by the Board of Directors together with the Human Resources department, with particular attention paid to high-potential profiles included in the company's strategic plans. Furthermore, MBO (Management by Objectives) systems are provided for senior management roles, based on measurable objectives and remuneration levels linked to the results achieved. Personnel skills are evaluated periodically by managers, also with the aim of identifying opportunities for professional growth

8,005	hours of training	1,940	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 play a significant role for us in terms of **Our workforce**. 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							
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 pp. 37 / 40 / 41

S2.ESRS – Workers in the value chain

INTRODUCTION

Within our company, we recognise the importance of workers in the value chain. We have adopted ESRS S2 as part of our commitment to transparency and sustainability.

Our primary objective in adopting ESRS S2 is to promote transparency across our operations. We want to ensure that our stakeholders are fully aware of our sustainable practices and our respect for workers' rights throughout the entire 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.

S2.1 SUPPLY CHAIN

ACTION

Itla Bonaiti continues to monitor the ESG performance of its supply chain, which is divided into the procurement of high-carbon steel raw material and purchases for personal health and safety, plant operations, real estate, and offices.

Given the predominance of the raw material, Itla Bonaiti ensures that its supply chain mapping in terms of corporate responsibility remains consistently of a high standard and at the forefront of the industry.

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

Main steel mills	ISO 9001 *quality*	IATF 16949 *automotive*	ISO 14001 *environment*	ISO 45001 *safety*	ISO 50001 *energy*	*low-emission steel*
Arcelor Mittal *France*	● 16/07/2027	● 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	● 13/04/2028	● 24/09/2027	
China Steel Corp. *Taiwan*	● 27/09/2026	● 12/02/2027	● 21/06/2028	● 15/03/2028	● 07/07/2028	/
Salzgitter *Flachstahl*	● 29/08/2027	● 29/08/2027	● 03/10/2026	● 03/10/2026	● 03/10/2026	Salcos® Veristeel

Thyssen *Hohelimburg*	● 07/05/2028	● 21/07/2027	● 07/05/2028	● 07/05/2028	● 07/05/2028	Bluemint® Veristeel
Jindal Steel & Power	● 22/07/2027	● 08/09/2027	● 22/02/2027	● 22/02/2027	● 08/06/2027	/

S2.2 LOOKING FOR THE NEW LOW-CO_2-EMISSION SUPPLIERS

ACTION

Bearing in mind that not all steel mills worldwide produce high-carbon steel, identifying additional suppliers that offer premium, low-emission products while adhering to high sustainability standards can prove challenging.

Despite this premise, Itla Bonaiti focuses on introducing new suppliers among both existing steel mills and those currently under construction. Diversifying procurement sources allows the company to reduce dependence on a single source and mitigate the adverse effects of potential supply chain disruptions, such as delivery delays or price fluctuations within a supplier's region. Furthermore, fostering competition among suppliers stimulates innovation and drives continuous improvement in both processes and products. Consequently, despite the challenges involved in sourcing high-quality and sustainable high-carbon steel, supplier density remains a crucial factor in ensuring the long-term resilience and sustainability of business operations.

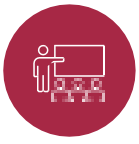
To this end, Itla Bonaiti has identified **Vulcan Steel**—the new green steel mill currently being built by the Indian group Jindal Steel in Oman—as a potential partner for purchasing low-emission, high-carbon steel. This modern facility, currently under construction, demonstrates Jindal Steel's commitment to sustainability and innovation within the steel sector. Strategically located to benefit from both vast volumes of renewable wind and solar energy sources and the distribution of finished products via the nearby port, the Vulcan Steel mill will adopt the most advanced technologies and eco-sustainable production practices. We anticipate that we will be able to begin receiving supplies starting from 2027.

In addition, Itla Bonaiti has established a pre-agreement with **Metinvest**, an international mining and steel group, to secure quotas of sustainable steel from their plant to be built in Piombino.

S2.3 CLIENT CHAIN

ACTION

Adopting sustainable practices throughout Itla Bonaiti's entire downstream value chain ensures the long-term survival of the whole supply chain. Our customers are increasingly aware of and attentive to the environmental, social, and governance (ESG) policies of the companies they interact with, and integrating sustainability into the supply chain has become an imperative to meet their needs and expectations. From production to transport, and from distribution to consumption, every stage of the chain must be guided by sustainability criteria to promote a circular and responsible economy.



In support of this commitment, during 2025 Itla Bonaiti signed the codes of ethics of 3 customers, in addition to the 7 signed the previous year.

Starting from 2024, Itla Bonaiti also began sharing its own code of ethics with its customers, requesting their signature as a sign of shared values and principles guiding its business model, in order to build a future where the needs of the present generations are met without compromising the ability of future generations to meet their own.

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-CO_2-emission suppliers (pp. 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. It aims to promote transparency in our company's operations and encourages the adoption of sustainable practices that take affected communities into account. Therefore, with a view to transparency and sustainability, we provide information on our governance, strategy, and impact management.

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

In 2021, Itla Bonaiti launched a programme called "Supporting Good Deeds" (*Sosteniamo le buone azioni*), aimed at supporting the local area, the third sector, and international projects deemed worthy of assistance. The budget allocated in 2025 remained substantially unchanged compared to that of 2024. The 2025 projects were identified as follows:

- Enactus Foundation, supporting projects by university students worldwide aimed at launching businesses with positive social impacts;
- La Nostra Famiglia (specifically the *"più SiCuri più Si Cura"* initiative and support for scientific research), an association dedicated to the care and rehabilitation of people with disabilities, particularly during developmental age;
- Cooperativa Progetto Scout, an association supporting scouting in the Lecco area;
- Lega del Filo d'Oro Foundation;
- Floriani Foundation;
- Francesca Rava Foundation;
- Parish of Dolzago (LC);
- Parish of Oggiono (LC);
- "Supporting Good Deeds" – contributions for personal expenses related to situations of particular hardship.

We also highlight the initiatives entirely funded by Itla Bonaiti employees in favour of:

- Umberto Veronesi Foundation, a foundation for cancer research.

The programme also looks inward, allocating funds to the company's employees. In particular, the following interventions were made in 2025:

- 10 scholarships, rewarding the daughters and sons of employees who completed their university education or compulsory schooling during the current year with excellent results;
- 9 educational subsidies for children of employees with disabilities and/or learning difficulties;
- An increase in the amount allocated to corporate welfare compared to the minimum required by the CCNL, equivalent to 1% of remuneration, to expand the availability and use of measures accessible to employees, which are generally aimed at supporting family, healthcare, and educational expenses;
- Contributions for employees on the birth of a child or marriage;
- METAsalute, as a top-up to the private health insurance provided by the CCNL.

9	organisations from the local area, tertiary associations and for international action in areas of crisis
10	scholarships awarded to deserving students
9	school allowance packages
3	babies born
3	weddings

S4.ESRS – Consumers and end-users

INTRODUCTION

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

On the assumption that Itla Bonaiti manufactures raw materials and consequently its products do not go directly into the hands of end-consumers, the company has implemented a quality policy and control system to ensure that the products made by customers using its material are reliable.

Having major automotive sector suppliers among its clients, Itla Bonaiti is itself part of this supply chain and is certified according to the IATF 16949 standard. Therefore, Itla Bonaiti is committed to ensuring the safety of its products destined for the automotive sector for the benefit of end-users, implementing rigorous policies to guarantee product quality and customer satisfaction. This conduct aligns with the specific automotive sector requirements outlined in the IATF 16949 standard, as does the effort to achieve specific goals aimed at minimising defects and, conversely, maximising positive impacts on product safety. Itla Bonaiti constantly monitors the effectiveness of its actions to enhance product safety and is committed to taking corrective measures whenever necessary.

In more general terms, and outside the scope of the IATF standard, Itla Bonaiti is committed to providing quality products and protecting the safety of end-consumers as far as lies within its capability. It performs high-tech processing on steel—a material that, while extremely strong and versatile, possesses intrinsic characteristics that can influence the performance of the final product. These characteristics include susceptibility to corrosion, variation in mechanical properties depending on temperature, and the potential for deformation under high loads.

Itla Bonaiti is committed to minimising these risks through the use of advanced technologies and cutting-edge processing practices. However, it cannot be held responsible for any issues that may arise due to these intrinsic characteristics of steel.

G1.ESRS – Business conduct

INTRODUCTION

In this chapter, we will discuss our organisation's business conduct and how we are committed to maintaining high ethical standards in our operations (ESRS G1). Furthermore, we will explore ESRS S3, the standard concerning affected communities: it aims to promote transparency in our company's operations and encourages the adoption of sustainable practices that take affected communities into account. Therefore, with a view to transparency and sustainability, we provide information on our governance, strategy, and impact management.

G1.1 GOVERNANCE SYSTEM

Itla Bonaiti is committed to ensuring and strengthening ethical behaviour in the workplace through the promotion and dissemination of the Code of Ethics in force since March 2020, alongside the quality and health and safety policies in force since August 2021. For this reason, the company ensures that personnel are informed of all commitments and are consciously and actively involved in pursuing the objectives.

To ensure compliance with the law, proper operational functioning, corporate reliability, and the protection of its reputation and know-how, Itla Bonaiti adopted an organisational, management, and control model in March 2020 to prevent offences included under Italian Legislative Decree 231/2001. The objective is to establish rules of conduct for all employees, as well as to identify "sensitive" processes, areas, and activities, along with their related controls. Furthermore, to oversee the proper functioning of and compliance with Model 231, Itla Bonaiti has appointed a Supervisory Body (Organismo di Vigilanza) composed of an external member, thereby ensuring compliance with regulatory requirements regarding autonomy, independence, and continuity of action.



The adoption of Model 231, the Code of Ethics, and the quality and health and safety policies, combined with the implementation of a Quality Management System certified according to the ISO 9001 and IATF 16949 standards, establish the regulatory framework that ensures the compliance of activities with applicable national and international standards and best practices.

In the year 2025, no violations of anti-corruption laws were recorded, nor were there any legal actions relating to anti-competitive, antitrust, and monopolistic practices. Furthermore, no significant sanctions or fines were received regarding socio-economic compliance.

Itla Bonaiti's governance structure consists of the Board of Directors and the auditing firm Price Waterhouse Coopers (PwC), whose objective is to oversee and verify compliance with the law and the principles of correct administration and corporate reporting.

The Board of Directors remained unchanged in 2025 and is composed of:

Board of Directors as of 09/05/2024	
Ghislanzoni Giandionigi	Chairman
Ghislanzoni Francesca	Chief Executive Officer
Battiston Cristina	Director
Gandolfo Marcello	Director

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

With the introduction of the administrative liability of legal entities under Italian Legislative Decree 231/2001, Itla Bonaiti has formalised its commitment to governing corporate processes by adopting:

- A map of activities at risk, identifying potential issues;
- The organisational model;
- The Code of Ethics;
- Specific internal procedures for various business processes;
- An organised system of powers of attorney and responsibilities;
- A defined disciplinary system.

Although the company's core business is far removed from markets and sectors most affected by bribery and corruption, its size made it appropriate to specify practices within its procedures to prevent the organisation from falling victim to offences of this nature. In particular, procedures relating to procurement, finance, and administration contain steps specifically designed to ensure that, on the one hand, process owners cannot engage in illicit conduct without oversight, and on the other, operational roles can be actively monitored by managers to guarantee full transparency at all stages.

In addition to bribery and corruption, the potential risk analyses also evaluated conflicts of interest, fraud, money laundering, and anti-competitive practices.

Suppliers are verified using a specific checklist to ensure they meet all requirements and are not suspected of interference with company personnel; the entire purchasing process consists of a series of steps and checks that allow multiple, mutually independent people to detect any anomalies. It should be noted that the vast majority of purchases are made from major, large-scale companies that are themselves equipped with strict codes of conduct and procedures, and that for amounts above a certain threshold, multiple supply alternatives must always be evaluated. In the case of sensitive expense items, greater control and attention are applied by the personnel involved, and suitability documentation is requested from the supplier.

Administrative processes are certified by a major external auditor (Price Waterhouse Coopers for 2022), alongside procedures that allow multiple independent entities to verify the absence of external interference in the processes. The company also relies on an independent administrative consultant who, among other duties, closely monitors formal processes and periodically verifies corporate compliance.

The company has adopted the GDPR directive and was certified compliant by an external body in 2019, guaranteeing the security of the data in its possession against any use not permitted by law; training to this effect has been provided to all employees. Data is stored in accordance with regulations, and processes are subject to review by the managers designated by the Board of Directors



Employees have been trained and informed—through the sharing of the Code of Ethics, the 231 procedures, and the GDPR directive—about the potential risks related to bribery and corruption, conflicts of interest, fraud, money laundering, anti-competitive practices, and information security. Furthermore, all employees have direct access to a contact point with the Supervisory Body (which is completely external and independent) to report suspicious conduct in a fully anonymous manner via a whistleblowing channel. The Supervisory Body periodically conducts audits on compliance with these procedures, as well as verifying the competence of company personnel regarding these topics within their specific operational areas.

In 2025, no reports were received by the Supervisory Body, which remains constantly available to stakeholders should they identify any issues in these areas, alongside the standard application of the corporate 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 its commitment to ESG topics within 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 play a significant role for 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

	Category	Value Chain			Timeframe		
IRO	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

ITLA BONAITI SRL

OGGIONO -Italy | Manufacture of basic iron and steel
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SILVER | Top 15%
ecovadis
MAR 2026
73 / 100
g7th percentile

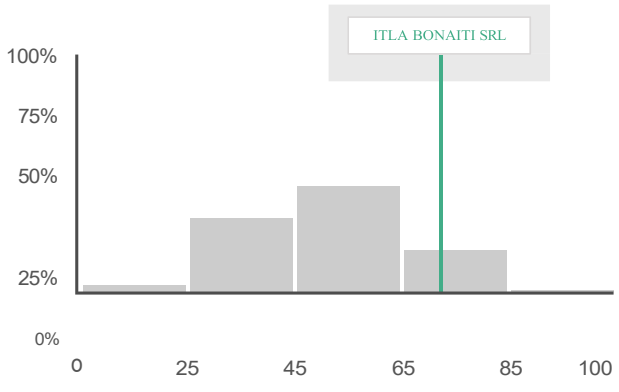
SUSTAINABILITY PERFORMANCE OVERVIEW

Score breakdown

Sustainability performance — Insufficient — Partial — Good — Advanced — Outstanding — Average score

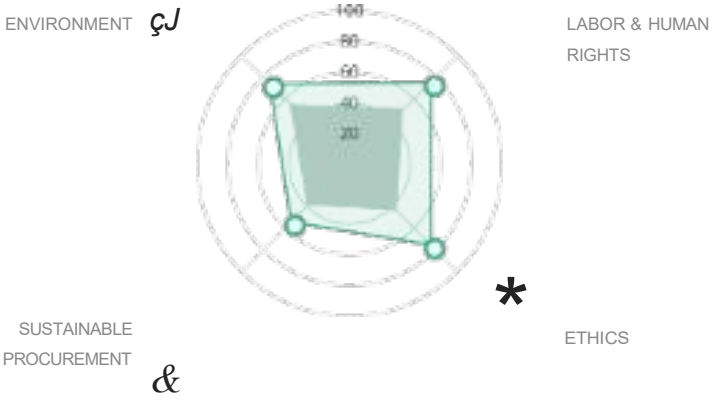
OVERALL SCORE	ENVIRONMENT	LABOR & HUMAN RIGHTS	ETHICS	SUSTAINABLE PROCUREMENT
73 / 100	71 74 / 100	71 76 / 100	→ 75 / 100	→ 5 / 100
g7th percentile				

Overall score distribution



All companies rated by EcoVadis in this industry

Theme score comparison



QITLA BONAITI SRL score — All companies rated by EcoVadis in this industry

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HIGHLIGHTS

Overall score

ITLA BONAITI SRL is in the top **8%** of companies rated by EcoVadis in the Manufacture of basic iron and steel industry.

Environment

ITLA BONAITI SRL is in the top **16%** of companies rated by EcoVadis in the Manufacture of basic iron and steel industry.

Labor & Human Rights

ITLA BONAITI SRL is in the top **5%** of companies rated by EcoVadis in the Manufacture of basic iron and steel industry.

Sustainable Procurement

ITLA BONAITI SRL is in the top **18%** of companies rated by EcoVadis in the Manufacture of basic iron and steel industry.

Ethics

ITLA BONAITI SRL is in the top **4%** of companies rated by EcoVadis in the Manufacture of basic iron and steel industry.

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