

*Annual and Sustainability*  
**REPORT 2023**

**Duferco**



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**REPORT 2023**

**Duferco**



# Annual REPORT

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# Annual REPORT

# Dear STAKEHOLDERS

In celebrating and recognizing an extraordinarily challenging year, marked by intensified inflation and global economic adversities, FY2023 results serves as a powerful affirmation of the Duferco Group's constant resilience and adaptability.

This year was indeed characterized by significant successes in all Divisions, largely due to teams' dedication and flexibility, which demonstrated the Group's ability to face global challenges by adapting its way of working to the circumstances.

The Group's net profit witnessed a noteworthy increase, rising from 385 million USD in FY2022 to 450 million USD in FY2023, marking a year-on-year growth of 17%, despite consolidated revenue decreased to 27.6 billion USD due to significantly reduced energy prices, lower steel prices and shipped volumes related to steel production and distribution business. This is further confirmed by other main consolidated financial results, which also in FY2023 remain very strong, such as, a net working capital of more than 1,156 million USD (941 million USD in 2022) and a total equity of around 1,836 million USD (1,486 million USD in 2022).

However, the important results achieved by the Group are not limited to economic and financial results. It continued to maintain commitment to sustainability issues and is still optimistic about advancing and improving ESG performance across all four divisions: Steel, Energy, Shipping and Innovation.

In this regard, the new green rolling mill was inaugurated in October 2023, a strategic investment of 250 million euros intended to radically transform Group's industrial capacity and equally promote energy transition and decarbonization with the application of innovative technologies as well as renewable energy supply. This important investment represents one of the most remarkable initiatives undertaken by the Italian steel industry in recent years, consolidating Duferco's leading position in the market. To meet the needs of the plant, a substantial indirect economic value was also generated for the surrounding communities, especially through the employment of external workers as well as partnership with local suppliers during construction.

Duferco has chosen to focus part of its business on supporting the energy transition. This commitment is reflected in the ongoing efforts to increase the capacity through solar, wind power and biomass plants intended for energy production. About 100 GWh is the renewable energy produced by the different sites around the world in FY2023, with the goal of increasing this value more and more in the coming years as well as adopting enabler



solutions that allow to make renewable-energy generation steady despite its inherently intermittent character. Moreover, the trading activity, constantly growing and with record financial results in FY2023, is further focusing on the off-taking and trading of the Guarantees of Origins (“GOs”) associated to renewable power plants, as well as, on carbon market in general.

The 2023 financial year has been a challenging year also for the Shipping Division. Indeed, despite a high market volatility, the second-best financial results in Nova’s history have been achieved.

At the same time, new solutions are constantly being explored to reduce ship-related emissions, also in line with upcoming EU regulations and to improve the energy efficiency of this complex business segment.

Duferco's business is always based on innovation and dynamism, components that are reflected in the Group’s wide range of activities.

The spotlight is on Innovation Division, committed to enhancing the synergies of the Group and assisting employees in facing new challenges every day.

This Annual Report publicly demonstrates Duferco's intrinsic commitments to transparency of sustainability issues and related performance. It also lays the foundation for Group’s future aspirations, consisting of long-term ambitions that drive the transition towards global sustainable development.

The entire Group would like to express its gratitude for the trust and resilience every stakeholder has demonstrated.

This year has reaffirmed the belief in collective strength and as Duferco persist in its shared journey of growth, it looks forward to scaling new heights of success together.

BRUNO BOLFO

A stylized, handwritten signature in black ink, appearing to read 'Bruno Bolfo', positioned below the printed name.

# Business and financial highlights FY2023

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## BUSINESS HIGHLIGHTS

**13**

Industrial plants

**660,000 Tons**

Steel produced and processed

**906 TWh**

Energy traded

**797 TWh**

Gas

**109 TWh**

Power

**Around 100 GWh**

Produced by renewable sources

**Around 193 GWh**

Energy generated by business partners  
from biomass sold by the Group



## FINANCIAL HIGHLIGHTS

**Over 100**

Managed vessels of which  
**67 directly owned**

**Moving 27 M Tons**

Commodities

**24,608**

Working hours dedicated  
to R&D and innovation

**Over 1,000**

Number of charging  
points managed by Duferco

**Over 225,000**

Relationships with third parties

**1,835,662 K USD**

Total equity

**450,479 K USD**

Profit for the period

**27,628,344 K USD**

Revenues

# The Group

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Founded in 1979 by Bruno Bolfo, the Duferco Group initially operated as a steel trading company. Over the years, drawing on the experience it acquired, it expanded gradually and branched out into different industries. Today, building on its steady growth and ongoing evolution, it is organized into four key Divisions: Energy, Steel, Shipping, and Innovation.

The Duferco Group has managed to maintain its success over its 40-plus year history by seizing business opportunities, adapting to market developments, and embracing transformation. In a constantly changing world, the Duferco Group pursues its well-established values of conduct

and strives to understand and promptly respond to market trends.

The Group's strategy is grounded in a set of principles that promote the integration of best practices into day-to-day business operations, together with a clearly defined mission and vision.





# Mission

Maintain balanced assets, steady focus on business profit, and shared value creation through cyclical and other non-cyclical operations across the four Divisions, fostering energy transition within and outside the Group and pursuing progressive decarbonization of operations.

# Vision

Become a conglomerate Group with four Divisions: Energy, Steel, Shipping and Innovation, where residual risks are increasingly managed from a strategic standpoint and where opportunities are seized thanks to the Group's natural adaptiveness and focus on human capital.



# The four divisions: Energy, Steel, Shipping and Innovation

## ENERGY

Originally established to meet the Group's energy hedging needs, the Energy Division stands today as a leading player in energy trading, wholesale and retail distributions, and renewable production. The Division's main objective is to build a diversified portfolio that combines retail and wholesale businesses with investments in strategic green

assets, including renewable power plants and nature restoration projects, to provide its partners with reliable and sustainable energy solutions.

The Division consists of around 800 specialized employees acting through the Group's two main energy business lines: **DXT** and **Duferco Energia**.





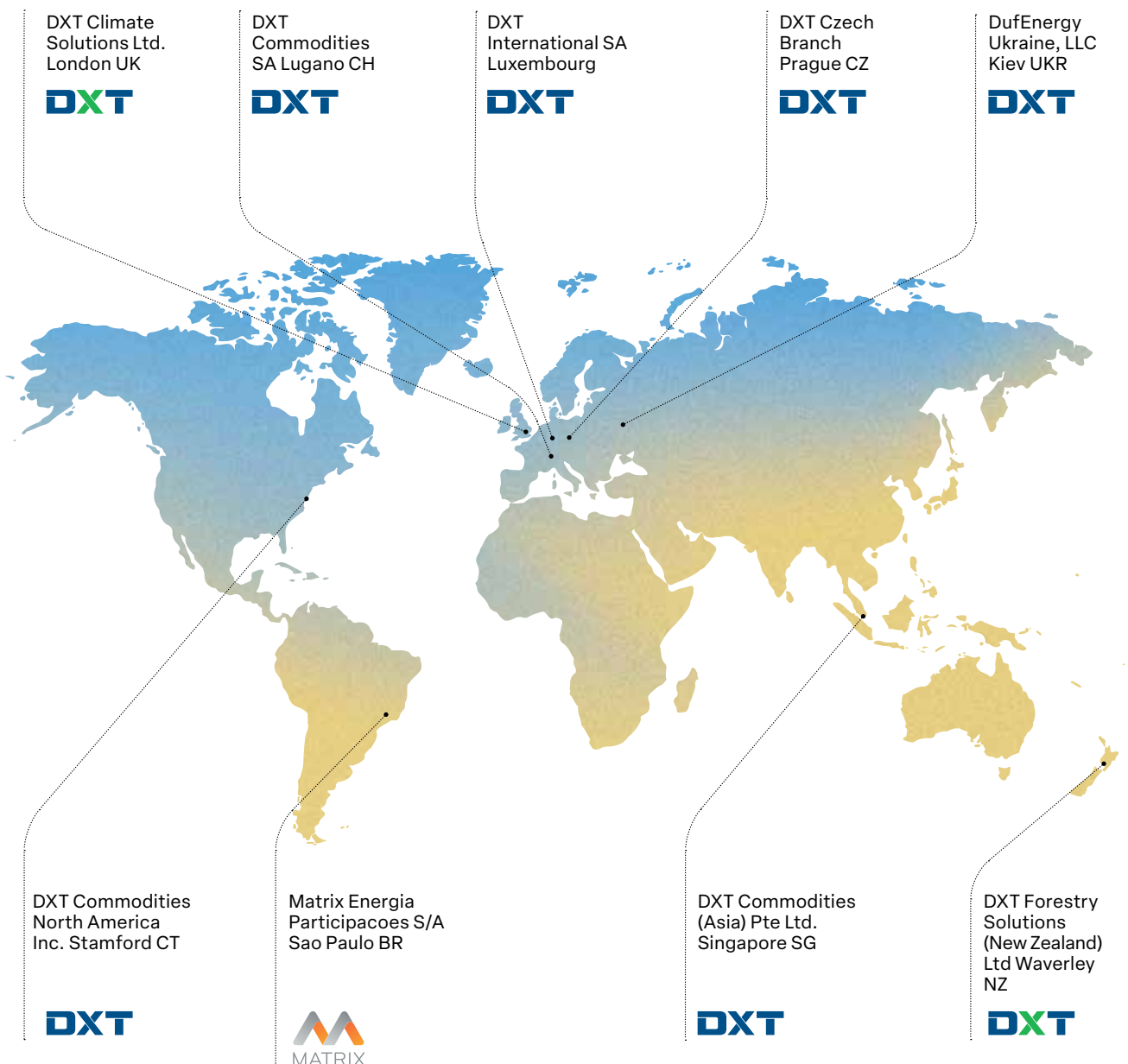
## DXT

Founded in 2005, **DXT** is a leading international commodity trading house which operates globally through DXT International S.A. and its affiliates. With its roots originating from conventional power trading activities, DXT successfully expanded over the years into new markets, diversifying its trading portfolio and developing its strategies leveraging the experience and skills of its teams.

DXT focuses on renewable and conventional power, natural gas & LNG, as well as energy and carbon certificates, evolving from a pure trading configuration into a sophisticated energy platform that generates value along the supply chain. The Group's mission is to deliver solid and sustainable performance, providing the market and its participants with clean energy and innovative

solutions, supporting the energy transition to a low-carbon global system.

Through **DXT Commodities SA** and its subsidiaries, DXT traded over 620 TWh of energy volumes in the last financial year, delivered more than 43 LNG vessels across the world, and managed power renewable plants for approximately 3.5 GWh of installed capacity as the leading independent off-taker of renewable energy in the Italian market. DXT further consolidated its role in Europe operating and expanding in new countries. DXT feeds the market with clean energy solutions, offering competitive Power Purchase Agreements (PPAs) and minimizes imbalance risks for its energy producers thanks to a competent team of traders, analysts, and meteorologists.





DXT invests heavily in information technology and robust risk management to sharpen its organization and trading strategies, and leverages key logistic assets including transportation, storage and regasification capacity, to develop a sophisticated and integrated trading platform for power and natural gas.

DXT entered the US market in 2015 and currently operates through its Stamford-based subsidiary, **DXT Commodities North America Inc.**, with its main focus on Power Load Serving activities in the PJM area, Financial Transmission Rights (FTR) trading operations in the PJM and MISO areas, and leverages its asset management activities across the main gas hubs, consolidating its presence in the Northeast, Gulf, Mid-Continent, Southeast, and Midwest regions, trading over 175 TWh of energy volumes.

DXT pursues its mission to build a diversified and profitable portfolio of sustainable activities contributing to support the energy transition. With the growing need to reduce global greenhouse gas emissions, the Group decided to create a new UK-based subsidiary called **DXT Climate Solutions Ltd.**, with its focus on carbon credits, nature restoration projects, innovative technologies, and sophisticated carbon capture solutions.

To further expand its global presence and support its activities, DXT opened a new office in Singapore under the name of **DXT Commodities (Asia) Pte. Ltd.** The Company will provide access to a broad and promising market, with its core activities built around LNG origination and trading.

As part of its internationalization process, DXT also entered the Brazilian power market in 2014 through its subsidiary **Matrix Comercializadora de Energia Elétrica S.A.** ("MATRIX"). MATRIX is a digital energy distributor in Brazil. Its commitment extends

to delivering innovative, profitable, and inclusive solutions for all stakeholders. Recognized as a prominent player in Brazil's energy sector, MATRIX secured the position of the second-largest retail energy distributor in 2023, as reported by the CCEE (Brazilian Electricity Commercialization Chamber). Originally founded as an energy trading company, MATRIX successfully broadened its strategy, evolving beyond being solely an energy supplier. The Company's strategic shift began in 2018 with the establishment of a long-term strategy and the initiation of its first Power Purchase Agreement (PPA) agreements. Another pivotal moment followed in 2022, marked by Matrix's decision to invest in energy generation assets, primarily in distributed generation assets in Brazil. MATRIX has successfully built strong relationships with clients in both high-voltage and low-voltage categories. In the digital energy distribution sector, as of the end of 2023, MATRIX served over 1,000 consumption units, and secured future contracts until 2038, totaling more than 90,000 GWh. Between 2015 and 2023, the Company delivered significant financial efficiency gains, saving approximately R\$ 1.6 billion compared to the regulated market. MATRIX has issued 14 million MWh of renewable I-REC certificates since its inception to meet customer demands for renewable energy.

For low-voltage clients in the distributed generation sector, by the end of 2023, MATRIX served over 1,900 clients and is expected to experience exponential growth with the opening of the free energy market in Brazil from January 1<sup>st</sup> 2024. On the renewable generation asset front, MATRIX aims to achieve an installed capacity of 120 MWp in distributed solar generation by 2024, with over 35% of this capacity already operational across seven strategically located photovoltaic plants in Brazil. MATRIX is proactively advancing by actively implementing solutions to enhance energy efficiency and closely monitor energy quality for its diverse client portfolio.

## Duferco Energia

Established in 2010 in Genoa, **Duferco Energia** originally focused on overseeing the Duferco Group's photovoltaic and hydroelectric plants.

Over time, its scope expanded to include electricity and gas retail and trading across diverse market segments. Duferco Energia gradually developed a growth strategy that today allows the Company to act as an all-round energy operator.

The activities range from end-user' services, to renewable production, physical and financial trading, energy efficiency and sustainable mobility. All Duferco Energia activities are the result of a business model aligned with the most recent European policies for supporting the energy transition.

In 2023 Duferco Energia supplied over 4,000 GWh of electricity and over 300 million SMC of gas, serving about 220,000 different clients.

The Company provided approximately 318.4 GWh of certified green energy in 2023.

In relation to trading, Duferco Energia operated on the main European stock exchanges, such as IPEX, EPEX and EEX, as well as in the wholesale electricity and gas markets.

The business activities also include buying and selling green certificates, white certificates, and ETS allowances, as well the electronic management of imports (through the Interconnector) and the allocation of natural gas capacity.

**Duferco Sviluppo**, recently acquired by Duferco Energia, will also facilitate the implementation of the corporate strategic plan with a particular focus on the development of renewable and flexible non-renewable assets, along with energy storage systems.

Continuing its strategy towards sustainable development and ecological transition, Duferco Energia also actively engages in sustainable mobility. Duferco Energia offers the market a range of products and services for recharging electric

vehicles and stands today as a leading supplier of charging stations in Italy. In fact, the Company widened the scope of its activities, by launching Elettra, the first fully electric and free-floating car-sharing service in Italy.

With regard to the biomass sector, the Company operates in the processing and trading of lumber to thermal power plants in Europe through **Duferco Biomasse** and **Energy Biomass Sourcing (EBS)**. The former is based in Genoa and is engaged in the management of the entire biomass supply chain, from the management of the forestland to the delivery of the final product (including wood chips, biomass pellets and other energy-dense raw materials). Duferco Biomasse is also expanding its business to offer new services such as sustainable forest management to generate carbon credits for the voluntary carbon market.

In France, EBS assists its customers with studies, projects and implementation of biomass supply solutions for thermal and power plants, as well as for the timber industry. Its geographical coverage mainly includes France, Europe and Africa, while participating in numerous projects in the rest of the world.

In 2023, the combined operations of Duferco Biomasse with EBS enable business partners to generate almost 200 GWh of energy through the biomass sold. This stream of activity contributes to the conservation and safeguard of forest heritage by preventing forest fires and controlling the spread of dangerous bacteria in the woodlands.

### ENERGY DIVISION

*highlights*

**Almost 220,000**

Number of clients of Duferco Energia

**12**

Number of countries in which DXT operates worldwide

**Over 850**

Number of charging points under construction





## STEEL

Duferco's Steel Division represents the historical core of the Duferco Group, blending a solid past with a forward-looking approach, reflected in recent substantial investments. The Division, spanning 11 Companies across Italy, France, and Denmark, operates 9 production plants with an annual output capacity of approximately 1,000,000 tons of steel. Specializing in various products including beams, long products, merchant bars, and pre-painted flat products, Duferco's commitment to technological advancement and innovation has solidified its status as a leading steel producer in Italy.

The Division has a workforce of more than 1100 employees, distributed mainly in the following Companies: **Duferco Travi e Profilati**, **Acciai Rivestiti Valdarno**, **Duferco Morel**, **Duferco Danish Steel** and **Ferriere Bellicini**.

### Duferco Travi e Profilati

Founded in 1996, Duferdofin emerged from the acquisition of the former Ferdofin Siderurgica by the Duferco Group. Today the operations are carried out under Duferco Travi e Profilati (**DTP**)

that consolidates **Travi e Profilati di Pallanzeno (TPP)** and **Acofer Prodotti Siderurgici (Acofer)**. With continuous ongoing investments, the Company aims to be a key player in the steel industry, producing beams, special quality steel, profiles and other long products delivered across Italy, Europe and North Africa.

Based in San Zeno Naviglio (Brescia), DTP operates 4 production units that encompass the entire production process: San Zeno Naviglio, Pallanzeno in the province of Verbania (TPP), Giammoro in the province of Messina (DTP), and San Giovanni Valdarno in the province of Arezzo (DTP).

San Zeno Naviglio is the Group's main steel plant with an extension of almost 500,000 sqm and a production capacity of about 950,000 tons of steel per year. In San Zeno Naviglio, the steel production process begins with the melting of scraps and ends with the manufacture of semi-finished products of round, square, rectangular and dog bone sections, that are sold for processing or delivered to the Group's rolling mills to be further processed. In this regard, in 2023 the construction of the new rolling mill was completed endowing DTP with a completely integrated production plant, featuring cutting-edge technologies.





## THE INAUGURATION OF THE FIRST GREEN ROLLING MILL

The "First Green Rolling Mill" project stands as a landmark initiative for the Duferco Group. With the application of advanced and environmentally friendly technologies, the rolling mill is completely integrated with the steel plant. The initiative required an overall investment exceeding 250 million euros. It sets the record as the first rolling mill in Europe to operate solely on renewable energy, made possible by two long-term fixed-price power purchase agreement (PPA) signed with two renewable energy producers. Moreover, a photovoltaic panel with an approximate capacity of 5 MWp has been placed on the roof of the new rolling mill, promoting an ecological transition and decarbonisation by saving around 2,200 tons of indirect CO<sub>2</sub> emissions annually. In addition, another photovoltaic panel with a capacity of 4.2 MWp has been commissioned to be installed in Q2 2024.

The rolling mill brought on a significant transformation to the Duferco Group's industrial organization. It has allowed Duferco Travi e Profilati to integrate its production, which had previously been spread across three different factories, thereby significantly improving logistics and efficiency, and boosting annual capacity to nearly 1.5 million tons of long products. The rolling mill has equipped the facility with the most advanced cutting-edge manufacturing systems to produce beams and sections for which DTP stands as the market leader in Italy. The reheating furnace is equipped with hydro-methane and methane fuel-injected burners, which have the capability to use alternative fuels such as hydrogen or natural gas. Duferco Group and the project partners closely collaborated to determine the appropriate technology for the burner to reduce harmful emissions. Through research on combustion control, nitrogen oxides (NOx) emissions reduced considerably. To achieve these ambitious goals, Duferco selected recognized partners for the realization of both rolling mill and reheating furnace. On October 16, 2023, the new plant was inaugurated, in the presence of the Group's Chairman, the President of Confindustria (the main Italian industrial association) and several public authorities and Italian government representatives.



With this development, Duferco Group is poised to strengthen its position as a global cost optimization leader in beam production.

That day was marked as a significant milestone, indicating not only the successful completion of the project but also proffering a glimpse into the promising future of the group.

The newly unveiled SBM rolling mill is testament to one of the most significant investments in steel manufacturing in Italy in recent times, a feat made possible by the collective efforts and dedicated ten-year journey of the Duferco Group team.

The initiative has also greatly propelled digitalization. The new rolling mill applies the latest digital technologies to enhance the overall production process, improving energy efficiency and resource utilization, while boosting productivity and reducing waste. An advanced digital data platform was developed with a primary aim of gathering, storing, and facilitating the analysis and processing of large amounts of data. Artificial intelligence and advanced analytics solutions fully utilize this data platform, assisting business functions in making more informed decisions.

As far as the required workforce is concerned, to meet the demands of the new plant, direct employment for around 150 people occurred. Furthermore, demonstrating its social and economic significance, the new plant generated additional indirect employment for almost 300 external workers, thus providing substantial indirect economic value to surrounding businesses.



Along with the San Zeno plant, **Pallanzeno** has a production capacity of 500,000 tons per year and specializes in the hot rolling process of small and medium range beams, equal and unequal angles, and special profiles. The **Giammoro** plant has a production capacity of 450,000 tons per year and is equipped with a rolling mill, specialized in hot rolling big and medium sized beams, heavy earth moving special profiles.

The **San Giovanni Valdarno** plant is the mechanical division of the Group specialized in a wide range of track shoes for earth moving machinery. Finally, Acofer is a subsidiary of DTP, operating in the distribution and marketing of beams supplied by DTP plants and of merchant bars.

**Acofer Prodotti Siderurgici** hold and manage 3 warehouses in Italy. They are located in Nave (near Brescia) and next to the San Giovanni Valdarno and Giammoro plants, covering the entire Italian market.

## Acciai Rivestiti Valdarno

Acciai Rivestiti Valdarno (ARV), a joint-venture with the Vanni family, operates in a niche market as a supplier of flat steel products used as both industrial and civil construction coatings. The plant is based in the Tuscany Industrial Area, between Florence and Arezzo and produces approximately 25,000 tons per year of prepainted, PVC and PET laminating steel, as well as steel and aluminum-based strips. The Company, which has an innovative continuous coating line, a slitting line for cutting coils into custom size strips and an embossing line, can guarantee its customers both standard or customized batches in terms of weight, size and color.

## Duferco Danish Steel

Duferco Danish Steel, established after the acquisition in 2006 of the former Kontivaekert, a historical Danish bar mill, is a major producer of merchant bars used in construction, agriculture, mechanical industry and shipbuilding. Throughout the years, the Company diversified its product portfolio, entering the cold drawn bars market and increased the production of cold drawn bars (flat, round and square) and rock bolt anchors for tunneling.

## Duferco Morel

Duferco Morel is a French Company with multiple subsidiaries across the steel distribution chain, that operates nationally (Duferco Morel Quincaillerie S.A.S., Duferco Thionville S.A.S., Morel Distribution Profils S.A.S. and Duferco France S.N.C.). With more than 142 employees and 5 warehouses, Duferco Morel serves about 2,700 clients across diverse markets with a comprehensive range of steel products and logistics.

## Ferriere Bellicini

Ferriere Bellicini, a joint-venture with the Bellicini family, with nearly a century of experience in the iron and steel sector, specializes in merchant bars and became part of Duferco Group as a joint venture in 2014. Operating close to Brescia with 38 employees, the Company has strong ties to the steelmaking tradition. The strengths are the constant attention to the quality of the products, and the production mix in order to provide its customers with a wide and punctual choice over the range of rolled products.

### STEEL DIVISION *highlights*

60

Number of countries in which DTP operates worldwide

Over 2,400 K EUR

Total investments in research and development

Over 4,000

Number of clients



## SHIPPING

With Nova Marine, a joint-venture between Duferco and the Romeo family, Duferco entered the shipping sector. Duferco's fleet mainly consists of bulk and break-bulk carriers, specialized in the transportation of raw and semi-finished steel products. Thanks to its highly efficient and expert fleet, Duferco's Shipping Division offers tailored and high-quality logistical solutions, meeting customer' requirements. This Division represents a vital component of the Group's offering, placing Duferco in a privileged position in the maritime transportation market. In 2023 the Company employs more than 700 workers worldwide.

### Nova Marine

The Company was born as a joint venture in 1994 as SiderMarine, integrating the Duferco original steel trading business with the logistic phase of the value chain. Renamed as Nova Marine, the business rapidly grew through strategic alliances which allowed it to reach a global presence. Its mission is to provide customers with fast, flexible and reliable shipping solutions, delivering-class service to leading international charterers, by means of strong cooperation with several actors in the shipping chain.



The Company has its headquarters in Lugano, Switzerland, and offices in Bogotá, Dubai, Geneva, Istanbul, London, Madrid, Miami, Monte-Carlo, Rotterdam, Sofia, Singapore and Toronto.

Nova Marine's global presence is facilitated by its corporate organization built upon several well-rooted partnerships around the world.

Through its many subsidiaries, **Nova Marine Group** serves nearly 244 different clients in 109 countries globally. Nova Marine acts as a sea trucker all around the world by means of more than 100 vessels between fully owned, time chartered and commercially managed. Duferco's driving force in the Shipping sector is maintaining the leadership acquired over the years and moving towards new ones, being the only global shipping Company capable of providing commercial and technical services simultaneously.

Nova Marine has experienced notable advantages from China's market opening in early 2023, particularly in terms of ship repairs, as the country has emerged as a highly cost-effective alternative. The significant renovation programme at the Xinle Ningbo shipyard, commits the Company to a new generation of ships and to the forefront of the industry.

## THE NOVA MARINE

*owned fleet*

**18**

under 40,000 DWT

**16**

under 15,000 DWT

**1**

under 7,000 DWT

**31**

Cement carriers

*Over* **120**

Owned and managed vessels



*Moving almost*  
**27 M Tons**  
of commodities



## INNOVATION

The Innovation Division is responsible for fostering and implementing innovative solutions and technologies across the Group and in the market. This Division is dedicated to exploring and capitalizing on new opportunities, advancing technological development, improving operational efficiencies, and enabling a culture of innovation within and outside the organization. It gathers the activities of four companies, operating in several diversified projects in various sectors, pursuing the mission to empower synergies along all the value chain. On top of that, Duferco has established an innovation team at the corporate level, composed of highly qualified professionals, tasked with navigating the complexities of the digital and data landscape. The corporate innovation team works closely with other companies in the group, as well as academia and research centers, aiming to harness the potential of advanced data analytics, machine learning, artificial intelligence, IoT and cloud technologies.

The innovation team leverages AI and machine learning techniques in several applications across the Duferco group. These applications include employing

AI video-based techniques to track and optimize manufacturing production processes, utilizing deep learning and machine learning algorithms for tasks such as anomaly detection in IoT applications and time series forecasting for commodities trading. Additionally, the team has recently begun leveraging generative AI to fully exploit the Duferco knowledge base, enhancing informed decision-making across group companies' operations.

This collaborative approach represents a strategic investment to strengthen the group's commitment to modern data management, establish data-informed decision-making processes and utilize cutting-edge digital technologies, artificial intelligence and machine learning.

The Division has a workforce of more than 100 employees, with specialized roles within each of the main Companies **Duferco DEV**, **Mainsim**, **Duferco Engineering** and **Duferco Wallonie**.



## Duferco Engineering

**Duferco Engineering**, based in Genoa, provides engineering, procurement, construction, commissioning, project management and O&M services to the Duferco Group as well as to third parties.

With a team of highly qualified profiles, Duferco Engineering acts as the Group's Company appointed for developing complex studies that give rise to innovation projects able to promote the energy transition from fossil fuel to green sources. It has its own core business in the renewable energy, infrastructure and steel sectors.

During 2023, Duferco Engineering focused on several R&D projects aimed at limiting and reducing the concentration of CO<sub>2</sub> in the atmosphere, such as carbon capture from industrial processes, and the use of hydrogen; regarding the Group's Company, it managed the construction of the Peaker power plant in Giammoro (Sicily) and provided technical and management support for the construction of the new rolling mill SBM - Smart Beam manufacturing, in San Zeno Naviglio (Brescia).

Driven by a commitment to innovation, Duferco Dev continually invests in research and development to leverage emerging technologies and industry best practices. As an integral part of the Group's Innovation division, the Company plays a pivotal role in facilitating digital transformation both within and beyond the Group. The research initiatives focus on machine learning, artificial intelligence, and cloud solutions, ensuring they remain at the forefront of technological advancement.

In 2023, Duferco Dev and Duferco Engineering embarked on a significant R&D project aimed at developing an integrated system to manage agrivoltaic activities. Leveraging innovative technologies such as cloud computing, IoT, and AI, the solution utilizes weather forecasts and IoT sensor data (including PH levels, light intensity, and soil moisture) to optimize the inclination of PV panels. This approach targets both plant health and water conservation. Through intuitive dashboards, KPIs, and real-time alerts accessible via web and mobile applications, operators can monitor activities in real-time and manage exceptions effectively.

## Duferco DEV

Established in 2017 in Genoa, Duferco Dev stands as the digital innovator within the Group.

The specialists are dedicated to enhancing the companies' digitalization efforts, crafting strategic plans, developing application architecture roadmaps, designing robust application cybersecurity solutions, integrating AI solutions, and creating enterprise and mobile applications, websites, and software. Duferco Dev excels in complex customization and system integration, working seamlessly with platforms such as ServiceNow, SFDC, and Mulesoft.

Duferco Dev leverage a team of seasoned specialists and champions in cybersecurity, digitalization, AI, cloud services, system integration, and software development. Their collective expertise enables them to address intricate challenges and deliver cutting-edge solutions.

## Mainsim

Founded in 2008 and based in Genoa, Mainsim aims to become the Italian benchmark in the field of Computerized Maintenance Management System (CMMS) software by aiding companies in managing maintenance tasks for plants and facilities. The Mainsim CMMS functionalities allow them to handle work orders and Company assets together with corrective, scheduled, and on-condition maintenance activities, thus bringing important benefits in terms of time and costs.

During 2023, the Company focused its strengths on the development of the new Mainsim 5 software. Currently, a first front-hand version has been finished and has been shared as a test version with some customers, with the view to launch the new version in the first half of 2024.

## Duferco Wallonie

Based in Belgium, **Duferco Wallonie**, which is a joint venture with the public Company Wallonie-Entreprendre, develops activities mainly in four domains: brownfield, environment, energy and logistics. The ambition of the Company is to develop new businesses by offering solutions to environment pollution produced by industries. Duferco Wallonie supports its customers at all stages of the land rehabilitation process, from design to post-management, through the execution and coordination of works with a global vision. In the logistic sector, intermodal handling and warehousing services are offered, as well as transport solutions by waterway, rail or road. During 2021, Duferco Wallonie enlarged its scope of activities by investing in two solar parks: a first photovoltaic field of 1.25MWp in Ittre (Belgium), and a further plant of the same power in Clabecq (Belgium). A permit has been issued for the installation of a solar park spanning over 2 hectares and 2 MWp in La Louvière and a brownfield site of about 4 hectares was acquired to develop an additional project.

## INNOVATION DIVISION

*highlights*

Over **1.6 M EUR**

Investments made with 47% dedicated to R&D operations

Over **400**

Clients



# The Duferco journey

1979

1980s

1990s

- Duferco was founded in **1979** by Bruno Bolfo, Chairman of the Board, to take advantage of the expansion of **“developing markets” in the steel industry**.
- Originally established in Sao Paulo (Brazil) as a steel trading company, Duferco expanded its operations in other South American countries, particularly in Argentina, Venezuela and Mexico, before moving to New York and Europe.
- In 1981, Duferco opened its **first European office** in London.
- In 1982, Duferco located its **headquarters in Lugano**. Since then, operations have also expanded to Thailand, Taiwan, the Philippines, Singapore, Hong Kong, China, and South Korea, achieving a global presence in the steel industry.
- Duferco enlarged internationally during the 1990s, becoming a well-known **commodity dealer** and entering the shipping industry.
- To maximise its connections with steel producers around the world, Duferco began diversifying and expanding its activities to include raw materials for the steel industry, such as coke, coal, iron ore, pig iron, sponge iron.
- Duferco entered the **steel manufacturing** industry in 1996 after buying the former Italian Ferdofin Siderurgica (known as Duferdofin) followed by other steel mills acquisitions in Italy, Belgium, Eastern Europe, USA.



# 2000s 2010s 2020s *and beyond*

- During the 2000s, Duferco became an international **“industrial player”** and began to integrate the supply of **energy services** into its business operations.
- Strategic business decisions in the new millennium brought Duferco into the Energy market. With the aim of satisfying the Group’s international energy needs, **DufEnergy** was established in 2005.
- Since then, the Energy Division in Europe has expanded quickly thanks to the activities of **DXT** (as DufEnergy was rebranded in 2018) and **Duferco Energia**.
- The last unit to join the Energy Division was Duferco Biomasse, which helped Duferco to grow both commercially and geographically.
- In 2015 Duferco decided to **sell the majority of its steel trading arm** - Duferco International Trading Holding SA (DITH) - to Hebesteel Group (formerly named Hebei Iron & Steel Group), the largest steel producer in China.
- In 2018 Duferco reorganized into **four business units**, namely Energy, Steel, Shipping and Innovation. Embracing innovation and digitization, Duferco invested in new advanced tools (machine learning, AI, IoT, etc.), in a growing digital task force, in increased investments in R&D, in boosting cross-fertilization and synergies between business area and leveraged its abilities in joint-venture alliances.
- In October 2019, Duferco celebrated its **40<sup>th</sup> birthday** and threw in Brescia, Italy the **“Duferco Day”**, gathering for the first time the entire workforce.
- In the Steel unit, 2021 was the year that marked the beginning of the works in San Zeno Naviglio of the new rolling mill. The **Smart Beam manufacturing** (SBM) is the first rolling mill in Europe to rely on totally renewable energy. With an investment of over **250 million euros**, the new rolling mill is integrated with the steel mill through innovative and sustainable technologies.

# Global locations

## Denmark

Frederiksvaerk

## Switzerland

Geneva, Lugano

## Principality of Monaco

Principauté de Monaco

## United Kingdom

London

## France

Aubervilliers, L'Horme, St. Jean D'Ardières, Yutz

## Canada

St. Catharines

## USA

Fort Lauderdale-FL, Stamford-CT

## Colombia

Bogotá

## Spain

Madrid

## Luxembourg

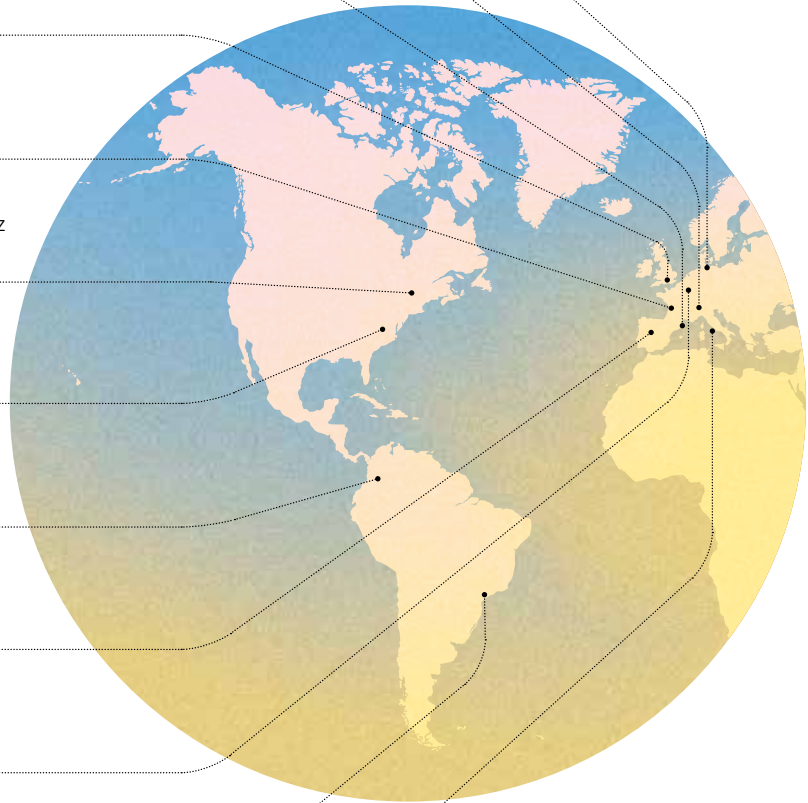
Luxembourg

## Brazil

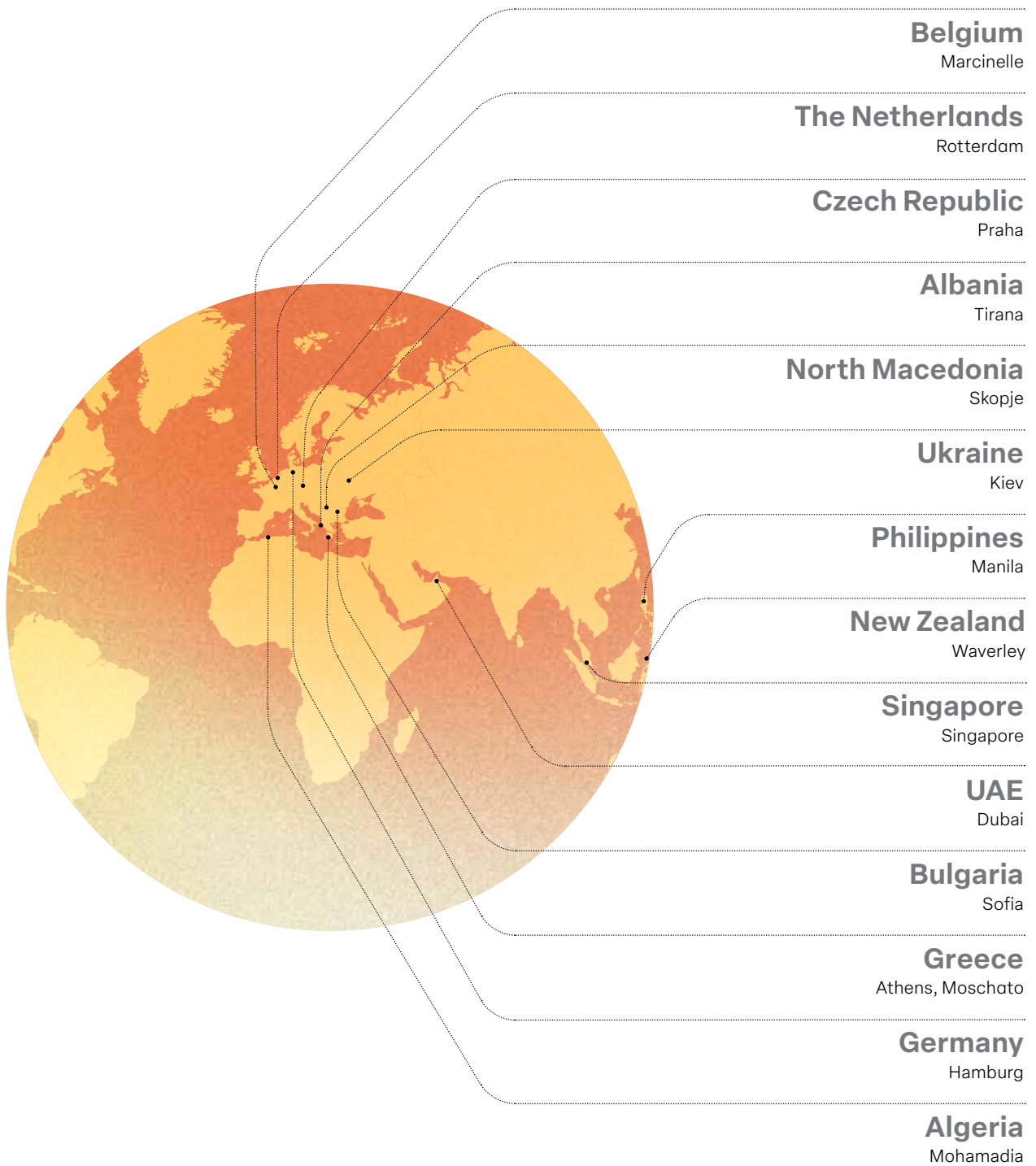
Sao Paulo

## Italy

Berzo Inferiore (BS), Brescia (BS), Chiavari (GE), Genova (GE), Giammoro (ME), Monte di Procida (NA), Montignoso (MS), Nave (BS), Ospitaletto (BS), Pace del Mela (ME), Pallanzeno (VB), Roma (RM), San Giovanni Valdarno (AR), San Zeno Naviglio (BS), Trieste (TS), Venezia Marghera (VE)



Duferco Group is currently active globally with more than 100 operative offices and industrial sites worldwide.



# The Duferco organization

## Duferco Participations Holding SA, Luxembourg

### CHAIRMAN

Bruno Bolfo

### BOARD OF DIRECTORS

Bruno Beernaerts  
Georges Deitz  
Paolo Foti  
Vittoria Gozzi  
Antonio Gozzi  
Augusto Mario Gozzi  
Julien Guillaume  
Benedict J. Sciortino  
Olivier Waleffe

### GROUP CEO

Paolo Foti

### GROUP CFO

Nicola Drakulic

## Corporate Responsibilities

### LUXEMBOURG

#### DIRECTOR

Bruno Beernaerts

#### CORPORATE & ACCOUNTING MANAGER

Julien Guillaume

### LUGANO Switzerland

#### HEAD OF DIVERSIFIED ACTIVITIES

Maurizio Bergonzi

#### HEAD OF TAX, CORPORATE AND LEGAL MATTERS

Alessandra Simeta

#### GROUP GENERAL COUNSEL

Federico Piccaluga

#### CORPORATE FINANCE

Stefano Bacigalupo

#### GROUP CONSOLIDATION AND FINANCIAL REPORTING

Maria Montagna

#### CORPORATE INNOVATION

Piersandro Lombardi

### BRESCIA Italy

#### PRESIDENT

Antonio Gozzi

#### CEO

Domenico Campanella

#### CFO

Franco Monteferrario

#### HEAD OF INSTITUTIONAL RELATIONS

Agostino Conte

#### ENERGY SUPERVISOR

Massimo Croci

#### HUMAN RESOURCES

Alessandro Roggerini

#### CORPORATE MATTERS & LEGAL AFFAIRS

Elena Ragnoli

### BANKING

Stefano Vezzini

### TECHNICAL DIRECTION

Giovanni Dugoni

### REAL ESTATE

Margherita Gozzi

### CHARLEROI Belgium

#### CEO

Olivier Waleffe

## ENERGY DIVISION

### DXT

#### PRESIDENT

Paolo Foti

#### CEO & MANAGING DIRECTOR

Maurizio Cencioni

#### DIRECTOR

Piersandro Lombardi

#### HEAD OF EUROPEAN GAS & POWER PHYSICAL TRADING

Rocco Zotta

#### HEAD OF EUROPEAN POWER & GAS QUANTITATIVE TRADING

Vincenzo Fazio

#### HEAD OF LEGAL&REGULATORY COMPLIANCE

Carlotta Zerega

#### HEAD OF CREDIT&TRADING SURVEILLANCE

Valerio Caronni

#### HEAD OF FINANCE & ESG

Giulio Macciocchi

#### HEAD OF HUMAN CAPITAL MANAGEMENT

Mark Buckley

#### HEAD OF ADMINISTRATION

Paolo Piserchia

#### HEAD OF CONTROLLING AND RISK MANAGEMENT

Paolo Casati

#### HEAD OF CORPORATE SYSTEM DEVELOPMENT

Marco Placidi

#### HEAD OF NORTH AMERICAN OPERATIONS

Piersandro Lombardi

#### CFO NORTH AMERICAN OPERATIONS

Dario Leoncini

#### CEO OF BRAZILIAN ENERGY OPERATIONS (Matrix)

Rubens Misorelli

#### CFO OF BRAZILIAN ENERGY OPERATIONS (Matrix)

Federico Marsano

#### CEO OF DXT CLIMATE SOLUTIONS LTD.

Peter Zonneveld

### DUFERCO ENERGIA

#### PRESIDENT

Marco Castagna

#### CEO

Massimo Croci

#### ADMINISTRATION, FINANCE AND CONTROL

Simone Rabaïoli

#### SALES

Luca Masini

#### COMMUNICATION & MARKETING

Matteo Parodi

#### BUSINESS DEVELOPMENT & ASSET MANAGEMENT

Agostino Calcagno

#### ENERGY MANAGEMENT AND TRADING

Lorenzo Pittaluga

#### CORPORATE GOVERNANCE & COMPLIANCE - DPO

Davide Modula

#### OPERATIONS & IT

Massimiliano Cocurullo

#### REGULATORY

Marco Ballicu

#### SALES MANAGER

Francesco Lepre

Luca Raso

Antonio Zullo

#### IT

Luca Seravalli

#### LEGAL OFFICE & PRIVACY

Alessia Bianchi

#### INTERNATIONAL PROJECT DEVELOPMENT

Matteo Gillerio

### DUFERCO BIOMASSE

#### PRESIDENT AND CEO

Marco Castagna

#### GENERAL MANAGER

Marco Tirasso

#### SALES MANAGER

Luca Corello

#### CEO (EBS)

Alexis Bonningues

## STEEL DIVISION

### HEAD OF INDUSTRIAL & DISTRIBUTION DIVISION

Domenico Campanella

#### DUFERCO TRAVI E PROFILATI

##### CEO

Augusto Mario Gozzi

##### CHAIRMAN OF THE BOARD OF DIRECTORS

Franco Monteferrario

##### GENERAL MANAGER

Simone Campanella

##### CFO

Paolo Avanzi

##### COMMERCIAL DIRECTOR BEAMS & SBQ

Giuseppe Zolezzi

##### COMMERCIAL DIRECTOR MECHANICAL DIVISION & TRACKSHOES PROFILES

Daniela Bucciolini

##### INDUSTRIAL DIRECTOR

Giordano Stregghi

##### FINANCE

Stefano Vezzini

##### HUMAN RESOURCES

Massimo Rolandi

##### PRODUCTION PLANNING

Sergio Bassano

##### QUALITY SYSTEM

Samuele Bottari

##### CORPORATE MATTERS

Elena Ragnoli

##### INFORMATION SYSTEMS

Massimo Lama

##### PURCHASING

Giordano Simeoni

#### SAN ZENO NAVIGLIO STEEL MILL DIRECTOR

Rosario Tornello

#### SAN ZENO NAVIGLIO ROLLING MILL DIRECTOR

Gabriele Comandini

#### PALLANZENO PLANT DIRECTOR

Dario Ricchi

#### GIAMMORO PLANT DIRECTOR

Daniele Nastasi

#### SAN GIOVANNI VALDARNO PLANT DIRECTOR

Lorenc Tahiraj

#### ENVIRONMENT AND SAFETY

Giuseppe Guerrini

#### ACOFER PRODOTTI SIDERURGICI

##### CEO

Augusto Mario Gozzi

##### CHAIRMAN OF THE BOARD OF DIRECTORS

Franco Monteferrario

##### GENERAL MANAGER

Giuseppe Zolezzi

##### SALES-OPERATIONS (San Giovanni Valdarno)

Tania Romanelli

##### OPERATIONS (Nave)

Simone Ruggeri

##### OPERATIONS (Giammoro)

Domenico San Martino

#### DUFERCO DANISH STEEL

##### CEO

Giuliano Bo

##### CFO

Tina Holstener Schmidt

##### GENERAL SUPERVISOR

Mauro Bucciolini

#### ACCIAI RIVESTITI VALDARNO

##### CEO

Franco Vanni

#### FERRIERE BELLICINI

##### CEO

Kikis Bellicini

#### DUFERCO MOREL

##### CHAIRMAN & CEO

Stéphan Caute

##### CFO

Christian Personat

##### ACCOUNTING TREASURY

Hervé M'Baye

##### HUMAN RESOURCES

Doris Damango

##### IT

Richard Lannoy

##### QUALITY

Alexandre Mac Donald

#### DUFERCO MOREL SUBSIDIARIES

##### PRESIDENT OF DUFERCO MOREL SUBSIDIARIES

Stéphan Caute

##### GENERAL MANAGER OF DUFERCO FRANCE AND DUFERCO THONVILLE

Philippe Jégou

##### GENERAL MANAGER SPECIAL STEEL DIVISION OF DUFERCO THONVILLE

Thierry Semard

##### GENERAL MANAGER OF MOREL DISTRIBUTION PROFILS AND DUFERCO MOREL QUINCAILLERIE

Thierry Mathieu



## SHIPPING DIVISION

### **NOVA MARINE HOLDING** Luxembourg

**CHAIRMAN**  
Giovanni Romeo

### **NOVA MARINE CARRIERS** Switzerland

**CEO**  
Vincenzo Romeo

**COO**  
Salvatore Pugliese

**CFO**  
Marc Saulnier

**HR DIRECTOR**  
Giovanni Mazzella

**CHIEF RISK OFFICER**  
Bas Van Steijnen

**GENERAL COUNSEL**  
Gabriella Reccia

**IT**  
Simone Anzani

### **NOVA SHIP TECH**

**TECHNICAL  
DIRECTOR**  
Francesco Costagliola

## INNOVATION DIVISION

### **DUFERCO WALLONIE**

**CEO**  
Oliver Waleffe

### **DUFERCO ENGINEERING**

**PRESIDENT**  
Ezio Palmisani

**CEO**  
Luca Mario Bonardi

**RENEWABLE  
ENERGIES  
AND LICENSING**  
Emilio Castelli

**SPECIAL PROJECTS**  
Antonio Muzzini

**ENGINEERING**  
Paolo Peri

**HYDRO POWER  
PLANTS**  
Andrea Costa

**POWER PLANTS**  
Francesco Marsano

**INDUSTRIAL PLANTS**  
Gianluca Palmisani

**PHOTOVOLTAIC  
PLANTS**  
Enzo Squillace

**PROCUREMENT  
AND GENERAL  
SERVICES**  
Marco Nassi

**RESEARCH  
AND DEVELOPMENT**  
Riccardo Necrisi

### **DUFERCO DEV**

**CEO**  
Alessandra Belotti

### **MAINSIM**

**CEO**  
Giovanni Ferrando

# Business results

## FINANCIAL RESULTS

The Group's net profit increased from 385 million USD in FY2022 to 450 million USD in FY2023, an increase of 17% year on year.

The Group's revenue totaled 27.6 billion USD, decreasing by -40% with respect to the level of the 2022 financial year (45.8 billion USD).

This sharp decrease was mainly attributable to the massive reduction in energy prices as well as to lower steel prices and shipped volumes related to the steel production and distribution business. In particular:

- Consolidated net working capital is more than 1.156 million USD (941 million USD as of September 30, 2022) with a current ratio of 1.84 (1.33 as of September 30, 2022).
- The Group's financial indebtedness is substantially in line with respect to the previous year (765 million USD versus 738 million USD) while liquidity remains healthy with a level of cash reserves of more than 867 million USD (796 million USD as of September 30, 2022). For the second time in the Group history, the 2023 financial year ended up with a positive net financial position.
- The total equity of the Group is around 1,836 million USD (1,486 million USD as of September 30, 2022), with a Return on Equity of approximately 27%.
- As of September 30, 2023, the Group had almost 3.9 billion USD (3.3 billion USD as of September 30, 2022) in committed credit facilities and uncommitted working capital facilities, while the average utilization of the Group's credit facilities was approximately 38% (43% as of September 30, 2022).

nearly tripling the previous year's figures, with a return on equity (ROE) of approximately 63.9% (calculated on equity before dividend distribution).

The 2023 financial year witnessed exceptional performances across all business segments. These were driven by the teams' unwavering commitment to refining and evolving the trading strategies in response to the significant market disruptions of recent years. Navigating a market landscape marked by geopolitical complexities, rising interest rates, and uncertainties surrounding global economic recovery, the Company maintained a conservative approach, prioritizing trades at fair value over volume expansion. This approach yielded a traded energy volume of over 621 TWh, mirroring the previous year's figures.

DXT gas division capitalized on a strong market presence and expertise to seize significant opportunities, most notably in the first semester, executing highly profitable trades amidst one of the most lucrative seasonal spreads in the history of the EU gas market.

European countries, having reduced their reliance on Russia, have managed to reorganize their supply chains through substantial LNG imports and investments in new infrastructure, such as floating regasification terminals. DXT contributed to Europe's energy security, successfully delivering over 43 LNG vessels in the 2023 financial year.

As gas and LNG are central to the energy transition towards greener solutions, DXT invested in strengthening its market position and expanding the global footprint, launching a new subsidiary in Singapore, DXT Commodities (Asia) Pte. Limited.

## Energy Division

DXT International S.A., Luxembourg, and its subsidiaries ("DXTI" or the "DXT group") reported a net profit after taxes of approximately 275.8 million USD with an increase of more than 200% with respect to the total net profit of the 2022 financial year (86.7 million USD).

DXT Commodities S.A. ("DXT"), which is the subsidiary operating mainly in the European markets, achieved a record net profit of 249 million USD,

The Company will work alongside the Lugano LNG desk to pursue opportunities in an increasingly interconnected and global market.

DXT power division delivered robust results, leveraging sophisticated trading strategies and predictive models continually optimized for accuracy. They hold a diverse portfolio of renewable plants, supplying clean energy to the partners and the market. The Company aims to leverage the relationships with renewable producers to expand trading activities around Energy Attribute Certificates such as Guarantees of Origin, RECs, and I-RECs.

In line with the commitment to a sustainable future, DXT also established a new UK subsidiary, DXT Climate Solutions Ltd. The mission of this subsidiary is to facilitate the energy transition, with a focus on trading mandatory Carbon Offset Certificates and investments in reforestation projects.

The North American operations (DXT Commodities North America Inc. - "DXTNA"), ended the reported period with a remarkable net profit of USD 16.2 million (against a break-even result in FY 2022), with the Company positively managing the extreme volatility manifested in the winter months, and the steep fall in prices in the second half of the year.

The North American gas division leveraged its portfolio asset management activities, including gas transportation and storage rights across the main gas Hubs, consolidating its presence and successfully expanding DXTNA's footprint in the North-East, Gulf, Mid-Continent, South-East and Mid-West regions.

This expansion translated in a 35% increase of volumes with 70 billion cubic feet delivered to more than 110 counterparties (+21%). Gas turnover decreased to USD 267.0 million from USD 347.7 million of FY22, reflecting the major decrease in gas prices witnessed in the reported period.

DXTNA's power division mainly focused on Load Serving activities, with approximately USD 48.9 million turnover originated from ca. 705 GWh of sales in the PJM area, as well as Financial Transmission Rights ("FTR") trading operations in PJM and MISO areas. Both Load Serving and FTR activities delivered very positive results contributing to the overall posted profit.

The Company notably closed its first credit facility with a leading US Lender in the form of an uncommitted secured borrowing base facility. This represents a very important step to support the future of the DXTNA's North American operations which provides additional flexibility and financial strength, seeing the support of US and global financial institutions manifested during the year.

The joint venture in Brazil, Matrix Energy Participações S.A. ("MATRIX") achieved robust results (with a contribution of USD 10.5 million to the consolidated net result of the Group) reinforcing its commitment to consistent execution

and signaling significant progress in becoming a leading partner in sustainable energy solutions in Brazil.

Matrix concluded the year with 1,277 counterparties and successfully served 1,056 consumption units (a growth of 7% vs. FY22). This translates to more than 27.0 TWh originated in operations in the Free Energy Market in the reported period. Additionally, Matrix secured future supplies until 2038 totaling more than 90.5 TWh.

To meet customer demands and ensure the origin of energy through renewable sources, the Company issued since its inception 14 TWh of renewable I-REC certificates (+16% vs. FY22).

During the 2022 financial year, the Company marked a significant milestone by initiating investments in energy generation assets. Since the conclusion of the Joint Venture with Prisma in June 2022, this commitment has been further strengthened, enhancing Matrix's capabilities to deploy and manage generation assets in Brazil. Additionally, Prisma's portfolio secured a pipeline of 1.5 GW in renewable centralized projects ready for development.

In the reported period, Matrix accelerated the strategy with seven proprietary plants already in operation, totalling 44.4 MWp of installed capacity. The construction of these assets has been financed through equity during the construction phase, with further investment secured from BNDES (Brazil Development Bank) for long-term financing totalling approximately R\$168 million.

This funding, part of which comes from the National Climate Change Fund (FNMC) under the Climate Fund Program, is focused on promoting projects related to the production and regional distribution of renewable energy. For the current year, the goal is to achieve an installed capacity of 120 MWp across 29 solar plants.

Matrix is the second largest retail commercialization agent with about 180 consumption units and 42,81 MWavg, and with the opening of the free energy market in Brazil, the Company is well-positioned to attract a significant portion of 100,000 potential new customers.

In FY23, the rating agency S&P Global attributed to Matrix a 'brA' rating on the Brazilian National Scale, witnessing a further improvement of its financial status and market position.

Duferco Energia Spa, Italy and its subsidiaries (the "Duferco Energia group"), the Italian subgroup operating in the energy trading (mainly in Italy, but also in Greece and North Macedonia), distribution (in Italy), and renewable production operations (mainly in Italy and Albania), had another very positive year.

Duferco Energia group reported a net profit of 116.8 million USD compared with a profit of 91.4 million USD throughout the 2022 financial year.

Total revenues of Duferco Energia group amounted to 4,555 million USD (8,054 million USD at 30/09/22), of which 1,728 million USD relating to the sale of electricity (3,540 million USD at 30/09/22), 452 million USD relating to the sale of gas (625 million USD at 30/09/22), 2,211 million USD relating to trading activities (3,739 million USD at 30/09/22) with underlying energy commodities, 49 million USD relating to the sale of woody biomass (46 million USD at 30/09/22), 107 million USD deriving from energy efficiency activities and change in related orders in progress (99 million USD at 30/09/22), 2,45 million USD for the sale of charging stations and charging services (1,85 million USD at 30/09/22), and 5,2 million USD deriving from the provision of services (4.7 million USD as of 30/09/22).

Record results achieved have been driven by opportunities offered by the volatile market conditions, especially during the first half of the 2023 financial year coupled with smart management and optimization of the Company's business portfolio.

While in fact revenues dropped from 8 billion USD to 4.3 billion USD in the 2023 financial year given the strong decrease in energy prices and volumes, the number of clients has grown and the client's portfolio slightly reshaped to reduce the supply to medium-large customers (requiring greater use of net working capital) in favor of small-medium clients as well as condominiums and residential customers.

During 2023 financial year, Duferco Energia (in retail activity) supplied 4.090.531 MWh (5.312.593 MWh in the previous financial year) to about 238,740 active points of delivery ("POD") (177,320 as of previous year) in the electricity market and about 313.207.069 Smc (384.048.270 Smc in the previous financial year) to about 80,711 POD (60,747 as of previous year) in the natural gas market.

During 2023 financial year, Duferco Energia group continued its activity in the energy efficiency sector, mainly in the energy requalification and renovation of residential buildings under the Italian national tax incentive framework "Ecobonus" and "Sismabonus", as well as the production and trading of biomass, where the Group is exploring new opportunities with an important local partner in Brazil and the development of industrial projects related to the energy sector, such as the construction of a thermoelectric power plant in Giammoro, Italy, expected to come into operation during 2024 financial year.

With reference to the mobility sector, Duferco Energia, operating as Charging Point Operator (CPO) and as E-Mobility Service Provider (EMSP), manages a network of about 1,9k charging point throughout Italy. Moreover, it leverages on interoperability agreements allowing to reach a network of more than 35k charging point stations in Italy and 200k across Europe.

Since 2016 the division realized an exponential growth in terms of new signed contracts, number of charging sessions and power volume sold. The growth is also supported by a grant of €2.1m from the EIB under the CEF Blending Facility, entered in March 2021 and in July 2023 was selected for the first NRRP tender and awarded €1.5m.

The division intensified the focus on the development of its public charging network in order to boost the volumes of energy delivered.

With the aim of encouraging the sustainable mobility, in 2021 Duferco Energia acquired Genova Car Sharing, a company operating under a service contract with the Municipality of Genoa and operating in car sharing and car pooling business. With the aim to make the fleet entirely composed of full-electric cars, Duferco Energia launched Elettra, the first 100% electric car sharing in Italy.

The fleet currently comprises 160 electric vehicles, with 10k users benefitting from the service and 100k+ recorded rides since the beginning of the service. Elettra is the first player that combines both free-floating and station based operational systems.

## Steel production and distribution Division

During the 2023 financial year the macroeconomic environment was less and less favorable. Since the second half of 2022, the global tightening of monetary policies first in USA and thereafter in Europe led to a significant increase in interest rates.

Rising interest rates and slowing demand had a substantial impact on steel prices and, except for a brief recovery in early 2023 driven by expectations of a demand boost from the post-Covid re-opening of the Chinese economy, steel prices have been on a downward trend: From March 2023, steel prices dropped an average of 25% by September 30<sup>th</sup>.

Compared to the average of the previous two years (March 2021 - March 2023), European steel prices at the end of the 2023 financial year were 40-50% lower, while the absolute decline ranged from 400 to 2,000 EUR per metric ton, depending on the product.

After the record profit posted in the 2022 financial year (135.3 million USD), the European based steel production and distribution activities contributed a profit of approximately 13 million USD to the 2023 consolidated result of the Group.

More in particular:

- Despite an unfavorable macroeconomic and market environment Duferco Travi e Profilati S.p.a. and subsidiaries ("the DTP Group") contributed a profit of 19.0 million USD to the consolidated income statement of

<sup>1</sup> The amount does not include the effect of impairment losses related to an old rolling mill owned by Duferco Travi e Profilati S.p.a. The amount of the impairment to PP&E and to ancillary spare parts was approximately 18.3 million USD, net of the tax effect.



the Group (2022: profit of 99.4 million USD<sup>1</sup>). As reported above the significant decrease in profitability was mainly driven by a slowing demand both in terms of volumes and prices which characterized the European steel market. During the 2023 financial year revenue of the DTP Group fell by approximately 36%.

- The Morel Group, which is mainly active in the French steel distribution market, experienced, however, a more severe difficult situation, primarily due to the structurally longer cycle to carry unsold inventory. On a yearly basis, Morel contributed a loss of approximately 9 million USD to the consolidated result of the Group (2022: profit of 7 million USD). During the 2023 financial year Morel reported a decrease of revenue by almost -25% mainly attributable to a reduction in shipped volumes (-10%) as well as a downturn in average sale prices of approximately -15% year on year.
- Finally, Duferco Danish Steel, contributed a profit of almost 1 million USD to the consolidated result of the Group (2022: profit of 23.9 million USD), while the other Italian based production activities reported a profit of 1.9 million USD (2022: profit of 5.0 million USD).

The construction of the new beam rolling mill at the site of S. Zeno, Italy was completed, and the plant was officially inaugurated on October 16, 2023. The mill is currently finishing its testing and start-up phase. The achievement of a full commercial operation regime is expected by the end of the second half of the 2024 financial year.

## Shipping Division

A 50% share of the net profit of the joint venture group (Nova Marine Holding S.A., Luxembourg - "Nova" - and its subsidiaries) contributed for an amount of approximately 25.5 million USD to the consolidated result of the Group (41.1 million USD for the 2022 financial year).

The 2023 financial year has been a challenging year marked by high volatility in the freight rates markets. Nova has managed to cope with this challenging period, being very active in balancing both the cargos book and the vessels exposures and leveraging on these swings to produce the second-best results in Nova's history.

Freight levels during Q1 2023 (Oct-Dec 22) remained stable, in line with what has been seen in 2022 while they have been softening at the beginning of Q2 2023 (Jan-Mar 23) reaching the lowest point during Q3, especially due the increase in inflation in Europe, successively increase in interest rates across the world and Chinese economy slow down. The summer months registered an increase in the freight levels especially due to the beginning of the grains campaign and the increase in waiting

times passing Panama Canal (due to low water level), taking away transportation capacity from the market. These two elements have led the freight market to increase steadily, reaching the peak by the end of September 2023.

Compared to the previous year, Nova's financial performance during the 2023 financial year was still remarkable: revenue reached 314 million USD with a decrease of only 8% compared to the previous financial year (342 million USD). The consolidated net profit reached 50.9 million USD, the second highest record for Nova after the all-time record achieved in the 2022 financial year (to 82.3 million USD). Total equity increased to about 280 million USD with an average yearly ROE of 18%.

Most notably, in preparation for harsher market conditions, Nova has pursued a prudent strategy of decreasing debt with extra repayments alongside quarterly maturities towards financing institutions and allocating more than 68 million USD of cash generated from operations, materially decreasing outstanding bank loan indebtedness throughout Nova and its joint ventures.

With reference to the joint ventures with Algoma Central Corporation, Canada ("Algoma") and with August Bolten ("Bolten") it's worth noting:

- Within NASC (the J/V with Algoma for the short-sea dry-bulk business), it is important to underline once again the excellent performance of the commercial platform, mostly leveraging on the strong base built on Italian cabotage trading flow, where it is the market leader.
- The cement carrier division NACC (the J/V with Algoma for the pneumatic ships) kept the fleet fully employed and has been able to extend all the time charter contracts close to expiry date at considerably better returns; this clearly assesses clients' trust and confirms once more the world leading position that NACC has successfully achieved in the cement carrier business both in terms of service and fleet size over the last years.
- The joint venture with Bolten, consisting of 7 handy-size vessels (purchased during the last two years) has benefitted from extreme low indebtedness to keep on generating stable and positive cash flows for the shareholders.

Finally, during the 2023 financial year Nova expanded more and more in the various sectors of the logistic supply chain and in the door-to-door transportation, leading to the foundation of Nova Marine Logistics and the creation of a logistic J/V with SAPIR in Ravenna, Italy called CILIR, active in sea transports, terminal operation warehousing and ashore logistics services.

### Consolidated Income Statement (in '000 USD)

	2021	2022	2023
Energy Trading Revenues	22,511,585	40,574,970	24,542,445
Other revenues	2,632,804	5,190,251	3,085,899
<b>Total revenues</b>	<b>25,144,389</b>	<b>45,765,221</b>	<b>27,628,344</b>
Depreciation, amortization and impairment losses	-39,704	-63,518	-41,602
Share of results of associates and joint ventures	73,232	79,334	37,657
<b>Profit from operations</b>	<b>523,178</b>	<b>529,063</b>	<b>560,483</b>
Finance expenses, net	-27,695	-32,455	35,373
<b>Profit before tax</b>	<b>495,483</b>	<b>496,608</b>	<b>595,856</b>
Income tax expense	-50,439	-111,369	-145,377
<b>Profit for the period</b>	<b>445,044</b>	<b>385,239</b>	<b>450,479</b>

### Consolidated Balance Sheet (in '000 USD)

	2021	2022	2023
Current assets	6,834,890	3,798,148	2,530,090
Non-current assets	1,311,277	1,180,547	1,335,407
<b>Total assets</b>	<b>8,146,167</b>	<b>4,978,695</b>	<b>3,865,497</b>
Current liabilities	6,004,423	2,856,880	1,373,911
Non-current liabilities	779,247	635,963	655,924
Total equity	1,362,497	1,485,852	1,835,662
<b>Total liabilities and Equity</b>	<b>8,146,167</b>	<b>4,978,695</b>	<b>3,865,497</b>

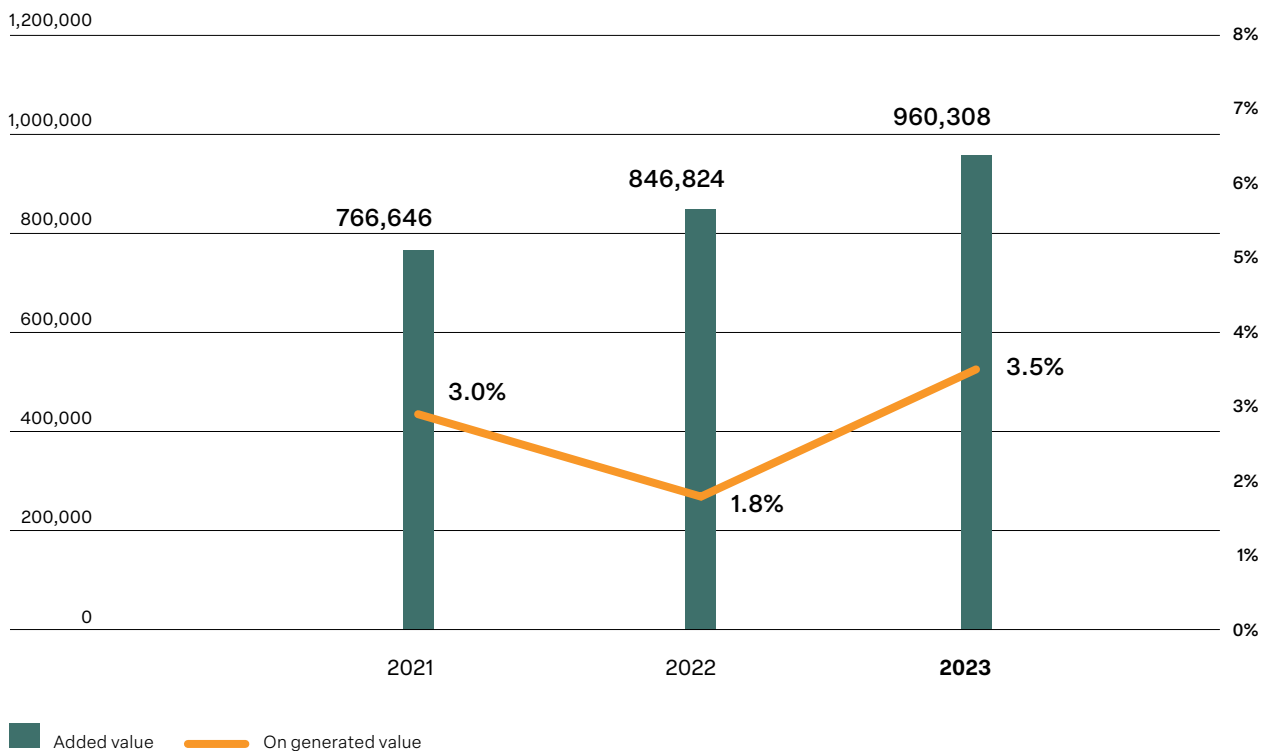
### Key Financial Indicators (in '000 USD)

	2021	2022	2023
Current assets	6,834,890	3,798,148	2,530,090
Current liabilities	6,004,423	2,856,880	1,373,911
Net working capital	830,467	941,268	1,156,179
<b>Current ratio</b>	<b>1.14</b>	<b>1.33</b>	<b>1.84</b>
Financial indebtedness	1,488,985	738,124	764,976
Cash and cash equivalents	610,736	795,030	867,283
<b>Net financial indebtedness</b>	<b>878,250</b>	<b>-56,906</b>	<b>-102,307</b>
Total equity	1,362,497	1,485,852	1,835,662

## ECONOMIC VALUE DISTRIBUTED

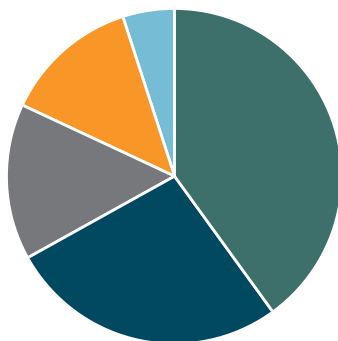
FY2023 was a year characterized by various economic and social challenges, leading to significant market instability within the sectors where the Group operates. Despite a substantial decrease in the overall generated value (-40%), the Group successfully grew its net profit by 17% compared to the previous year. The notable decline in total value was primarily attributable to reduced revenues in energy trading as compared to FY2022. However, costs were reduced accordingly, allowing the Group to increase its net profit. The Group achieved an overall increase in added value, rising from 847 million USD in FY2022 to 960 million USD in FY2023, representing a remarkable 13% growth. This improvement nearly doubled the percentage of value added on value generated, climbing from 1.8% to 3.5%.

### Group added value (in '000 USD)





## Added value distribution (FY2023)



- 5% Financial community
- 13% To shareholders
- 15% Government
- 27% Employees
- 40% Company

Of the total added value, approximately 40% is retained within the Group, encompassing retained earnings, depreciation, amortization, provisions, and deferred taxes. The retained portion reflects the financial health of the Company and its reinvestment in various aspects of its operations. The second segment is allocated to employees in diverse forms such as severance pay and social and security charges, amounting to over 250 million USD in FY2023, compared to 191 million USD in FY2022, marking a substantial increase of about 37%. This allocation constitutes a significant portion of the overall rise in value added, underscoring Duferco's commitment to supporting its workforce. Capital lenders receive about 5% of the added value, reflecting the share of value directed towards external financial stakeholders. Local governments and public agencies receive an additional 15% in the form of current income taxes and other levies unrelated to income. The various territories surrounding the Group's plants benefit from nearly 778,000 USD in sponsorships and direct contributions to charities. In addition, 600.000 EUR of sponsorship have been allocated to support Virtus Entella, an Italian professional football team based in Chiavari, near Genoa. The indissoluble bond that Virtus Entella created with the local community has produced value both in the socio-educational and in the economic fields. Lastly, 13% (121,844 USD) corresponds to the dividends distributed to shareholders, seeing an increase of 35% compared to FY2022.



# EU taxonomy

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The European Taxonomy<sup>2</sup> is a classification system establishing the economic activities that are considered as environmentally sustainable according to the criteria set by the European Union (EU).

The primary goal of the Taxonomy is to promote sustainable investments within the EU and support the objectives outlined in the European Green Deal, the roadmap for making the European economy sustainable, presented in December 2019. Specifically, the Taxonomy aims at ensuring credibility, uniformity and comparability of activities deemed as sustainable.

**The Regulation sets six environmental objectives in line with the European Green Deal:**

1

CLIMATE CHANGE  
MITIGATION

2

CLIMATE CHANGE  
ADAPTATION

3

SUSTAINABLE USE  
AND PROTECTION  
OF WATER AND MARINE  
RESOURCES

4

TRANSITION  
TO A CIRCULAR  
ECONOMY

5

POLLUTION  
PREVENTION  
AND CONTROL

6

PROTECTION  
AND RESTORATION  
OF BIODIVERSITY  
AND ECOSYSTEMS

<sup>2</sup> Regulation (EU) 2020/852

For each objective, the Taxonomy Regulation identifies a list of economic activities that can potentially contribute to them. When an economic activity is included in this list, then it is considered as “Taxonomy-eligible”. In order to be considered as environmentally sustainable, an economic activity must not only be eligible, but also “Taxonomy-aligned”, i.e., it must comply with additional activity-specific technical criteria set by the Regulation. Namely:

- The activity must comply with the substantial contribution criteria that demonstrate that the activity contributes to reach one objective;
- The activity must not significantly harm any of the other environmental objectives (Do - No - Significant - Harm - DNSH - criteria);
- The activity must be carried out in compliance with the so-called minimum safeguards, by ensuring alignment with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

and the United Nations (UN) Guiding Principles on Business and Human Rights.

As of today, the Regulation requires undertakings that are subject to the obligation to publish a nonfinancial statement, to disclose the proportion of their activities that are taxonomy-eligible and taxonomy-aligned, in terms of share of Turnover, CapEx and OpEx.

## The European Taxonomy at Duferco

Mindful of the upcoming disclosure requirements and motivated by a deep spirit of actively contributing to the transformation within the European Union, where the Group conducts a significant share of its operations, Duferco has chosen to proactively assess its activities against the Taxonomy. Thus, as a first step towards a fully taxonomy disclosure, Duferco voluntarily started identifying its eligible activities ahead of the deadlines.

### TAXONOMY ACTIVITIES

Sector	Activity	Delegated Act	Description	Related companies <sup>3</sup>
<b>Forestry</b>	<b>1.3</b> Forest management	<ul style="list-style-type: none"> <li>■ Climate Change Mitigation (CCM)</li> <li>■ Climate Change Adaptation (CCA)</li> </ul>	Management and safeguard of forestlands	<ul style="list-style-type: none"> <li>■ Duferco Biomasse</li> <li>■ EBS</li> </ul>
<b>Environmental protection and restoration activities</b>	<b>2.1</b> Restoration of wetlands	<ul style="list-style-type: none"> <li>■ Climate Change Mitigation (CCM)</li> <li>■ Climate Change Adaptation (CCA)</li> </ul>	Restoration of the original conditions of wetlands and other inland habitats	<ul style="list-style-type: none"> <li>■ Duferco Wallonie</li> </ul>
	<b>1.1</b> Conservation, including restoration, of habitats, ecosystems and species	<ul style="list-style-type: none"> <li>■ Protection and restoration of biodiversity and ecosystems (BIO)</li> </ul>	Protection, conservation and restoration of terrestrial, freshwater and marine habitats and other ecosystems	<ul style="list-style-type: none"> <li>■ Duferco Wallonie</li> </ul>
<b>Manufacturing</b>	<b>3.9</b> Manufacture of iron and steel	<ul style="list-style-type: none"> <li>■ Climate Change Mitigation (CCM)</li> </ul>	Steel and iron production and processing	<ul style="list-style-type: none"> <li>■ Duferco Travi e Profilati</li> <li>■ Acciai Rivestiti Valdarno</li> <li>■ Duferco Danish Steel</li> <li>■ Ferriere Bellicini</li> </ul>

<sup>3</sup> The trading sector, where DXT and Duferco energy largely operate, today is excluded from the Taxonomy Regulation.

<b>Energy</b>	<b>4.1</b> Electricity generation using solar photovoltaic technology	■ Climate Change Mitigation (CCM)	Generation of electricity through photovoltaic panels	■ Matrix ■ Duferco Energia ■ Duferco Wallonie
	<b>4.5</b> Electricity generation from hydropower	■ Climate Change Mitigation (CCM)	Generation of electricity through hydropower facilities	■ Duferco Energia
	<b>4.29</b> Electricity generation from fossil gaseous fuels	■ Climate Change Mitigation (CCM)	Generation of electricity using fossil gaseous fuels	■ Duferco Energia
<b>Transport</b>	<b>6.2</b> Freight rail transport	■ Climate Change Mitigation (CCM)	Purchase, leasing and operation of freight transport	■ Duferco Wallonie
	<b>6.5</b> Transport by motorbikes, passenger cars and light commercial vehicles	■ Climate Change Mitigation (CCM)	Purchase, leasing and operation of motorbikes, passenger cars and other light commercial vehicles	■ Duferco Energia
	<b>6.6</b> Freight transport services by road	■ Climate Change Mitigation (CCM)	Purchase, leasing and operation of vehicles designated for freight transport services by road	■ Duferco Wallonie
	<b>6.8</b> Inland freight water transport	■ Climate Change Mitigation (CCM)	Purchase, leasing and operation of freight vessels on inland waters	■ Duferco Wallonie
	<b>6.10</b> Sea and coastal freight water transport, vessels for port operations and auxiliary activities	■ Climate Change Mitigation (CCM)	Purchase, financing, chartering and operation of vessels for the transport of freight and passengers	■ Nova Marine Holding
	<b>6.15</b> Infrastructure enabling low-carbon road transport and public transport	■ Climate Change Mitigation (CCM)	Construction and maintenance of infrastructure enabling low-carbon road and public transport	■ Duferco Energia
<b>Construction and real estate activities</b>	<b>7.2</b> Renovation of existing buildings	■ Climate Change Mitigation (CCM)	Construction and preparation of civil engineering projects	■ Duferco Energia
	<b>7.3</b> Installation, maintenance and repair of energy efficiency equipment	■ Climate Change Mitigation (CCM)	Measures of installation, maintenance and repair of energy efficiency equipment	■ Duferco Energia



	<b>7.4</b> Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	■ Climate Change Mitigation (CCM)	Installation and renovation activities of charging stations for electric vehicles	■ Duferco Energia
	<b>7.6</b> Installation, maintenance and repair of renewable energy technologies	■ Climate Change Mitigation (CCM)	Installation and renovation activities of renewable energy technologies	■ Duferco Energia
	<b>3.3</b> Demolition and wrecking of buildings and other structures	■ Transition to a circular economy (CE)	Demolition and wrecking of buildings, roads and pathways, power-generation plants, onshore and offshore structures	■ Duferco Wallonie
<b>Information and communication</b>	<b>8.1</b> Data processing, hosting and related activities	■ Climate Change Mitigation (CCM)	Management and processing of data through data centres	■ Mainsim ■ Duferco DEV
	<b>4.1</b> Provision of IT/OT data-driven solutions	■ Transition to a circular economy (CE)	Manufacture, development or maintenance of softwares and other IT/OT data-driven solutions	■ Duferco DEV ■ Mainsim
	<b>9.1</b> Close to market research, development and innovation	■ Climate Change Mitigation (CCM)	Research and development of solutions enabling the reduction of GHG emissions	■ Duferco Engineering
<b>Professional, scientific and technical activities</b>	<b>9.3</b> Professional services related to energy performance of buildings	■ Climate Change Mitigation (CCM)	Technical consultancy, audits and other professional services related to energy performance in buildings	■ Duferco Energia

The European Taxonomy is a newly introduced and continually evolving regulation, with several updates scheduled for the upcoming reporting years, particularly in terms of providing more guidance on interpreting and applying the technical screening criteria.

The Group consistently monitored the European Commission publications and kept abreast of interpretations and guidelines. Based on the analysis above, the Group will complete the assessment in the coming years, by verifying the compliance with the applicable technical screening criteria and calculating the relevant KPIs.

# Sustainability REPORT



## SUSTAINABILITY HIGHLIGHTS FY2023

# Sustainability at Duferco

**2,772**

Employees

**2,738**

Permanent

**2,692**

Full-Time

**394**

New hires

**235**

Terminations

**28,767**

Total amount of hours of training

**12.69**

Injury rate<sup>4</sup>



**8,338,665 GJ**

Energy consumed

**591,218 Tons**

Related CO<sub>2eq</sub> emissions

**193,291 MWh**

Produced from sold biomass

**53%**

Generated waste diverted  
from disposal (steel division)

**Over 190 M**

Euros in investments during FY2023

**Over 778 K**

USD donated to associations  
and third sector organizations

<sup>4</sup> The injury rate is calculated as the ratio between the total number of recordable work-related injuries and the total number of worked hours in the same period, multiplied by 1,000,000.



## DUFERCO'S SUSTAINABLE PATH AND VALUE CREATION

# Sustainability PURPOSE

Duferco Group pursues its business objectives and the creation of shared value, aiming to operate as a leader in the development of the energy transition process and the circular economy model. Duferco bases its relationship with its stakeholders on its own ethical and business principles to pursue a shared vision of values of sustainability, integrity and transparency.

Duferco is committed to maintaining the highest level of transparency and accountability regarding environmental, social and governance (ESG) implications of its companies operations.

As part of the effort to align with leading sustainability reporting practices, the Group adopted the **Global Reporting Initiative (GRI) Sustainability Reporting Standards** beginning with the FY2019 Report.

In accordance with the GRI standards, Duferco bases its reporting on **materiality analysis**.

Alongside its annual sustainability reporting, the Group has embarked on creating a **long-term sustainability strategy**, identifying key commitment areas and coordinating collective endeavours towards shared goals. The intent is to go beyond straightforward sustainability performance disclosure and offer a wider view that embodies the Group's stance on major ESG challenges in the coming years. To deploy its sustainability strategy, Duferco has defined a **2023-2026 Sustainability Plan**, based on 9 pillars, which includes more than 45 initiatives on ESG topics.

## Duferco materiality process

The topics included in this sustainability report are the outcome of a **materiality analysis** based on the requirement laid down in the **GRI Standards** published in 2021. According to the provisions of the standard, the Group is required to determine its material topics, as those related to the **most relevant impacts generated on the economy, environment, and people, including impacts on their human rights**. In line with the previous year, the materiality assessment was formulated with the purpose of identifying the organization's most relevant impacts coming from various activities across Divisions. These impacts were categorized as negative or positive and as actual or potential, based on whether they have already occurred or not.

To discern the impacts arising from its operations, the Group conducted a context analysis for each Division. This analysis considered the activities, business relationships and geographical aspects

of both the direct operations and those upstream and downstream in the value chains.

A comprehensive array of information sources, encompassing both internal and external perspectives, was consulted. These sources included global sustainability macro-trends reports, sector-specific studies in Energy, Steel and Shipping, sustainability reports from peers and competitors, media analyses, as well as documents and studies from influential non-governmental organizations and policymakers.

As per the standard's specifications, the impacts were assessed and ranked based on their severity and likelihood<sup>5</sup>.

The table below presents the Group's material topics that reflect the actual and potential negative and positive impacts generated. The topics are associated to the entire value chain, including upstream and downstream activities.

MATERIAL TOPIC	IMPACTS AND DESCRIPTION
<b>AIR POLLUTANT EMISSIONS</b>	Steel production as well as the shipping activities generate air pollutants which have an actual negative impact on the local public health. Of particular concern are metals, NOx and dusts, which are released during the production process. For this reason, the Group adopts best available technologies working in compliance with the relevant environmental regulations.
<b>ENERGY EFFICIENCY &amp; CLIMATE CHANGE</b>	All operational activities carried out within the day-to-day running of the companies generate greenhouse gas emissions both in Group's sites and along the value chain, thus creating an actual negative impact on the environment. To mitigate such effects, the Group complies with legislation and implement specific initiatives concerning GHG reduction (scope 1) as well as reducing energy consumption (scope 2) by increasing the production from renewable sources and adopting energy efficiency solutions. The plants of San Zeno Naviglio, Giammoro, Pallanzeno and Danish Steel participate in the EU Emission Trading Scheme intended to lower greenhouse gas emissions through specific initiatives (e.g. injection of recycle polymers into the electric arc furnace) by the European Union countries in the industrial sector. At the same time, renewable energy production from Duferco's plants and Power Purchase Agreements (PPAs), with the contextual issuance of Guarantees of Origin (GOs), offsets indirect GHG emissions (i.e. electricity purchased).
<b>ACCESSIBILITY TO ENERGY &amp; SUSTAINABLE MOBILITY</b>	Access to energy is an essential prerequisite for achieving sustainable development. Indeed, the Energy Division, through its business activities and sustainable mobility initiatives, is able to create a positive impact on the surrounding communities by facilitating the access to energy and making sustainable mobility solutions increasingly affordable and accessible.

<sup>5</sup> Please refer to the chapter "Methodological Note" for further details of the analyses carried out.



<b>BIODIVERSITY CONSERVATION</b>	<p>The sectors in which the Steel, Energy and Shipping Divisions operate are characterised by potential threats and negative impact on biodiversity. As raw materials are extracted and the global demand for resources increases, biodiversity in different areas can be threatened.</p> <p>Furthermore, operations and waste disposal practices of marine transportation companies can create substantial environmental externalities, such as water pollution and damage to marine life. On the other hand, activities of the Innovation Division generate a positive impact in terms of soil remediation and reconversion. Besides the Innovation Division, Duferco Biomasse and EBS are also dedicated to safeguarding forest ecosystems.</p>
<b>WATER RESOURCE MANAGEMENT</b>	<p>The raw material extraction phase requires the use of large volumes of water for dust suppression, process cooling and material separation. In the operation phases of the Steel Division, water consumption and discharge represent an actual negative impact on the environment and, if consumed in water-stressed areas, also for the surrounding communities.</p> <p>In fact, water is consumed also for cooling systems and dust removal. It is indeed crucial to optimize consumption and management of water resource by reducing water losses during the production processes and incentivizing water reuse. For these reasons, the Group is focusing its attentions on research and development projects on water saving methods and re-using initiatives, mainly through the Innovation Division.</p>
<b>WASTE MANAGEMENT</b>	<p>The sectors in which Duferco Group operates are characterised by activities that produce a large quantity of waste, both hazardous and non-hazardous. Raw material extraction and production activities can generate waste that, if not properly managed, poses a risk to the environment, thus potentially creating a negative impact on the environment.</p> <p>The key response is promoting efficient waste management and disposal of used materials maximizing recycling and reusing.</p>
<b>CIRCULAR ECONOMY &amp; MATERIAL CONSUMPTION</b>	<p>Steel and energy production are characterised by a high consumption of raw materials, whose irresponsible use can lead to a depletion of natural resources over time, thus creating negative impacts on the environment. At the same time, steel production is a perfect example of circularity. Lengthening materials lifecycle by increasing the use of recycled materials during production processes and reducing the use of virgin material as well as residues and waste in the production processes are necessary actions to implement.</p>
<b>SUSTAINABLE SUPPLY CHAIN</b>	<p>Duferco promotes sustainable management of the supply chain by considering environmental and social criteria while selecting and screening suppliers (including the choice of local partners), by monitoring and evaluating their performances, and by managing potential environmental and social risks along the supply chain. Such activities create a positive impact towards the Group's main stakeholders.</p>
<b>OCCUPATIONAL HEALTH &amp; SAFETY</b>	<p>The industrial sectors in which the Group operates are intrinsically connected to various health and safety risks. The lack of policies and procedures to safeguard against these risks could create negative impacts on the companies' workforce. Duferco TP plants are adopting safety integrated manage systems certified by third parties.</p> <p>The Group is committed in ensuring a safe and healthy workplace, promoting structured safety management procedures and programs and spreading the knowledge of a safety culture.</p>

<b>HUMAN RIGHTS PROTECTION</b>	The lack of policies and procedures aimed at protecting workers' rights could generate negative impacts on the value chain. Duferco is highly committed to protecting the human and labour rights of its direct employees and the communities in which it operates. Moreover, the Group is committed to actively promoting these principles into their suppliers' activities and practices.
<b>DIVERSITY &amp; EQUAL OPPORTUNITIES</b>	Business activities must be conducted with respect for diversity and the guarantee of equal opportunities for all employees. The Group must correctly assess and address the risk of discrimination in the work environment and in the selection of suppliers, which, if not correctly managed and promoted, could lead to negative impacts on their workforce.
<b>EMPLOYEE TRAINING, PERFORMANCE &amp; WELL-BEING</b>	Establishing a welcoming, stimulating, and positive working environment, guaranteeing a safe work-life balance and providing welfare and benefit programs to all employees are key practices carried out by all the Group's Divisions, which are aimed at creating a positive impact for the Companies' workforce.
<b>TALENT ATTRACTION AND RETENTION</b>	The wide range of sectors in which the Group operates enables the development of specific skills for its employees, and the sharing of new technologies and best practices with society. The Group's companies represent an important opportunity for talented individuals, who have the chance to get experience in renewable energy technologies and innovation. Therefore, Duferco companies have a positive impact for society being an active player in their sectors by creating job opportunities and robust competencies.
<b>GENERATED VALUE &amp; COMMUNITY SUPPORT</b>	The Group's businesses generate economic value distributed throughout the entire value chain, creating a positive impact on the economy and to the society. In fact, Duferco Group is highly committed into the involvement and the economic development of the surrounding local communities.
<b>INNOVATION &amp; BUSINESS DEVELOPMENT</b>	Building on the experience gained in the Group's plants, the companies belonging to the Innovation Division promote digital transition projects to be implemented in the industries and communities where they operate. Such activities are to be assessed as important actual positive impacts on sustainable development.
<b>BUSINESS INTEGRITY &amp; TRANSPARENCY</b>	Any conduct that violates laws and regulations on environmental, social and governance issues, including issues of corruption and business ethics, may have a negative impact on both the market in which the Group operates and the stakeholders connected to its activities. Ensuring integrity and ethical conduct by avoiding anti-competitive behaviours, preventing corruption, fraud, and money laundering are key drivers for an ethical and transparent business.
<b>CUSTOMER PRIVACY</b>	Customers' sensitive information and personal data can potentially be exposed to cyber-attacks, breaches, data losses, and unauthorized information diffusion and represent potential negative impacts for some of Duferco Divisions, specifically to Energy and Innovation. To mitigate such impacts, the companies put in place solid procedures and activities.

The Methodological Note provides comprehensive details on the approach adopted to identify impacts and presents the connections between GRI disclosures and material topics. The table below

represents the significance of each topic for every Division. Topics evaluated as “Relevant” and “Very relevant” are considered as material for the Group, or specifically for one or more Divisions.

Material topic	Steel	Shipping	Energy	Innovation
AIR POLLUTANT EMISSIONS	●	●	●	NA
ENERGY EFFICIENCY & CLIMATE CHANGE	●	●	●	●
ACCESSIBILITY TO ENERGY & SUSTAINABLE MOBILITY	NA	NA	●	●
BIODIVERSITY CONSERVATION	●	●	●	NA
WATER RESOURCE MANAGEMENT	●	●	●	NA
WASTE MANAGEMENT	●	●	●	●
CIRCULAR ECONOMY & MATERIAL CONSUMPTION	●	NA	●	NA
SUSTAINABLE SUPPLY CHAIN	●	●	●	●
OCCUPATIONAL HEALTH & SAFETY	●	●	●	●
HUMAN RIGHTS PROTECTION	●	●	●	●
DIVERSITY & EQUAL OPPORTUNITIES	●	●	●	●
EMPLOYEE TRAINING, PERFORMANCE & WELL-BEING	●	●	●	●
TALENT ATTRACTION AND RETENTION	●	●	●	●
GENERATED VALUE & COMMUNITY SUPPORT	●	●	●	●
INNOVATION & BUSINESS DEVELOPMENT	●	●	●	●
BUSINESS INTEGRITY & TRANSPARENCY	●	●	●	●
CUSTOMER PRIVACY	●	●	●	●

- Low relevance topic
- Relevant topic
- Very relevant topic

In most cases, material topics are transversal to the entire Group, while some are specific to a Division or even not applicable if the business does not directly or indirectly cause the underlying impacts.

## Duferco Sustainability Plan

Consolidating its commitment to sustainability, Duferco also defined and adopted a Sustainability Plan for the years 2023-2026. The Plan encompasses more than 45 initiatives clustered under nine sustainability pillars which refer to the three areas of sustainability: Environment, Social and Governance. The Plan is conceived as the Group's response to the main global sustainability pressures and challenges and provides improvement solutions benefitting both the Group's business operations and Duferco's key stakeholders.

The definition and implementation of the Plan is supported by a **dedicated governance structure** composed of:

- a **Sustainability Steering Committee (SSC)** which, by meeting regularly and gathering representatives from each Division, reviews and validates the Plan as well as further important decisions on sustainability matters;
- a **Sustainability Management Team**, which supervises the alignment between the SSC and company's operational figures involved in the implementation of the projects, and guarantees the connection between the Plan and the Group's reporting activities;
- company's **operational figures** (i.e. **CEOs, focal points and project owners**), which deploy the initiatives at company level and guarantee its implementation.







The initiatives of the Plan are linked to specific **Sustainable Development Goals** (SDGs), which represent the global objectives for a sustainable economic development as defined by the United Nations (UN)' 2030 Agenda. Through the SDGs, the UN's intention is to encourage world's organizations to actively engage while carrying out their own businesses, fostering a spirit of multilateral cooperation.



The Plan is based on **nine pillars** that realize the Group's sustainability purpose. Each pillar is broken down into three areas.

SDG	PILLARS	OBJECTIVE
<b>ENVIRONMENT</b>		
1 	Circular economy	Leveraging the role of "enabler" played by the Innovation Division to further integrate the principles of the circular economy within the Group by developing circular products and processes (pertaining to the Steel Division) and promoting creative industrial symbiosis solutions along the supply chains where Duferco operates.
2  	Energy transition and climate change	Reducing the Group's energy consumption and switching to renewable/low-carbon energy sources for the Steel Division's production processes and for the assets of the Shipping Division. The Energy and Innovation Divisions play the role of facilitator to support the gradual decarbonization of the Group, its supply chains, and its customers.
3 	Environmental protection	Limiting the negative effects of Group's operations on terrestrial and marine ecosystems, such as water consumption and discharges (especially for the Steel Division) and pollutant emissions into the atmosphere (in Steel and Shipping Divisions), in order to prevent environmental deterioration and safeguard public health.
<b>SOCIAL</b>		
4 	Health & Safety	Ensuring maximum safety in the operations of all Divisions by establishing and consolidating the culture of safety in the workplace to employees and contractors.
5 	People	Attracting and retaining the best talents while maintaining a stimulating and engaging workplace. Ensuring equal opportunities and eliminating discrimination in all its forms. Guaranteeing high-quality training, performance improvement, and career growth.
6  	Local community and territory	Promoting the development of communities and encouraging them to adopt sustainable solutions. Creating joint research collaborations with high-profile partners on the newest topics in the reference industries.
<b>GOVERNANCE</b>		
7 	Business ethics	Ensuring that all employees behave ethically and with integrity, in compliance with Group's Code of Ethics.
8 	Supply chain sustainability	Forging strong and long-lasting connections with suppliers, clients, and business partners based on a common vision of sustainability, honesty and transparency.
9 	Digitalization	Providing the Group with a digital infrastructure that fosters digitalization in operations, enhancing its leading position in both research and business. Increasing operational efficiency while spreading the knowledge of digitalization throughout the Group.

# The green challenge

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## THE GROUP'S ENVIRONMENTAL IMPACTS

Aware of the externalities generated by daily operations in different sectors, the Group recognizes the importance of knowing and managing its environmental footprint. Thus, guided by a principle of responsibility, the Group is committed to understanding its environmental impacts and, consequently, to implementing measures to safeguard the environment and nature, always striking a balance between commercial expansion and protecting territories and resources.



Each year the Group deploys solutions, processes and strategies with the aim of reducing, mitigating and preventing the negative impacts generated on the environment. This pledge is guaranteed through the adoption of strict rules and procedures, the institution of environmental management systems, compliance with the highest environmental standards, and continuous supervision of environmental effects related to its business activities.

The most significant environmental impacts of the Group are associated with the operations of the Steel and Shipping Divisions mainly in terms of energy consumption and related greenhouse gas emissions, air pollutant emissions, and waste generation.

To mitigate these impacts and consequently improve their environmental performance, several entities within the Group - including Nova Marine, Duferco Energia, Duferco Biomasse, and industrial units such as Giammoro, Pallanzeno, San Zeno Naviglio, San Giovanni Valdarno, and Ferriere Bellicini - hold the **UNI EN ISO 14001:2015** certification. Together with the ISO 14001, the San Zeno Naviglio facility has earned the **EU Eco-Management and Audit Scheme (EMAS)**, endorsing the environmental management system's full compliance with EU standards.

The EMAS certification is a high-end management tool created by the European Commission to help businesses and other organizations assess, report on and improve their environmental performance.

To confirm the Group's commitment, Duferco Danish Steel and the Pallanzeno and San Zeno DTP's facilities have published their **Environmental Product Declarations ('EPD')** for the production of steel beams, corner beams and merchant bars. This certification allows companies to systematically identify, assess and report the environmental impacts associated with their products' life cycle in an objective and transparent manner. The EPD also plays a pivotal role in certifying that products meet the Ministerial Minimum Environmental Criteria (CAM) as part of the Green Public Procurement (GPP) framework that has been set in Italy.

Concerning biomass production activities, the main potential environmental impact is the loss of biodiversity in the forestland. For this reason, both Duferco Biomasse and EBS voluntarily adopted specific product certifications, such as the **Programme for Endorsement for Forest Certification (PEFC)** and **Forest**



**Stewardship Council (FSC)** which indicate adherence to rigorous environmental, social and economic requirements related to forestland management and the chain of custody. **The Sustainable Biomass Program (SBP)** is a certification scheme designed for woody biomass used for large-scale energy production which aims at ensuring the legality and sustainability of its sourcing while prioritizing the preservation of high conservation value forests and biodiversity. Moreover, the Group upholds comprehensive traceability of biomass across the entire value chain, starting from the origin and method of woodcutting. This ensures that users and customers are provided with transparent and visible information regarding the path followed by lumber.

Taking a more in-depth look at the operations, the **Steel Division's** main environmental impacts predominantly originate from the energy consumption necessary to operate the various equipment such as the Electric Arc Furnace and Heating Furnaces. Regarding GHG emissions and air pollutants, the Group maintains strict adherence to legal emission limits, ensuring real-time monitoring by independent regulatory authorities. It's noteworthy that the Group's use of electric arc furnaces (EAF) instead of traditional blast furnaces for steel production processes, sets the facilities on an accelerated course towards industrial production decarbonization.

In fact, utilizing an electric furnace to produce a ton of steel results in up to ten times less CO<sub>2</sub> emissions compared to a conventional blast furnace production. As such, EAF production lays a strong foundation for an integrated, long-term strategy that aligns with environmental, social, and economic sustainability objectives.



The **Shipping Division** also contributes to substantial environmental impacts. This Division diligently manages all environmental aspects in accordance with the strict directives provided by the **International Maritime Organization (IMO)** and operates under the internal guidance of a Shipboard Operation Manual. Following amendments to IMO regulations, Nova Marine has been fueling its fleet carriers with Very Low Sulphur Fuel Oil (VLSFO) since January 2020, ensuring adherence to the newly introduced 0.5% Sulphur limit.

The **Energy Division** focuses on facilitating the transition to cleaner energy solutions, investing in renewables and energy efficiency initiatives for the benefit of the Group and the market itself. DXT leverages its solid trading and forecasting experience to off-take renewable energy at competitive prices and manages it on the market optimizing the value chain of its stakeholders.

The company has also put additional emphasis in the off-taking and trading of the Guarantees of Origins (“GOs”) associated with renewable power plants contributing to the valorization of the European renewable energy market, while Duferco Energia has amplified its efforts in insulation and requalification operations. The mobility business also commits to fostering and supporting the transition to more sustainable transport solutions by expanding the recharge network for all electric vehicle (EV) users.

Within the **Innovation Division**, Duferco Engineering is actively involved in research and development projects with a focus on the decarbonization of industrial processes, in particular heating furnaces. The Division is also dedicated to research and development projects involving the capture and use of CO<sub>2</sub> (circular energy), biofuels (methanol), energy from renewable sources (agrivoltaic) and sustainable nautical mobility (BIIM project).

## THE DUFERCO POWER

Duferco recognizes the importance of effective and responsible energy management and constant monitoring of associated costs and GHG emissions. The Group is committed to consistently improving process efficiencies and containing GHG emissions, both internally and externally.

Beyond economic gains, energy efficiency is a core part of the Group's businesses, with Duferco playing a key role in facilitating the transition to cleaner energy processes. The Group's enduring commitment to enhancing operational efficiency and minimizing its environmental impact is yielding tangible outcomes. During FY2023, overall energy consumption increased.

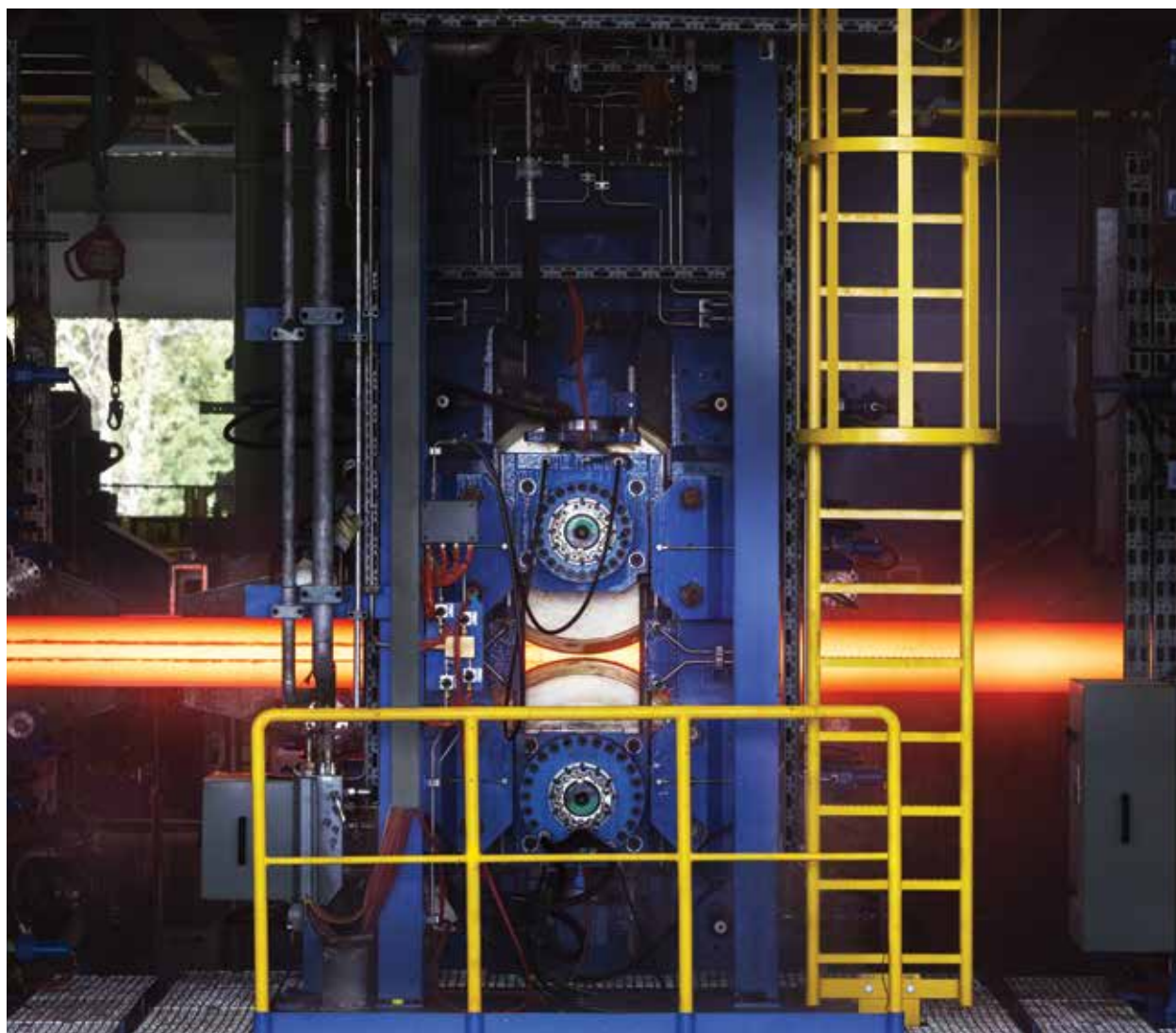
On one hand, Steel, Energy and Innovation Divisions registered a decrease, respectively by 8%, 23% and 10%, while the Shipping Division raised energy consumption by 27%. This upward trend is given by an increase in the freight flows especially due to the beginning of the grains campaign and the increase of waiting time in passing through the Panama Canal, caused by a low water level, taking away transportation capacity from the market.

In the Shipping Division, non-renewable energy sources (mainly diesel, natural gas and fuel oil) contribute to 98% of its energy consumption, which is primarily due to the use of Very Low Sulphur

Fuel Oil (VLSFO) and Diesel for its fleet. Following the trend from previous years, Nova's fleet has successfully phased out the use of Intermediate Fuel Oil (IFO) to comply with International Maritime Organization regulations, resulting in a significant reduction in air pollutants.

The operations related to steel production, constituting the majority of the remaining 24% of direct energy consumption, are predominantly related to the use of natural gas in the melting process. Natural gas makes up 91% of the Steel Division's direct energy consumption from non-renewable sources.

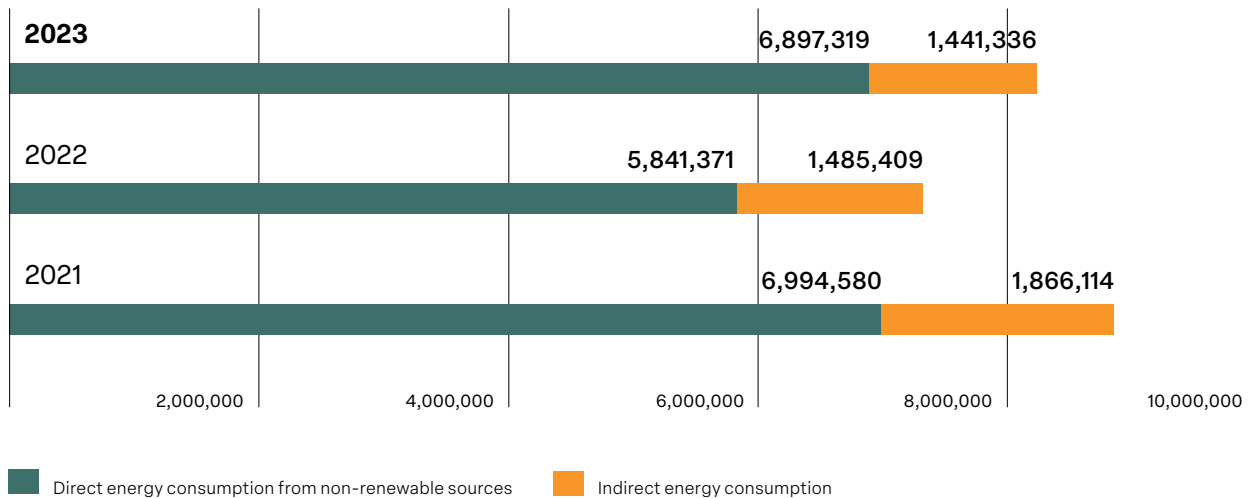
The Steel Division represents nearly the totality of the Group's indirect energy consumption, amounting to 1,438,002 GJ. Moreover, the Division achieved a stabilization in plant efficiency. The processing of approximately 660,000 tons of steel required around 2.7 million GJ, maintaining a plant efficiency around 4.0 GJ/ton (4.2 GJ/ton), in line with 2022.



### Duferco Group's overall use of energy by source (GJ)

	2021	2022	2023
<b>Direct energy consumption from non-renewable sources</b>	<b>6,994,580</b>	<b>5,841,371</b>	<b>6,897,319</b>
Diesel	1,740,130	1,381,012	1,610,027
Gasoline	981	1,417	1,849
Burning oil	440	370	88
Natural Gas	1,556,476	1,274,715	1,236,384
Coal	256,387	201,363	113,820
Intermediate Fuel Oil	44,745	-	-
Very Low Sulphur Fuel Oil	3,395,420	2,982,493	3,935,151
<b>Indirect energy consumption</b>	<b>1,866,114</b>	<b>1,485,409</b>	<b>1,441,336</b>
Purchased electricity consumption	1,866,042	1,485,337	1,441,309
Purchased heating consumption	72	72	27
<b>Total energy consumption</b>	<b>8,860,694</b>	<b>7,326,780</b>	<b>8,338,655</b>

## Duferco Group's overall use of energy by source (GJ)



In accordance with the main international standards, GHG emissions are divided into three groups:

- **direct emissions (Scope 1):**  
including GHG emissions from sources that are owned or controlled by the Group, such as the use of fuels for heating and vessel routes and refrigerant gases.
- **indirect emissions (Scope 2):**  
including GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling and steam consumed by an organization.
- **indirect emissions (Scope 3):**  
including all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

The Group reports on Scope 1 and Scope 2 GHG emissions while working on the preparation of a GHG Inventory including also Scope 3 emissions.

In 2023 the Group's GHG emissions (Scope 1 and Scope 2 *market-based*) remained substantially stable (+1%) with respect to the 2022 value.

These are primarily due to the Scope 1 emissions of the Shipping Division which, in line with its increase in energy consumption, grew about 27% (from 327,163 in 2022 to 416,352 tons of CO<sub>2eq</sub> in 2023).

Indeed, considering only the Energy, Steel, and Innovation Divisions, the reduction in energy consumption led to a downward trend in the GHG emissions (both Scope 1 and Scope 2 *market-based*), decreasing from 259,387 in 2022 to 174,865 tons of CO<sub>2eq</sub> in 2023.

It is important to underline that Scope 2 emissions can be calculated based on two different approaches:

- *location-based* approach, which considers the blended CO<sub>2</sub> emission factor of the national grid where power is purchased;
- *market-based* approach, which bases the calculation on the emissions associated with the residual mix, i.e., the national energy mix net of certified renewable energy.

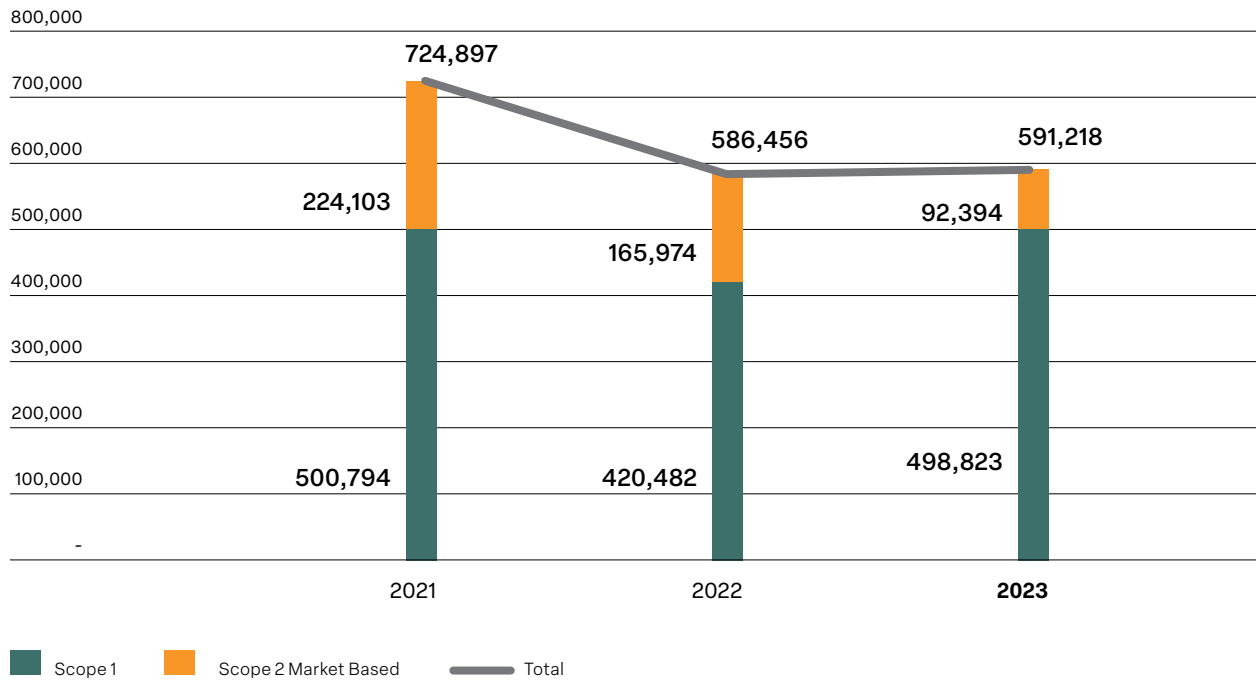
According to the *market-based* approach, the Group's Scope 2 emissions decreased by around 44% (92,394 in 2023 compared to 165,974 tCO<sub>2eq</sub> in 2022) as a result of the purchase of Guarantees of Origin (GOs) by San Zeno Naviglio's plant for around 150,000 MWh<sup>6</sup>. Without considering GO certificates (i.e. *location-based* approach), the Group's Scope 2 emissions amount to 125,604 tCO<sub>2eq</sub>, marking a slighter decrease from 129,414 tCO<sub>2eq</sub> in 2022 and a more significant reduction from 161,646 tCO<sub>2eq</sub> in 2021.

The renewable energy generated and used for own use, which was considered in the total amount of energy consumption, has no impact on GHG emissions.

<sup>6</sup> Please note that this is an estimated value since the exact value is provided by GSE (Gestore Servizi Energetici) every year at the end of March.



## Duferco Group GHG Emissions (tCO<sub>2eq</sub>)



	Unit	2021	2022	2023
Scope 1 GHG emissions	tCO <sub>2eq</sub>	500,794	420,482	498,823
Scope 2 GHG emissions <i>location-based</i>		161,646	129,414	125,604
Scope 2 GHG emissions <i>market-based</i>		224,103	165,974	92,394
<b>Total GHG emissions (scope 1 + scope 2 <i>location-based</i>)</b>		<b>662,440</b>	<b>549,896</b>	<b>624,427</b>
<b>Total GHG emissions (scope 1 + scope 2 <i>market-based</i>)</b>		<b>724,897</b>	<b>586,456</b>	<b>591,218</b>

Direct emissions are primarily related to the Steel Division (almost 16%) and the Shipping Division (approximately 83%) which has a significant impact due to the fuels used for vessel fleets.

Regarding the Steel Division, it is worth mentioning that steel mills in San Zeno Naviglio, Giammoro and Pallanzeno, as well as Duferco Danish Steel participate in the EU Emissions Trading Scheme (EU-ETS), the world's largest carbon emission trading scheme (or cap and trade scheme) intended to lower greenhouse gas emissions by the European Union countries in the industrial sector.

Similarly, Nova Marine will be subject to the EU-ETS legislation. In fact, as from January 2024, the EU's Emissions Trading System (EU ETS) will be extended to cover CO<sub>2</sub> emissions from all large ships (of 5 000 gross tonnage and above) entering EU ports, regardless of the flag they fly. Nevertheless, Nova Marine has a long-standing commitment in this regard and invested in specific projects with the goal of reducing its CO<sub>2</sub> emissions.

## ENERGY EFFICIENCY AND CO<sub>2</sub> REDUCTION PROJECTS IN NOVA MARINE

During FY2023, Nova Marine focused its attention on the implementation and feasibility study of new projects and initiatives with the aim of reducing emissions and increasing the efficiency of its fleet.



### 1

#### HSVC

Current regulations have imposed very strict parameters in relation to the type of fuel used and to the weight transported, requiring optimisation of voyages and port time off.

In order to limit the environmental impact of ships stationary in port, the Company has initiated a project to energize the ships through external electrical sources, equipping them with external plugs when not in use. Feasibility studies are being conducted by a dedicated section of the Finnish Company Wartsila, which is already supplying HVSC (High Voltage Shore Connection) to numerous latest-generation passenger ships.

Part of the project is also dedicated to modifying machinery that is currently powered by diesel engines and will be converted into electric engines to be powered by an external source via shore power. This modification is expected to be applied to almost 25% of the fleet's cement ships.

### 2

#### METHANOL PROPULSION SYSTEMS

The Company focused its attention also on ship construction projects using methanol propulsion systems, together with Wartsila, the only shipbuilder with a four-stroke engine prepared for methanol use and forecast possible delivery times up to the end of 2024.



## 3

**ESDs**

The Company is evaluating how to reduce the fuel consumption and therefore the carbon footprint of the fleet by adopting some practical ESDs (Energy Saving Devices) with a reasonable investment.

## 4

**PREMIUM ANTIFOULING PAINT ADOPTION FOR THE HULL AT NEXT SHIP DRY-DOCKING**

Effective antifouling coatings are a requisite in mitigating the impact of EPL on vessel speed and minimizing the increase in a vessel's CII rating over the drydocking interval.

This type of Antifouling has been developed with the primary aim of reducing the energy required by the ship by improving the hydrodynamic property of the hull.

Premium Antifouling also provides maximum hull protection against fouling which is the main cause of decrease in a ship's speed over the years between the dry-dock periods and increasing in fuel consumption.

Generally, the use of Premium Antifouling can produce a Fuel saving of 2.5-3%.

## 5

**FUEL ADDITIVE**

Nova Marine will start testing on two-three types of fuel additives to verify their effectiveness and ascertain which of them will provide better performance and treatment of the fuel.

The fuel additives are designed to improve the combustion and therefore the efficiencies of the engines which will have positive impacts on the consumption.

At same time the additives aim to reduce the sludge formation of the fuels during the pre-treatment before they are burned.

This contributes to reduction in consumption as a higher percentage of the total fuel bunkered by the ship is burned and not disposed of as sludge (residual from the fuel treatment on board).

Generally, the use of an effective Fuel additive can produce a Fuel saving of 1%.

## 6

**DATA MANAGEMENT**

Regarding data management, Nova Ship Tech and Technical Core Management have outsourced the monitoring, collection and verification of the fleet's energy consumption (including MRV) and the reporting of this data on the European portal Thetis-MRV.

In terms of fuel efficiency, Nova Marine Carriers' vessels, especially offshore, are regularly operated and monitored through COACH, a software designed to optimise fuel consumption and voyage efficiency in relation to marine weather conditions.



Indirect Scope 2 emissions are predominantly associated with steel activities, which are accountable for around 16% of the overall GHG emissions, due to the electricity used to fuel furnaces. For this reason, the Group is actively pursuing measures to increase the proportion of renewable energy in steel activities, saving indirect emissions, and to purchase certified renewable energy. The plants are equipped with renewable energy generators, such as the solar park in Giammoro, producing approximately 3,000 MWh of energy annually. Moreover, San Zeno Naviglio's plant benefits from two Power Purchase Agreements (PPAs), which allows the supply of renewable energy to the facility through the contextual issuance of Guarantees of Origin (GOs).



Among the initiatives, Duferco has integrated a system for injecting recycled polymers and carbon into the electric arc furnace. This process allows the Group to reduce not only emissions but also waste and costs (by around 30%). With the aim of also reducing the indirect emissions generated upstream and downstream of its supply chain, Duferco is also committed to guaranteeing access to clean energy for its customers through the Group companies that deal with the production and supply of energy from renewable sources, especially solar and hydroelectric, or that simply provide services connected to energy efficiency, renewable energy certificates and green mobility.

Duferco Energia actively seeks new business opportunities in the renewable energy generation sector. In 2023, Duferco Energia operated 16 solar plants and 7 hydroelectric power plants located in various regions of Italy and Albania, which contributed approximately 85.1 GWh of renewable energy to the national grid. This includes around 72.3 GWh generated by hydroelectric production sites and about 12.8 GWh produced by solar plants. Compared to the previous year, production increased by 49%, mainly due to the full annual production of the new plants located in Albania which became operational only at the beginning of 2022. Moreover, further 60GWh are expected to be generated by the end of 2026 with the installation of around 40 MW of photovoltaic panels. In addition to Duferco Energia, both Matrix and Duferco Wallonie are also engaged in renewable energy production. Matrix between 2022 and 2023 began producing renewable energy through distributed generation using photovoltaic technology. Distributed generation is characterized as a source of generation directly connected to the distribution grid. In addition to helping democratize solar energy and providing cost reduction for low-voltage consumers (the produced energy is converted into credits that clients receive to offset their electricity bills), from an environmental perspective, distributed generation with renewable sources helps reduce CO<sub>2</sub> emissions compared to centralized generation. During FY2023, 7 solar plants were in operation with an additional 22 planned to be built by the end of 2024. In FY2023 Matrix and Duferco Wallonie produced respectively 12 GWh and 2.7 GWh of renewable energy.



## MATRIX - PRODUCTION OF GREEN ENERGY FOR THE COMMUNITIES

Matrix is set on enabling transformation, driving market development and easing access to affordable and clean energy. Its approach to achieve this vision spans across various streams of activities, including supplying clean energy in the Brazilian Free Market (serving high and medium voltage customers), generating and supplying renewable energy through distributed generation using its own and third-party solar plants (serving low-voltage customers), expanding its portfolio with energy efficiency and energy storage solutions, and having ready-to-build assets in centralized solar and wind energy projects. In 2023, Matrix secured a Green Bond designated solely for investment in distributed generation (DG) solar energy projects. This bond emphasizes Matrix's

sustained dedication to energy transition. During FY2023, Matrix had 12 solar plants under construction in addition to another 10 solar plants in development with to 40.4 MW and 25 MW energy capacity respectively. The expected investment (capital expenditures) in 2024 for distributed generation own plants is up to 300 million Reais (around 60 million USD).

These projects are located at various regions across Brazil, intending to serve the population segments that lack free energy market access. Matrix's widespread presence enables the reduction of energy prices for communities residing near the plants.





Duferco Energia also operates as an Energy Service Company (ESCO), devising various solutions aimed at improving its clients' energy efficiency, including the upgrading of lighting systems, monitoring power consumption, and harnessing heat through exterior insulation systems, particularly targeting industrial and condominium sectors. For many of these initiatives, the Company offers **Energy Performance Contracts**. This contract establishes that Duferco Energia is in charge of carrying out the energy efficiency intervention while retaining ownership of the assets for a given defined period. Then, clients reimburse Duferco Energia with a portion of the energy savings generated by the implemented interventions.

As for condominiums, Duferco Energia is working in the frame of the Government incentives allowing people to deduce part or all the expenses of revamping of their buildings from their taxes including the possibility to sell the resulting credits to other parties.

In FY2023 Duferco Energia completed 55 projects up to the amount of 126 M€: operations were related to the revamping of existing buildings including thermal

isolation, new heating systems, solar panels, FV with energy accumulation and windows replacement.

Overall, since the beginning of this activity, Duferco Energia completed 190 projects of revamping focused on energy efficiency for an amount of 213M€, 7 projects focused on amelioration of behavior in case of earthquakes, 56 project focused on general amelioration of the buildings.

Duferco has also ventured into sustainable mobility, becoming part, since 2014, of the European network of Charging Point Operators (CPOs).

The Company tailors its solutions to cater to the distinct needs of individuals, businesses, and lodging facilities. In Italy, Duferco Energia's commitment in 2023 has been extensive.

At the end of FY2023 1,001 CPs were installed and another 851 are currently under construction. The charging columns in the territory are divided into three types: *Quick* - up to 22 kW; *Fast* - up to 100 kW; *Ultra-fast* - above 100 kW. As a further commitment to sustainable mobility, since 2021, the Group also manages the fleet of Elettra, the first 100% electric, free-floating car sharing fleet in Italy.

## DUFERCO ENERGIA CONTRIBUTION TO THE SUSTAINABLE TRANSITION

Duferco Energia is dedicated to advancing sustainable practices on multiple fronts, with a particular focus on supporting electric mobility through charging stations (CS). In 2023, the Company achieved further success by being selected for the Liguria region's public tender under the National Recovery and Resilience Plan (PNRR), aimed at constructing Fast CSs in urban centres. This recognition, accompanied by non-repayable financing of approximately 1.5 million euros (20% of the total investment under the tender), not only contributes to funding 115 CSs across Liguria's provinces and municipalities, but also strengthens Duferco's position as a major player in Italy's electric mobility market. Direct access to the management of charging stations allows Duferco Energia to help local communities in their transition to a more sustainable lifestyle. Duferco Energia launched a favorable tariff in 2023 for midday recharging, by introducing innovative and tailored tariffs that vary based on specific hours and days of the week. This initiative aims to incentivize the utilization of solar electricity during this period. Aligned with Duferco Group's ambition, which views the energy transition as both a decarbonization goal and an opportunity for market growth, these pricing strategies extend to rewarding

night-time recharging (leveraging wind production) and weekend recharging (in the presence of reduced demand). The aim is to share economic benefits with customers and foster price signals that promote sustainable and responsible energy consumption.





## RESOURCE EFFICIENCY AND CIRCULAR ECONOMY

The steel cycle is a virtuous example of a successfully applied circular model. Steel is a fundamental material for several sectors of strategic importance for sustainable development and energy transition, such as renewable energy, electric motors, rail transport, energy efficiency interventions, and water management. This aspect is of primary importance, as it enables the shift from a traditional model of development based on the transformation, usage, and then disposal of material, to a circular model based on the reduction of raw material usage, and the reuse and recycling of the same material.

This approach emphasizes the special features of steel, which can be melted without losing any of its properties. Steel components, thanks to the ease of separation and disassembly, are particularly suitable for reuse and remanufacturing and their characteristics of resistance and durability allow for a very long-life cycle. In the steel plants, metal scraps recovered from different sectors are used as the main raw material and then recycled in the steel production cycle. The systematic application of the circular economy model enables Duferco to recover and reuse material generated by various production phases.

The total volume of material used in steel production decreased in FY2023 by 15% reaching 1,226,432 tons, compared to the previous year when an amount of 1,441,950 tons of material used was recorded. This decrease can be mainly attributed to the downturn in production in FY2022, stemming from the challenging geopolitical circumstances and subsequent hikes in prices and energy costs. Regarding material consumption, 96% of the materials used in the Steel Division, 1,181,887 tons, are of renewable origin.

Within this subset, it is possible to observe a decrease in the use of billets and scrap by 13% and 15% respectively, also due to the decrease in production.

During the steelmaking process, oxygen and inert gas are also used (19.8 million m<sup>3</sup> and 0.4 million m<sup>3</sup> respectively).



## Materials consumption in the Steel Division

	2021	2022	2023
<b>Renewable materials (tons)</b>	<b>1,741,793</b>	<b>1,387,333</b>	<b>1,181,887</b>
Scraps (tons)	908,947	697,842	591,024
Billets (tons)	777,278	632,394	552,849
Laminates (tons)	44,750	48,305	35,706
Cast iron (tons)	10,818	8,792	2,309
<b>Non-renewable materials (tons)</b>	<b>68,889</b>	<b>54,617</b>	<b>44,544</b>
Lime (tons)	45,614	35,722	29,313
Iron alloys (tons)	15,089	12,143	9,413
Refractory materials (tons)	5,857	4,948	4,220
Electrodes (tons)	1,525	1,226	948
Cover powders (tons)	529	314	375
Lubricants (tons)	258	234	236
Additives (tons)	19	30	38
<b>Total materials (tons)</b>	<b>1,810,682</b>	<b>1,441,950</b>	<b>1,226,431</b>



In FY2023, the total amount of waste generated decreased by 26% compared to the previous year, amounting to 78,000 tons, of which more than 85% being non-hazardous. Due to more careful waste management initiated in previous years, the total amount of hazardous waste was reduced by 19%

in 2023, thus recording about 11,955 tons of production compared to the 14,812 tons in 2022. The amount of hazardous waste can be affected by any extraordinary operations that are carried out on the sites; hence significant variations can be recorded based on these factors.

### Hazardous waste generated in the Steel Division (tons)

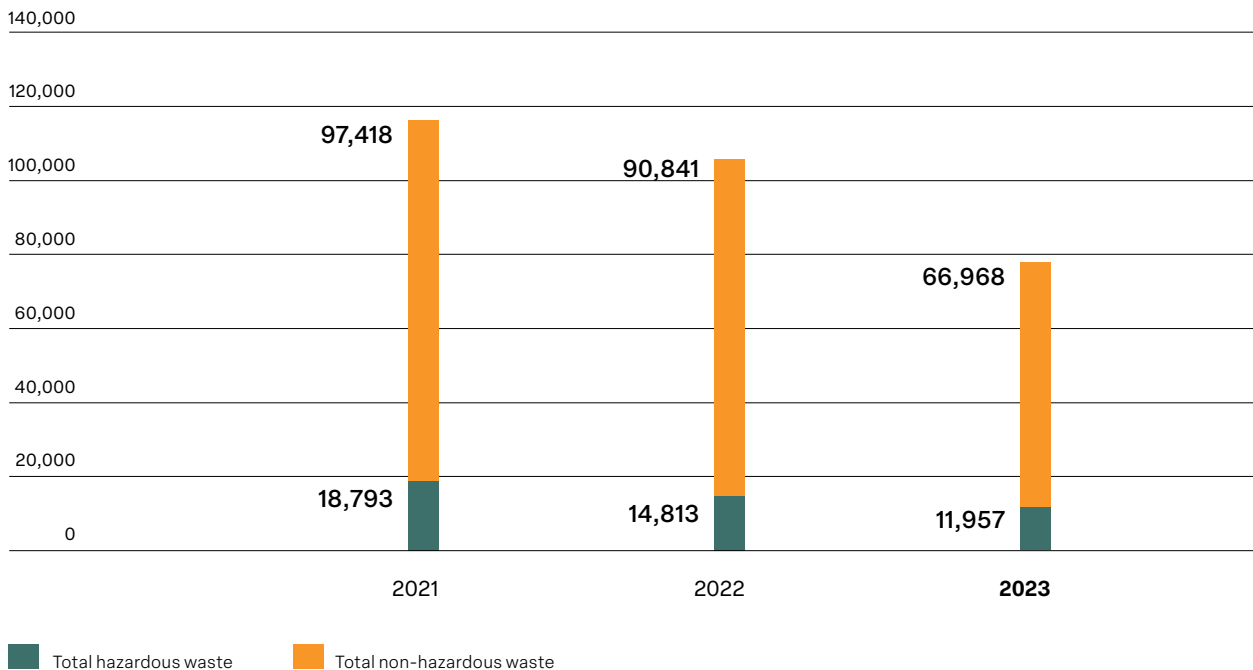
	2021		2022		2023	
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
<b>Directed to disposal</b>	<b>3,142</b>	<b>40</b>	<b>2,937</b>	<b>34</b>	<b>2,397</b>	<b>43</b>
Of which to landfill	3,072	0	2,912	0	2,288	-
Of which to incineration with energy production	0	40	0	34	-	29
Of which to incineration without energy production	25	0	0	0	0	0
Of which to other disposal operation	44	0	25	0	109	14
<b>Sent to recovery</b>	<b>15,604</b>	<b>7</b>	<b>11,831</b>	<b>11</b>	<b>9,417</b>	<b>98</b>
Of which to reuse	15	3	0	1	0	17
Of which to recycling	42	4	0	10	0	5
Of which to other recovery operations	15,548	0	11,831	0	9,417	76
<b>Total hazardous</b>	<b>18,746</b>	<b>47</b>	<b>14,768</b>	<b>45</b>	<b>11,814</b>	<b>141</b>

### Non-hazardous waste generated in the Steel Division (tons)

	2021		2022		2023	
	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
<b>Directed to disposal</b>	<b>60,027</b>	<b>12</b>	<b>54,418</b>	<b>17</b>	<b>34,649</b>	<b>45</b>
Of which to landfill	60,027	0	54,409	1	34,646	0
Of which to incineration with energy production	0	12	9	16	3	45
<b>Sent to recovery</b>	<b>28,493</b>	<b>8,886</b>	<b>24,643</b>	<b>11,763</b>	<b>22,489</b>	<b>9,783</b>
Of which to reuse	12,830	8,883	9,112	11,759	-	9,776
Of which to recycling	1,356	3	1,031	4	5,294	7
Of which to other recovery operations	14,307	0	14,500	0	17,195	0
<b>Total non-hazardous</b>	<b>88,520</b>	<b>8,898</b>	<b>79,061</b>	<b>11,780</b>	<b>57,138</b>	<b>9,828</b>



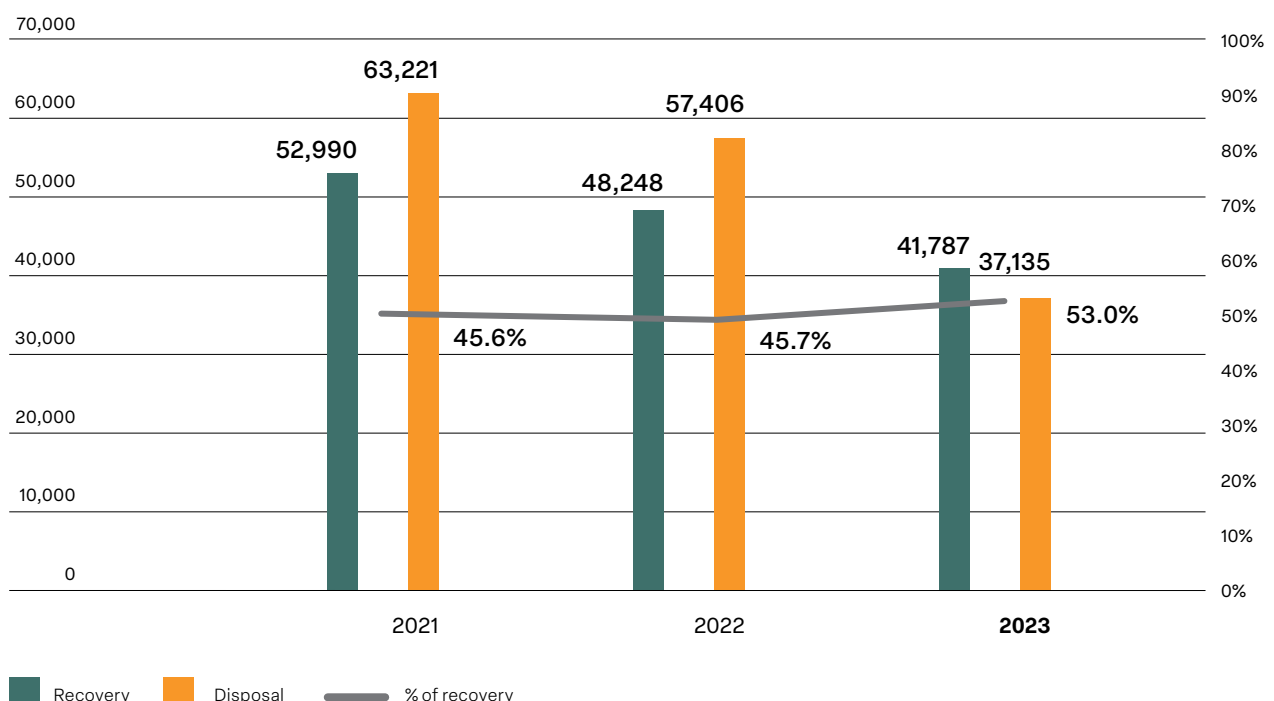
## Steel Division waste by category (tons)



In 2023, while the total amount of waste decreased, the percentage of waste sent to recovery out of the total reached 53% compared to FY2022. The majority of the waste generated throughout the steel-making process is composed of slags and can be distinguished between "black slag,"

which results from the electric-arc furnace, and "white slag," derived during the steel-refining process in the ladle. The black slag can also be re-used as blackstone, a by-product used for the construction of embankments and road foundations.

## Steel waste by destination (tons)



Circularity does not exclusively refer to steel production. Indeed, the biomass production process is largely based on circularity. Duferco Biomasse and EBS operate in lumber production, harvesting, processing and supplying thermal power plants and city heating networks that produce energy from biomass. In the production cycle, land is rented from the landowner for 10 to 15 years. Wood is transformed into chips directly in the forest and then moved to the thermoelectric plants.

Once the wood harvesting has been completed, operations shift to restoration and treatment of soil. These activities are carried out to restore previous vegetation before returning the land to its owner. EBS also supplies biomass from recycled wooden pallets and branches of city tree-pruning.

Furthermore, through the collaboration with Ogyre, Duferco Energia extends the Group's commitment to a circular economy beyond the company borders.

## DUFERCO ENERGIA & OGYRE

Throughout 2023, Duferco Energia continued its collaboration with Ogyre, an innovative startup focused on recovering marine waste. Ogyre holds the distinction of being the first Italian fishing for litter platform with a global scope. It works in tandem with local fishers in Italy, Brazil and Indonesia, utilizing their regular fishing schedules to accumulate marine waste. This waste is then collected, transferred to land, catalogued and properly disposed of. Ogyre's success hinges on the commitment and hard work of the fishers engaged with the startup. The efforts are targeted at ridding the world's seas of extraneous pollutants - from the Atlantic to the Indian Ocean, inclusive of the Mediterranean. Duferco Energia's customers can follow the collection procedures through an online platform, featuring a detailed photographic documentation. Furthermore, those supporting the Ogyre project have the option of procuring certified renewable-source energy through the green option in their contracts.





## DUFERCO ENGINEERING & THE CIRCULAR ECONOMY

Duferco Engineering, with the assistance of the ABC Department of the Politecnico di Milano, has completed an R&D project aimed at identifying innovative solutions for the recycling of clothes and textiles no longer reusable.

The project began in 2022 and delves deeper into the issues of circularity of discarded textiles, and the treatments they could undergo for reuse, such as being turned into fibers for the production of insulating modules, both thermal and acoustic. In particular, the project focused on the thermal insulation characteristics of fiber panels

and the sound-absorbing characteristics of larger panels. Two types of natural fibers, namely cotton and wool and three types of synthetic fibers, namely polyester, polypropylene (used as a binding fiber and derived from the waste production of surgical masks) and a mix of various synthetic fibers were analyzed.

The project also had a social aspect, as the raw materials under evaluation were mostly provided by the social cooperative "VestiSolidale", which manages the collection of various categories of discarded products, such as clothing and electronic waste.

## MANAGEMENT OF OUR FOOTPRINT

Duferco is highly aware of its environmental footprint. As a responsible corporate entity, the Group is deeply committed to monitoring its pollutant emissions and effluents. This commitment is reflected in the rigorous approach to managing and reducing environmental impacts, in line with national requirements, as well as in their dedication to preserving natural habitats.

The Group's Steel Division plays a significant role in determining the environmental impact of operations. The management and consumption of water is a critical factor. For example, cooling processes, dust suppression and material separation steps require significant volumes of water. In addition, water consumption and discharge can have significant and unfortunately negative implications on the environment. This can have a further impact on surrounding communities, particularly in water-scarce areas, such as the DTP plants in Giammoro<sup>7</sup>. In such cases, it becomes imperative to optimise water use and manage resources efficiently.

DTP is compliant with AIA (Integrated Environmental Authorisation) limits, which are restrictions and standards established to protect the environment from the potentially harmful effects of industrial activities. In addition, specialised wells and drains are used in the plants to extract groundwater from the ground. The main functions of the water used are cooling, processing and washing contaminants from the finished products that have been removed from the furnaces. After passing through a treatment system to remove oils and other contaminants, the water is filtered and finally sent through the sewage system to be reintroduced into the water cycle.

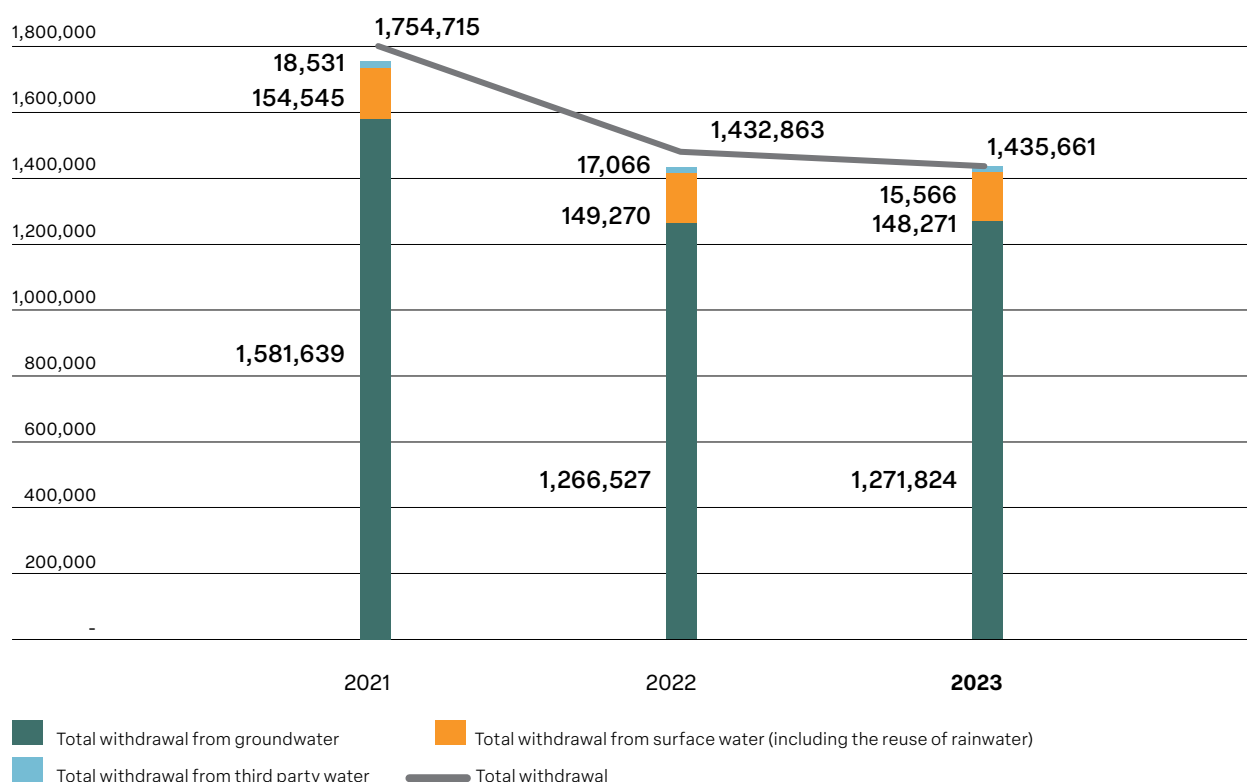
<sup>7</sup> The total amount of water withdrawal from this plant is 255,189 cubic meters (18% of the entire Division's water withdrawal).



In 2023, water withdrawals were in line with the previous year, and the total amount of water withdrawn by industrial plants amounted to more than 1,435 million m<sup>3</sup>, the majority of which taken from groundwater (89%). The other sources were surface water and rainwater (10%) and public

waterworks (less than 1%). Some plants experienced a particular drop in 2023, such as Duferco Danish Steel's site, where the withdrawals from surface water decreased from 32,091 m<sup>3</sup> in 2022, to 26,442 m<sup>3</sup> in 2023, mainly due to a slight reduction in the overall production hours.

## Water withdrawal in Steel division (cubic meter)



Steel production and combustion processes, as well as the Shipping Division vessels, generate air pollutants, volatile organic compounds (VOCs), and hazardous air pollutants, which have an actual significant negative impact on the quality of the air and local public health. The main air pollutants released by steel production processes are nitrogen oxides (NOx), which account for the largest share for more than over 156 tons/year, as well as sulphur oxides (SOx), particulate matter (PM) and volatile organic compounds (VOC). The plants of the Group are properly maintained through well-defined processes, procedures and ongoing monitoring, in accordance with strict European and National laws. Businesses are expected to submit frequent reports on pollutant emissions in accordance with a monitoring and control plan, which is unique to each plant.

Several activities of the Innovation Division generate a positive effect in terms of soil remediation and reconversion. Duferco Wallonie carries out soil reclamation initiatives, a crucial first step in transforming brownfield sites. These soil revitalisation

efforts not only improve biodiversity, but also nurture the soil's microflora, promoting the growth of vegetation. In all redevelopment projects, such as those in Clabecq and Saint-Ghislain - where 80 hectares were restored - measures to restore biodiversity are an integral part of the project itself. Efforts range from the eradication of invasive plant species to the replanting of local varieties and the creation of public nature reserves with flower meadows, wetlands and areas for growing vegetables. Further projects are planned, such as the soil remediation of polluted sites in Flemalle and Charleroi. Soils studies are under process on about 45 ha on a total of 112 ha and soil restoration activities will begin in 2025.

Besides the Innovation Division, both Duferco Biomasse and EBS are also dedicated to safeguarding forest ecosystems. Through fixed-term contracts, these companies obtain the upper portion of the soil on which the forest grows. After operations are over, deadwood is released, serving as a consistent source of nutrients for both plants and insects in the soil.

# People around Duferco

## A WORLD WITHIN A COMPANY

The Group's business has experienced a constant and global escalation spanning several decades, with its strong growth rooted in its workforce, considered as the holder of wisdom and the engine of enduring progress.

As of September 30<sup>th</sup>, 2023, Duferco employed **2,772** individuals, of which a significant proportion (approximately 40% and 29%) were associated with the Steel and Energy Divisions respectively. The Shipping and Innovation sectors have seen a substantial rise, concomitant with an increase in business scale and market progression, making a key contribution to the Group's overall growth.

Despite the unforeseen difficulties faced in the last years by the entire industry and economy, the Energy sector has proven to be a catalyst for workforce expansion at Duferco over the past three years, adding 228 new hires during FY2023. This expansion is also related to the integration of Duferco Sviluppo into the Division.

### Employees by Division (2023)

Steel	1,108	40%
Energy	793	29%
Shipping	720	25%
Innovation	103	4%
Holding Companies	48	2%
<b>Total</b>	<b>2,772</b>	<b>100%</b>

The Group's workforce is spread across the globe, with the majority of employees located in Italy, for a total of 1,315 people. The presence in the rest of Europe is also significant with 1,217 employees committed to their jobs and likely to be making positive contributions to the Group's activities. High levels of diversity and inclusion in the workplace are associated with greater productivity, innovation and workforce well-being inclusive of different backgrounds and national origins.



### Employees by Gender and by Region (2023)<sup>8</sup>

2021						2022			2023		
Gender			Italy	Europe	Other	Italy	Europe	Other	Italy	Europe	Other
Employees by employment contract as of 30 <sup>th</sup> September	Permanent	Women	217	87	30	237	91	51	240	95	99
		Men	988	1,153	57	1,016	1,072	87	1,057	1,106	141
		Total	1,205	1,240	87	1,253	1,163	138	1,297	1,201	240
	Temporary	Women	6	2	-	1	2	-	4	2	-
		Men	25	7	-	31	4	-	14	14	-
		Total	31	9	-	32	6	-	18	16	-
Employees by employment type as of 30 <sup>th</sup> September	Full-time	Women	178	77	30	190	83	51	202	87	99
		Men	1,001	1,151	57	1,033	1,068	87	1,057	1,106	141
		Total	1,179	1,228	87	1,223	1,151	138	1,259	1,193	240
	Part-time	Women	45	12	-	48	10	-	42	10	-
		Men	12	9	-	14	8	-	14	14	-
		Total	57	21	-	62	18	-	56	24	-
Total			1,236	1,249	87	1,285	1,169	138	1,315	1,217	240

<sup>8</sup> There are no non-guaranteed hourly employees in the three-year period 2021 - 2023.



The distribution of the workforce across the job categories shows a predominant presence of employees in the Steel and Shipping Division. In fact, blue collars, which are primarily employed in these two Divisions, make up the majority of the Group. The second most sizeable category

is white collars, predominantly sales and office staff from the Energy Division. In 2023, blue collars formed 54% of the Group's workforce, a modest increase from previous years, while white collars, mainly from the Energy and Steel Divisions, accounted for 38% of the total population.

## Employees by category

### 2023



### 2022



### 2021



Blue collars White collars Managers Executives

According to the applicable national legislation, employee's contracts may refer to collective bargaining agreements. In line with previous years, 90% of the employees of the Group were covered by collective bargaining agreements in 2023. This result largely relies on individual Company organizational culture, which varies across sectors<sup>9</sup> and countries. The Group's Companies provide employees and their representatives a period of at least three weeks' notice before implementing any significant operational change, in accordance with the local legislation and collective agreements in place.<sup>10</sup>

The Group firmly stands behind equal opportunities and diversity as crucial components of its multinational status. In fact, diversity and global

outlook are inherent characteristics of a Group consisting of over 2,700 employees around the world. The overall workforce is mainly composed of males (84%), primarily due to the configuration of Steel and Shipping Divisions, which traditionally feature a lower female presence, typically engaged in tasks not directly linked to production. However, as operations broaden, female representation within the Group is constantly increasing and in 2023 reached a total of 440 (16% of the total workforce). The Group is continuously dedicated to fostering a supportive environment for its female staff, forbidding any form of gender discrimination, which can never dictate terms of contract or role allocation within the Group.

<sup>9</sup> For example, the Innovation registers 100% of coverage, while Steel, Shipping and Energy count for the 98%, 82%, and 79%, respectively.

<sup>10</sup> In particular, the period of notice goes from 1 week, as in the case of Denmark, up to a maximum of 4, for the Italian Companies. In Belgian legislation, the period varies from 1 to 24 weeks according to the level of seniority and date of the contract.

The Group's commitment to gender balance in the workplace, outlined in the Duferco Code of Ethics and rooted in the Companies' codes

and business standards, is also confirmed by the substantial increase, compared to 2022, in the percentage of women with full-time contracts in 2023.

## Employees by employment contract and gender

### Part-time

#### Men

21

22

28

#### Women

57

58

52

### Full-time

#### Men

2,209

2,188

2,304

#### Women

285

324

388

2021

2022

2023

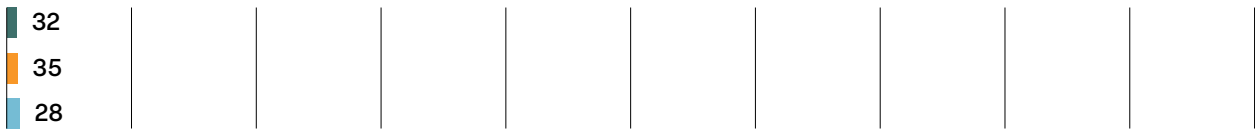
Promoting equality also involves offering all employees comprehensive parental and child sick leave policies that exceed the national legal requirements. For example, at DXT, paid parental leave extends to 16 weeks, exceeding the legal minimum by two weeks. DXT also offers new mothers the opportunity for extended maternity leaves or part-time contracts, supporting their career continuity. Duferco Energia has put in place a well-structured paid parental leave policy, ensuring all parents can benefit from reduced working hours throughout the day. As a result, employee job satisfaction is enhanced by achieving a better work-life balance. Since 2021 onwards, Duferco Energia has been recognized as a Caring Company® by Lifeed, a recognition conferred to businesses

that prioritize their employee's well-being in their strategic framework. This honor acknowledges Duferco Energia's dedication to advocating for employee welfare and fostering an adaptable and inclusive workplace.

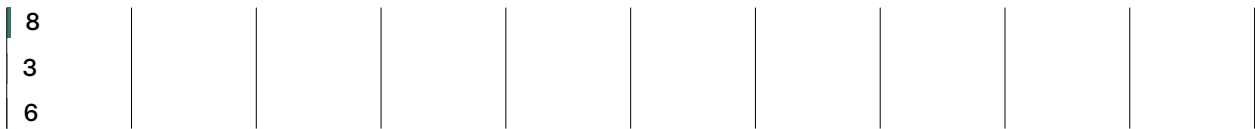
In terms of contract types, FY2023 saw most of the workforce under permanent contracts. Part-time contracts were evenly distributed across all sectors, except for Shipping, as this form of contract is not viable for crew members due to the nature of their roles. The female workforce represents most of part-time contract holders, with only 28 contracts being held by male employees. This demonstrates the ongoing commitment of the Group to offer flexible working arrangements to our diverse workforce.

## Employees by employment type and gender

### Temporary Men



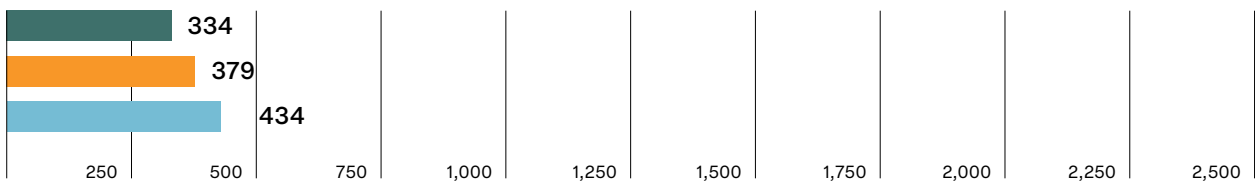
### Temporary Women



### Permanent Men



### Permanent Women



2021 2022 2023

The substantial number of permanent contracts (99%) shows Duferco's dedication to fostering lasting relationships and stable employment prospects for its entire workforce. This not only helps build a robust group with diverse capabilities, but it also ensures employment stability, even in times of uncertainty or crisis.

The Group shows diversity also in the age range. However, a substantial percentage of employees are between the ages of 30 and 50: in 2023, 60% of workers were between the ages of 30 and 50, 24% were over 50, and 16% were under 30.

## Employees by employment category and age group

	2021			2022			2023		
	< 30 years old	between 30 and 50 years old	> 50 years old	< 30 years old	between 30 and 50 years old	> 50 years old	< 30 years old	between 30 and 50 years old	> 50 years old
Executives	1	41	42	2	37	43	1	38	47
Managers	2	76	47	1	82	46	2	101	61
White collars	195	549	137	208	600	149	282	598	159
Blue collars	120	989	373	140	929	355	167	915	401
<b>Total employees</b>	<b>318</b>	<b>1,655</b>	<b>599</b>	<b>351</b>	<b>1,648</b>	<b>593</b>	<b>452</b>	<b>1,652</b>	<b>668</b>



With regard to non-employee workers, 90 workers were registered during 2023, 50 of them being agency workers.

The Group strongly values its people management as its most valuable resource and believes in the worth of creating a strong, transparent and long-lasting relationships with its employees.

The great attention paid by the Group to its workforce is also reflected in the values of turnover rates<sup>11</sup>: in 2023, there were 235 terminations, determining a turnover rate of around 11%, while, on the other hand, the Group registered 394 new hires with a 40% year-on-year increase in female figures and a 25% increase in the male workforce compared to 2022.

### New hires<sup>12</sup> and turnover rates by age and gender in 2023<sup>13</sup>

	Women				Men			
	New Hires		Turnover		New Hires		Turnover	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Less than 30 years old	56	52%	8	0%	126	44%	45	2%
Between 30 and 50	48	19%	34	1%	127	15%	90	3%
More than 50 years old	4	5%	8	0%	33	7%	50	2%
<b>Overall</b>	<b>108</b>	<b>25%</b>	<b>50</b>	<b>2%</b>	<b>286</b>	<b>18%</b>	<b>185</b>	<b>7%</b>



<sup>11</sup> **Turnover rate:** ratio between the number of contract terminations and the total number of employees in the same period.

<sup>12</sup> **Hire rate:** ratio between the number of new hires and the total number of employees for each category and age of group in the same period.

<sup>13</sup> The Shipping Division is not considered in these statistics due to the unique characteristics of its industry, which necessitate a significant proportion of seasonal employees.

## CARE AND DEVELOPMENT OF OUR PEOPLE

### A continuous growth

Considering coaching as a strong development catalyst, Duferco ensures structured and continual training programs are accessible to all personnel levels for educational advancement.

Aiming to provide everyone with the prospect of ongoing professional growth and job-specific expertise, several corporate professional learning and development programs are available to employees throughout their tenure with the Group.

The enrolment in training courses has observed an upwards trend compared to prior years. This is partly due to increased productivity and the corresponding need to adequately prepare and safeguard the entire workforce. Consequently, the cumulative hours of training provided to employees saw an upward trend during the year, amounting to around 28,767 hours in FY2023, an increase of 53% (18,773 hours) compared to FY2022.

#### Total and average hours of training per employee

Division	Total hours	Average hours
Steel	16,350	15.0
Energy	8,247	10.3
Innovation	3,812	37.0
Holding Companies	358	7.5
<b>Total</b>	<b>28,767</b>	<b>14.1</b>

When comparing the Business Units within the Group, it is important to note that the Steel Division recorded the highest training hours annually in FY2023 due to the large workforce required for its operations. The numbers of training hours within the Steel Division saw an increase of 63% compared to the previous year due to the growth in training hours at the San Zeno Naviglio rolling mill.

The Innovation Division distinguished itself in FY2023, recording the highest average number of learning hours (37). Training hours carried out a wide range of topics, including artificial intelligence, a critical aspect in the innovation field. Education on conflict management was also launched, designed to boost communication skills, which are paramount for employees dealing directly with customers. In fact, participation was broadened to incorporate team members from the sales division. Along with these areas, a language course was also organized to expand the team's linguistic capabilities. Besides, recognizing the vital role of modern tools in improving performance, guidance was provided on Power BI and other specific work tools.

Regarding the Energy Division, one of the main reasons for the increase in training hours is the establishment of the **DXT Academy** in 2023. This initiative was launched at the end of the reporting period and offers open internal seminars on corporate trading topics to all employees. The Academy reaches all levels of the organisation, from top management to middle tier and staff, with distinct focuses according to roles. A special focus has been placed on corporate communication: an essential aspect in business activities. The intention of the project is to organise seminars through hybrid learning, alternating between in-person and online engagement. The first seminars were successful and well received, with a near 100% participation, despite the non-compulsory nature of the courses. The intention for the future is to also bring in external professionals for general leadership and soft skills training, and to promote increased employee engagement by pursuing inter Group company training opportunities. These initiatives, which have been very well received, symbolise an ongoing commitment to invest in learning and development opportunities for all employees.

## TRAINING COURSES DEVELOPED BY NOVA MARINE IN FY2023

Regarding the professional training of members employed in the Shipping Division, plans have been developed to set up special crew training courses, mainly designed for cement ships.

The project involves converting a section of Lydiamar's<sup>14</sup> recruitment office in Manila into a training facility, equipped with simulation tools and devices from leading manufacturers of control systems designed for this type of ship. It is planned that engine officers and ship inspectors will participate in specific training modules,

held by the external entity WLSA<sup>15</sup>, focusing on the electronic and electrical aspects of the most advanced engines of the fleet. The aim of the course is to offer a detailed understanding of the UNIC system's<sup>16</sup> primary functions and components, speed control, and a fundamental knowledge of the Wärtsilä Engine Software Service Tool. This tool gives operators precise control over engine settings and parameters, allowing them to optimize performance and quickly identify and address any issue that may arise.

With the only exception of the executives who registered a decrease respect to the previous year (419 training hours in FY2023, training activity has grown for all professional categories. In fact, 14,067 training hours were recorded for white collars and 12,811 for blue collars. These figures represent a significant increase of 46% and 62% respectively compared to the previous year, mainly attributed to the training for the new rolling mill in San Zeno Naviglio. At the same time, training hours for managers reached 1,471, increasing by 113% compared to FY2022.

The Group has focused on training on health and safety in the workplace and business ethic matters. Indeed, the Group pursues the improvement of **occupational safety** and working conditions through continuous investments in training, education and technology, especially in the Steel Division where there is an overall higher exposition to health and safety risks. Risks associated with **market abuse and corruption** are also given particular focus in training programmes. All Divisions implement the principles established by the Code of Ethics and transmit them to all employees. Based on the roles played by employees

and the exposure to risks they face, pertinent training has been developed. To prevent any type of infringement, the Group periodically assesses risk, gives specific training to specialised traders and conducts audits. In this regard, DXT requests that all relevant employees complete specialised training, such as the market manipulation course that is offered annually and provides information on potential situations that could arise during regular business operations, suggestions on how to handle them and potential sanctions. More specifically, the Italian Companies are compliant with Italian Legislative Decree 231/01 on the liability of entities, providing multiple courses on anti-corruption, legislation and new regulations for 231-compliant management systems.

Many businesses within the Group implement **performance evaluation systems** for employees as a further tool for professional and skill development. Varying across companies, these can be institutionalised through defined procedures or else planned during times when staff members and their managers can discuss performance expectations and, in some cases, prospective bonuses.

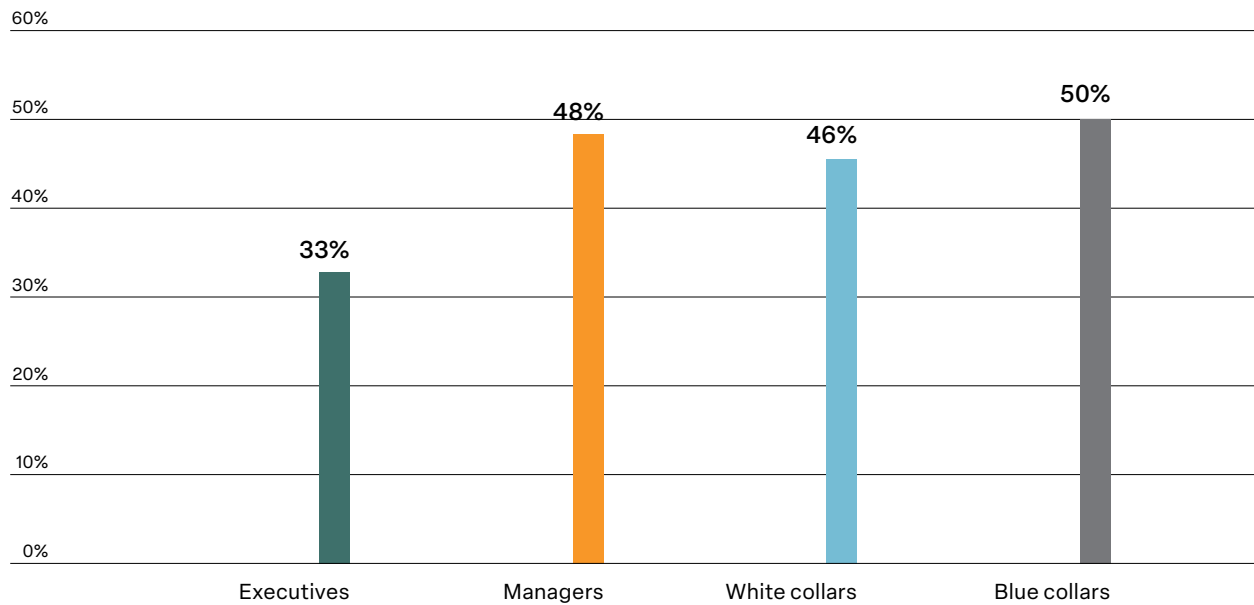
<sup>14</sup> A subsidiary of Nova Marine.

<sup>15</sup> Wärtsilä Land & Sea Academy (WLSA) is a global training institution providing high-quality training.

<sup>16</sup> Integrated modular control system for the control and monitoring of diesel and gas engines developed by Wärtsilä.



## Percentage of employees receiving regular performance and career development reviews (FY2023)



Duferco values its employees' personal development and has set aside specific times throughout the year for staff members to give and receive feedback

and compare notes with their superiors. This helps to comprehend and solve any issues that may arise and creates an energized, positive work environment.



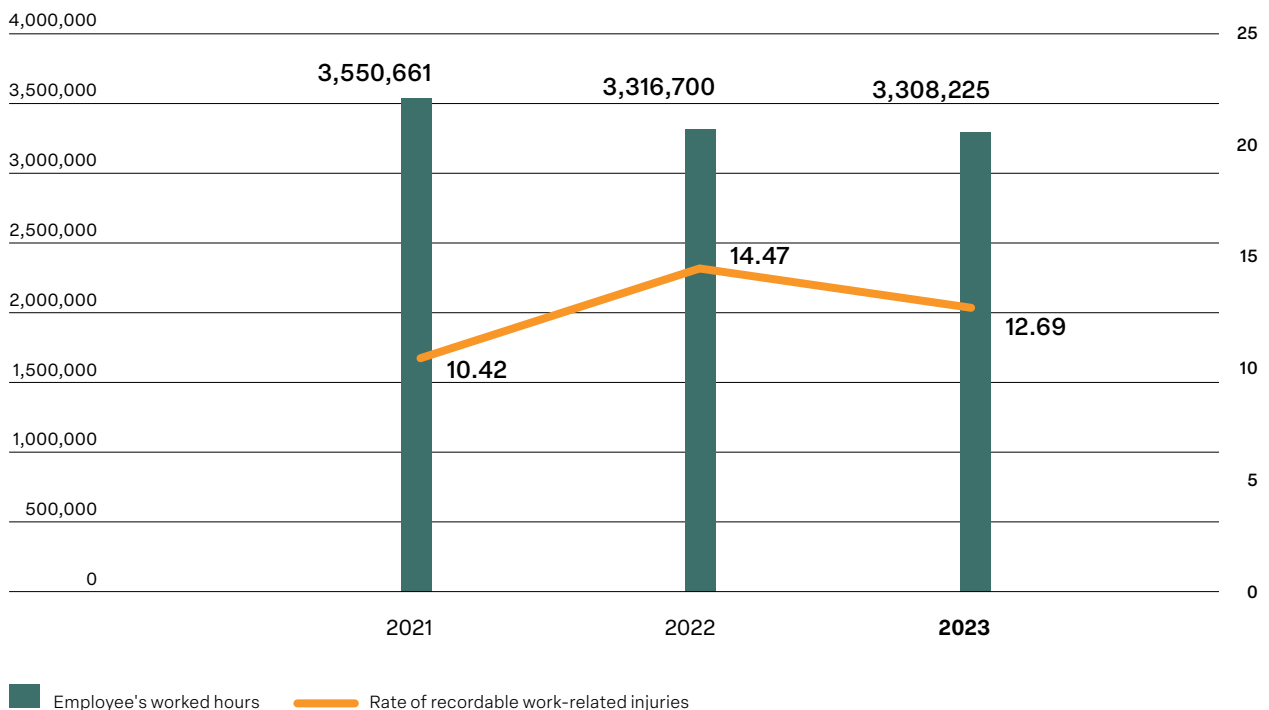
## A safe workplace

The safety and well-being of its employees are absolute priorities for the Group, which seeks to disseminate a deep-rooted health and safety corporate culture and constantly defines strategies and actions addressed at improving the conditions of workers and their awareness of safety issues. With this aim, specific protocols, training programs are constantly implemented and adherence to internal procedures is continuously monitored.

In 2023, the total number of hours worked by employees in the Group's offices, facilities and ships was 3,308,225.

Due to concerted efforts by the Group Companies to reduce incidents at work, there was an overall decrease in the rate of recordable work-related injuries from 14.47 to 12.69 in 2023 (42 incidents were recorded, compared to the 48 registered in FY2022).

### Worked hours and related injuries



The Group has put in place specific protocols to support new employees who, due to their lack of experience, may be more exposed to incidents. To mitigate recurrence risks, remedial measures are undertaken following a thorough accident investigation. Specifically, in response to the increased number of incidents in recent years, the Duferco Group, especially the Steel Division, has taken a series of initiatives: plans for heightened plant supervision, improved information dissemination, dedicated meetings with employees involved in accidents or near misses, and additional training are some of the measures being implemented to reduce accident numbers.<sup>17</sup> None of the Group's Companies reported any occupational diseases during FY2023.

Within the Group, employees play a crucial role in health and safety prevention and protection.

In case of need, employees can draft reports to flag specific issues or to document instances of potential danger or near misses encountered during their daily tasks. This reporting procedure empowers employees, promotes transparency and encourages a proactive approach to managing workplace safety. Along with employee reports, expert consultants and certification agencies specializing in safety management systems, conduct both internal and external audits. Monitoring H&S operations is also strengthened by the analysis of incident trends, including near misses and risky situations.

In parallel, Companies undertake constant interventions to enhance the performance of plants and equipment, improving their interaction with operators.

<sup>17</sup> These statistics exclusively refer to Companies with activities known for higher occupational risks; hence, DXT and its subsidiaries, and the holding companies are not included in these statistics' computation.



The Duferco Group regularly demonstrates and consistently acts to prove the importance of the health and safety issue. The occupational physician actively contributes to the development of the DVR (Risk Assessment Document) that has the aim of identifying and assessing in advance all the potential risks present in the Company that can cause damage to health or threaten the employees' safety.

Duferco Group continuously supports its employees and is fully committed to safeguarding their safety and well-being even beyond regular working hours. This commitment led to the implementation of various initiatives that offer non-occupational healthcare services to staff members. It is worth mentioning that all employees of the Duferco Travi e Profilati Group have access to the metalworking industry's supplemental healthcare fund, which provides additional medical treatments beyond those provided by the National Health Service.

There are several initiatives at Company level aimed at enhancing overall employee wellness, even outside the working hours, such as psychological support to

tackle potential concerns related to alcoholism and smoking. Healthy and balanced menus are offered in the plant canteen with the support of a canteen manager, an individual set up by plant employees. At Duferco Danish Steel, all employees benefit immediate access to psychological support through the Company-funded health insurance. In cases where an employee experiences frequent illnesses, the HR department arranges a specific meeting to explore strategies for reducing sick days, potentially leading to the development of an individualized health program. The Group also offers health promotion packages that employees can freely enrol in, providing private health insurance for easier and free access to specific treatments.

Within the initiatives connected to the improvement of employees wellbeing, it is worth mentioning the renovation of the new canteen in San Zeno Naviglio which every day, with a symbolic contribution, offers a meal to the entire personnel.

**With the aim of empowering the overall well-being of its employees, Duferco Energia provided a complimentary one-year subscription to its employees to the digital interactive training platform 'BuddyFit'.**

**'BuddyFit' offers more than 1000 live training sessions a month in over 15 different modalities like**

**HIIT, Yoga, CrossTraining, Pilates and many more with services accessible to anyone anywhere.**

**Duferco Energia believes that an increased attention to corporate wellbeing translates into increased productivity, involvement and motivation of its workforce.**



## CONNECTION WITH THE COMMUNITIES

The Group fosters lasting ties with all the territories it serves and is committed to playing an active role in contributing to the overall development of the communities in which it operates.

Daily operations, new initiatives and future development plans are characterised by a gradual participation process involving key stakeholders such as customers, local communities and public authorities. This approach enables the Group to create value for all relevant stakeholders and address potential issues in a timely manner.

Ensuring solid and enduring relations with the local community is of utmost importance to Duferco. The Group deeply values these connections, recognizing the strength that comes from being an integral part of the local environment. Maintaining ties with the local community is not just about conducting business; it's about contributing positively to local development, understanding and addressing local concerns, and promoting a continuous dialogue with community members.

As regards the community of Brescia and surrounding areas, one of the most important events in 2023 was the inauguration of the new rolling mill organized in San Zeno Naviglio. Nearly 700 people attended the opening with the participation of local authorities, regional institutions and members of the Italian Government. The new plant, in addition to being built according to the best available sustainability and innovation criteria, will also have a significant impact on direct and indirect employment, representing a significant opportunity for the local community.

The community of Liguria benefitted from the initiative linked to the creation of BIIM, a hybrid boat designed to be used by the local community and tourists to visit the Cinque Terre Marine Protected Area.





## BIIM: BATTELLO IBRIDO INNOVATIVO MODULARE

"For years, we have been committed to pursuing goals related to energy transition in all businesses where the Duferco Group is engaged

- comments Ezio Palmisani, CEO of Duferco Engineering. -

The BIIM project represents a concrete example of this model based on innovation and environmental protection, an optimal solution for navigating in protected areas or sensitive ports with zero emissions".

Technological innovation, environmental sustainability and experimentation are the three guiding principles behind the creation of BIIM, the hybrid boat constructed at Cantieri Navali del Tigullio, which has been integrated into the fleet of the Consorzio Cinque Terre Navigazione dei Poeti in August 2023. About 18 months of work and around 2-million-euros total investment were required. This project was implemented by a team consisting of local companies, with Duferco Engineering as the lead partner and it was made possible through Duferco's collaboration with Regione Liguria and facilitated by a grant from the European Regional

Development Fund 2014-2020 of 973 thousand euros. The inauguration took place on March 31 2023 in Lavagna. The celebration was attended by local authorities, and regional institutions.

BIIM is currently serving the Consorzio Cinque Terre Navigazione dei Poeti, with a primary goal of demonstration rather than profit, serving visiting passengers. The Consorzio is required to provide usage performance data to Duferco Engineering to enhance its future efficiency.

The BIIM has the capability to operate using two 100 kW diesel engines or sail in hybrid mode through a VHD module equipped with two 30 kW electric motors, enabling it to run in full electric, silent and zero-emission mode. The VHD hybrid system, directly installed on the propeller shaft, enables an effective and rapid transition between the two propulsion methods. The electric motors are powered by salt batteries and a 45-kW fuel cell fueled by hydrogen stored in 2 metal hydride tanks and become operational when the boat approaches the coast, bringing GHG, pollutant, and acoustic emissions to zero. The hull is constructed using environmentally friendly wood materials, fibers and natural resins certified by the University of Genoa. The Duferco team's objective with this project is to showcase the feasibility of integrating sustainable motors into existing boats powered by thermal engines.





The Duferco Group is also committed to fostering youth development and recognizes the strategic importance of establishing strong ties with high schools and universities. In this respect, the Group has for years offered high school students the opportunity to alternate schoolwork with work experience in the plants. Some of the Group's firms also provide open days with guided tours of their facilities, besides Career Days and extracurricular internships. Collaborating with businesses during the educational journey equips students to better align their studies with the demands of the labour market, preparing them effectively for the challenges ahead.

The Group is likewise dedicated to backing multiple initiatives by directly donating a portion of the value it generates. Among these initiatives, DXT and the DPH corporate innovation team have renewed their close relationship with USI, the University of Italian Switzerland in Lugano. Various projects are in progress, including two collaborations with PhD research students, and several bachelor and master's thesis projects. Second-year undergraduate students are given the opportunity to participate in engaging field projects. In the near future, DXT intends to organize well-established programs to facilitate student learning. This approach is advantageous to all concerned. It offers students valuable learning opportunities, and benefits DXT by providing a pool of well-trained potential resources to meet existing and future recruitment needs.

Partnerships in training programs are not limited to academic and educational institutions. The Group aims at facilitating the exchange of information and skills with industry peers to advance technical progress across the sectors and industries. An illustrative example is the "Management 4 Steel" training course. The inaugural edition occurred between 2019 and 2020, providing interdisciplinary knowledge and fostering collaboration within the steel industry. The collaboration continued over the years and is still active today.

In the Steel sector, Duferco also promotes other initiatives such as "Future 4 Steel" in collaboration with Randstadt, dedicated to the key role of maintenance workers within a plant, "Leadership 4 Steel," and "Electrical 4 Steel", which concentrate on more specific topics. These programs aim at matching the competencies of young people working for Companies navigating an increasingly innovative and technological industrial world. The promoting Companies have developed a framework agreement to improve the technical, strategic and organizational expertise of their staff members.



Duferco Energia has been sponsoring the master in Energy and Sustainability held by the University of Genoa. The master is a post graduate course and aims at giving candidates skills specific to the energy sector to be more prepared to held company positions in the energy industry.

Sport represents another significant area of activity for the Group, which has entered various long-term sponsorship commitments with both national and local sports organizations. Specifically, DXT has reaffirmed sponsorship initiatives from previous years, providing support to basketball associations and sports teams, including the Sam Basket Massagno and the Dragons Lugano youth volleyball team. Duferco Energia, across the country, is engaged in numerous collaborations with amateur sport associations like Vigor Sports, managed by the Viareggio Misericordia Association. By means of energy requalification interventions - such as energy upgrading, incorporating solar, thermal and photovoltaic systems in the team's facilities and carrying out anti-seismic enhancements - Duferco Energia supported the team and made its facilities more efficient.



# The integrity of our business

## THE GOVERNANCE TOOLS

### The Code of Ethics and company tools for business conduct

Duferco's operations are grounded on a set of governance tools designed to ensure the integrity of Companies and employees. Although each Company developed specific provisions to better address the Division's characteristics, Duferco's **Code of Ethics** defines the common and binding principles for the entire Group. It is considered as a constitutional charter, describing the rights, duties and responsibility of every participant in the business organization. The Code provides concrete guidelines on the legal, ethical, social and environmental duties of directors, officers, employees, representatives, partners and suppliers towards the Group and its stakeholders, as well as provisions for reporting violations, including anonymity.

Before initiating any business engagement with the Group, suppliers are required to agree with and accept these principles.

The Code, by explicitly clarifying Duferco's entitlements, commitments and responsibilities towards its stakeholders, aims to advocate, foster, or forbid certain conduct, in observance of the relevant legal statutes.

The principles expressed in the Code of Ethics form the basis of the business culture of Duferco and are integrated and embedded in the several Codes edited by the different operating Companies.



## THE 9 PRINCIPLES INSPIRING THE CODE OF ETHICS

1

LEGALITY

2

DIGNITY AND EQUAL  
OPPORTUNITIES

3

INTEGRITY  
AND PROFESSIONALISM

4

FAIR COMPETITION

5

MANAGEMENT  
OF ACCOUNTS  
AND TRACEABILITY  
OF TRANSACTIONS

6

MANAGEMENT OF HR

7

SAFEGUARDING  
OF ASSETS

8

PREVENTION  
OF CONFLICTS  
OF INTEREST

9

CONFIDENTIALITY  
AND INSIDER  
INFORMATION

In the Italian Companies of the Group, the Code is also part of the corporate **Organizational Models** adopted to prevent the liability of the companies<sup>18</sup>. In these cases, a Supervisory Body (*"Organismo di Vigilanza"*) is established and entrusted with the task of supervising both the functioning and updating of the Model.

As further safeguards, Group's companies adopt policies, **anti-corruption protocols** and certified management systems specific to the different business Divisions.

The different Boards of Directors have approved various Codes of Ethics and Organizational Models that have been shared amongst internal stakeholders.

<sup>18</sup> The organizational model is mandatory for Italian Companies in compliance with the Italian Legislative Decree 231/01.



In accordance with the Code, a Policy of Business Conduct is formulated. This policy provides guidelines and procedures to guide all Duferco's managers and employees, ensuring the execution of their professional activities aligns with their contracts.

The multiple tools adopted within the Companies, and compliance with the Code of Ethics principles, resulted in zero confirmed incidents of discrimination in the Group's Companies in the last three years.

Regarding the **Governance bodies**, all Companies within the reporting boundary have a Board of Directors. As of September 30<sup>th</sup>, 2023, the number of board directors has decreased compared with previous years, witnessing a slight decrease in male representation over 50. Out of 85 Board members, 76 were men and 9 were women, distributed across all age ranges.

		2021	2022	2023
<b>Women</b>	< 30 years old	0	0	0
	between 30 and 50 years old	9	9	8
	> 50 years old	2	2	1
<b>Men</b>	< 30 years old	8	0	0
	between 30 and 50 years old	17	24	24
	> 50 years old	58	60	52
<b>Total</b>		<b>94</b>	<b>95</b>	<b>85</b>

Some Companies have additional governance bodies, such as the **Supervisory Board**, tasked with ensuring that corporate operations align with the adopted organizational and management models, and the **Board of Statutory Auditors**, entrusted with overseeing Directors' activities and compliance with the applicable laws. These bodies are active in numerous Italian Companies within the Group, including Duferco Italia Holding, Acciai Rivestiti Valdarno,

Ferriere Bellicini, Duferco Biomasse, Duferco Energia, Duferco Engineering, Duferco Travi e Profilati, Travi e Profilati Pallanzeno and Acofer Prodotti Siderurgici.

In addition, some companies within the Group have defined a sustainability governance structure composed by one focal point and several project owners, which aimed at implementing the initiatives included in the Sustainability Plan supervised by the Sustainability Steering Committee at a Group level.





The Group guarantees substantial equality in human resource management, abstaining from any differentiation based on race, gender, health status, or age. It actively endorses and cultivates cultural heterogeneity among its staff in accordance with principles outlined in the Code of Ethics. Any form of threatening or prejudiced behavior is decidedly prohibited and denounced. This baseline rule can take on various forms depending on the Company and Division, with many cases having an anonymous whistleblowing channel.

A significant example is Nova Marine which, acknowledging the substantial diversity among its staff, enforced rigorous policies and procedures to address potential episodes of bullying, harassment, or prejudice in line with the Maritime Labour Convention. The Company has detailed processes on how to handle complaints from seafarers, ensuring information accuracy and the protection of those involved. If the issue cannot be resolved onboard, it will be escalated directly to the shipowner within twenty-two days. Within numerous Italian Companies in the Group, such as Duferco Energia and Duferco Travi e Profilati, structured processes are in place to manage discrimination and they are overseen by the Supervisory Board. This board is given the mandate to prevent any criminal acts involving the Company's liability. Any employee of the Group or its subsidiaries feeling harassed or discriminated against, or that witnesses behaviors contrary to the principles of the Code of Ethics, is encouraged to report incidents to the Supervisory Board through anonymous whistleblowing channels.

Particular attention is placed on **conflict-of-interest prevention**, especially in relation to energy trading activities. As per the Group's Code of Ethics, all employees and collaborators are expected to steer clear of any situations that could result in conflicts of interest, such as exploiting the information obtained for unauthorized personal or third-party gain. Potential conflicts of interest in the Group are thoroughly scrutinized and monitored in all commercial relations.

Duferco unequivocally condemns all forms of money laundering and illicit activity funding. Recipients are required to carry out due diligence on all available information regarding individuals and entities they interact with, to ascertain their integrity and the legitimacy of their operations, prior to establishing any business relations with Duferco. All types of payments made in Duferco's interests are strictly prohibited in the absence of supporting documentation.

Fighting corruption is a fundamental pillar of the Group's business conduct, and in line with all applicable anti-corruption laws, the Group's anti-corruption Guidelines are intended to apply to all those working for or representing the Group.

Duferco places high importance also on personal data protection, a matter of significant relevance when conducting business with end customers, such as energy delivery operations. In compliance with pertinent data privacy laws and regulations, the Group implements measures to ensure Companies meet the legally required safety standards and prevent any unauthorized or illegal personal data processing.

## Certified management systems

Duferco operations are handled implementing certified management systems that primarily focus on quality environment, health and safety.

COMPANY	ISO 9001	ISO 14001	ISO 45001
Acofer Prodotti Siderurgici	●	-	-
Acciai Rivestiti Valdarno	●	-	●
DTP: San Zeno Naviglio Headquarter	●	-	-
DTP: Giammoro plant	●	●	-
DTP: San Giovanni Valdarno plant	●	●	●
Duferco Danish Steel	●	-	-
Duferco Energia	●	●	-
Duferco Engineering	●	-	-
Duferco Biomasse	●	●	●
Duferco Thionville	●	-	-
Ferriere Bellicini	●	●	-
Nova Marine Carriers	-	●	-
TPP: Pallanzeno plant	●	●	●
TPP: San Zeno Naviglio plant	●	●	●

In addition, several Companies adopt specific management systems and certifications tailored to their particular activities and operations.

For instance, regarding system certifications Nova Marine possesses the International **Safety Management (ISM)** certificate, an international standard for the safe management and operation of ships and for pollution prevention, which is tantamount to the ISO 9001 certification. Duferco Wallonie's **Safety and Quality Assessment for Sustainability (SQAS)** system evaluates logistics service performance for chemical companies, covering quality, safety, security, environment, and Corporate Social Responsibility (CSR). Duferco Energia has also achieved additional certifications: the UNI CEI 11352, a technical standard outlining conditions for companies offering energy services to qualify as ESCo (Energy Service Company); and the CRMS FP 07, the international pioneer reference scheme for managing commercial credit and insolvency risk protection.

During 2023, Mainsim certified its management system under **ISO 27001** - Information Security Management, an international standard that contains the requirements for setting up and operating an information security management system.



As for product certification, it is worth mentioning the **Environmental Product Declarations** ('EPDs') for merchant bars, steel beams and corner beams obtained and published by Duferco Danish Steel and the Pallanzeno and Giammoro DTP plants. This certification enables companies to systematically identify, assess and report

on the environmental impacts associated with the life cycle of their products in an objective and transparent manner. Duferco Biomasse is another example that holds three product certifications: **PEFC** and **FSC** for forest management, and **SBP** certification for sustainable wood biomass, spanning the entire supply chain from forest to end-user.



## ESG RATING OBTAINED BY DUFERCO ENERGIA

As an additional tool towards a more structured and standardized evaluation and improvement of sustainability performance, in FY2023 Duferco Energia renewed its assessment carried out by Cerved Rating Agency following ESG criteria. The ESG rating is a metric for measuring the Company's performances and its initiatives for managing Environmental, Social and Governance factors as

part of running the business and thus complements the conventional assessment that only takes into consideration economic and financial variables. Rated within the "Industrials" sector, Duferco Energia was upgraded, passing from a B rating to an A rating and an ESG score of 70.2, falling into the "High" category for its ability to manage risks related to ESG parameters.



## ALONG THE VALUE CHAIN

### Merging efforts

To promote a relationship of mutual trust, transparency and collaboration, Duferco ensures a continuous and active dialogue with all its stakeholders. The aim is to highlight the peculiarities of each identified category, implementing engagement methods and communication channels that meet the needs of each individual stakeholder. The main categories of Group's stakeholders were

identified and mapped, defining both their level of influence and dependency and the engagement methods. As part of its commitment to sustainability, the Group has embarked on a process of mapping and engaging with key stakeholders to understand their views on the Group's significant issues and incorporate these insights into the materiality assessment.



## MAIN STAKEHOLDERS

## ENGAGEMENT

BOARDS OF DIRECTORS	<ul style="list-style-type: none"> <li>■ Meetings</li> <li>■ Corporate Reports</li> </ul>
BUSINESS PARTNERS	<ul style="list-style-type: none"> <li>■ Meetings</li> <li>■ Collaborations</li> <li>■ Conventions</li> </ul>
CUSTOMERS	<ul style="list-style-type: none"> <li>■ Customer service</li> <li>■ Exhibitions and events</li> <li>■ Meetings</li> <li>■ Questionnaires</li> <li>■ Satisfaction surveys</li> <li>■ Website, social media, and brochures</li> <li>■ Duferco Sparks</li> </ul>
EMPLOYEES	<ul style="list-style-type: none"> <li>■ Benefits</li> <li>■ Code of Ethics</li> <li>■ Conventions and meetings</li> <li>■ Intranet and direct communication</li> <li>■ Policies</li> <li>■ Trade unions</li> <li>■ Training</li> <li>■ Employee survey</li> <li>■ Newsletter and press review</li> <li>■ Duferco Day</li> <li>■ Duferco Sparks</li> </ul>
LOCAL COMMUNITY	<ul style="list-style-type: none"> <li>■ Activities in the territories</li> <li>■ Guided tours in the plants</li> <li>■ Sponsorships</li> </ul>
NEXT GENERATIONS	<ul style="list-style-type: none"> <li>■ Career days</li> <li>■ Extra-curricular internships</li> <li>■ Open day</li> </ul>
PUBLIC AND GOVERNMENTAL AUTHORITIES	<ul style="list-style-type: none"> <li>■ Follow-up on request</li> <li>■ Collaborations and projects</li> <li>■ Meetings</li> </ul>
SHAREHOLDERS	<ul style="list-style-type: none"> <li>■ Annual Shareholders Meeting</li> <li>■ Company website</li> <li>■ Corporate Reports</li> <li>■ Consolidated Financial Statement</li> </ul>
SUPPLIERS	<ul style="list-style-type: none"> <li>■ Audits</li> <li>■ Code of Ethics</li> <li>■ Collaborations and projects</li> <li>■ Company website</li> <li>■ Duferco Sparks</li> </ul>

Over the past forty years, the Duferco Group has grown steadily through strategic and reliable business relationships. Its expansion strategy has been based on meticulous selection of affiliates, both upstream and downstream in the value chain. The Group's evaluation criteria include both technical and ethical components, laying the foundation for shared and lasting growth.

During FY2023, the Duferco Group expanded its network of third-party contacts, incorporating numerous new parties and reaching the remarkable figure of more than 220,000 business connections. The Group recognizes that a strong symbiosis with suppliers is crucial to sustain its competitiveness. Its commercial practices continue to prioritise the improvement and strengthening of existing supplier associations and the discovery of new partners aligned with Group's values. In addition to their technical and financial reliability, approved suppliers must comply with the principles laid down in the Code of Ethics, such as legality, integrity, fairness, and sustainability. The Code of Ethics includes a specific section emphasizing relations with third parties, stressing that the entry of new partners must be transparent and documented. Duferco keeps all existing partnerships under constant review, maintaining an open line of communication. DXT is a good example in this regard: through the 'Know Your Customer' survey, the Company assesses existing and potential business partners also from a standpoint of business ethics. Any infringement of the DXT's Code of Conduct is a valid reason to take serious measures, including the termination of the business relationship.

The Group employs a supplier selection process that examines the characteristics of their business and operations, resorting in some cases to on-site technical assessments, practical and documentary checks. Particular attention is given to the environmental aspects of the supply chain, with established processes for evaluating potential partners. Some entities in the Group's Energy Division have implemented formalized screening procedures based on ESG criteria. In the case of EBS, for instance, all suppliers were screened using environmental and social criteria. Once new suppliers have been assessed, the Group's Companies conduct regular audits, with the aim of assessing their business activities and ultimately confirming their credentials. During FY2023, 618 audits on suppliers and subcontractors were conducted.

Regarding relations within relevant industries, there is a consistent and cross-sectoral presence and participation in the major national trade organizations. Within the Steel Division, Duferco Travi e Profilati is affiliated with Federacciai, the Italian iron and steel industry's national organization. Federacciai represents over 120 member companies in the country and supports the industry through the promotion of industrial policies that can foster the sector's development. In France, Duferco Morel is affiliated with the local metals distribution federation, Fédération Française de la Distribution et de la transformation des Métaux (FFDM), Duferco Danish Steel is member of Dansk Industri (DI), Denmark's largest confederation for private enterprises in manufacturing and service industry.

On the energy side, Duferco Energia and DXT are active members of several industry associations, including Confcommercio Imprese, Confindustria, the European Federation of Energy Trader (EFET), and the Italian Association of Energy Wholesalers and Traders (AIGET).

The Group is also dedicated to strengthening its commitment to customers along the entire value chain. Duferco operates globally daily with a wide variety of customers, including companies within and outside the Group, intermediaries and end users. To meet such a heterogeneous clientele, the Group's Companies have developed specific inventive and diversified solutions, considering customization as a key business differentiator.

For example, Duferco Energia has segmented its customer portfolio into three main categories based on energy consumption levels, offering each group specific service processes to best meet their needs and expectations.

The Group's Companies systematically monitor customer satisfaction through different tools and surveys. These instruments aim at gaining a deeper understanding of customer preferences and requirements, determining the degree to which their expectations have been met and tracking trends over time to inform future strategies. In recent years, the Group has observed a steady rise in inquiries related to sustainability from a diverse range of stakeholders, particularly its customers. These trends reflect the growing focus on ESG topics and drive the group to ensure that sustainability is ingrained in all its businesses relationships.



# APPENDIX

# Note on methodology

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The 2023 Annual and Sustainability Report is referred to Duferco Participations Holding SA and the list of companies included in the 'Reporting Scope' and it covers the 2023 fiscal year (1<sup>st</sup> October 2022 - 30<sup>th</sup> September 2023). In the document, this period can also be named “FY2023”.

Figures and information are reported compared to the 2021 and 2022 fiscal years. The sustainability disclosure included in the section “Sustainability Report”, published annually, has been prepared in accordance with the GRI Standards 2021.

## Principle for defining the content and quality of the reporting

This sustainability disclosure has been prepared according to the principles for defining the contents of the report defined by the GRI Standards 2021:

- **Accuracy:** the level of detail of the contents reported in the document is adequate for understanding and assessing the Group's sustainability performance in the reporting period.
- **Balance:** the contents of this document report in a balanced way Duferco Group's performance in the reporting period.
- **Clarity:** the choice of a clear language and the use of infographic contributions to represent the performance of the Group make this document available and easy to understand for stakeholders.
- **Comparability:** the indicators are reported for the 2021-2023 three-year period and are presented with comments relating to their performance in order to allow comparison and comparability of the Group's performance over time.
- **Completeness:** the material issues discussed in the report are covered in their entirety and represent the most relevant environmental, social, and economic impacts generated by the Group's activities, thus allowing a complete assessment of Duferco's performance in the reporting year.
- **Sustainability context:** the performances of the Duferco Group presented in this sustainability disclosures are included in the broader context of sustainability.
- **Timeliness:** besides what happened during the fiscal year, sustainability disclosure takes into consideration events occurring after 30 September 2023 that may be significant for the assessment of the Group's sustainability performance by stakeholders.
- **Verifiability:** the information reported has been gathered, recorded, compiled, and analyzed in such a way that they can be examined to establish the quality.

## Material topics

The contents of this document reflect the results of the materiality analysis, as required by GRI Standards 2021 and described in the chapter “Sustainability at Duferco”.

According to the GRI Standards 2021, organizations that draw up sustainability reports are required to define the content on which to set up reporting after the identification of the material topics. As defined by the standards, material topics are those that represent an organization’s most significant impacts throughout the entire value chain, considering the economy, environment, and people, and including impacts on their human rights.

The assessment process consists of four different steps, starting from the understanding of the context in which Duferco operates. Secondly, actual and potential, negative and positive impacts are identified and ranked based on their significance, for reporting purposes. Finally, significant impacts are clustered into material topics.

In the **first step**, an initial high-level overview of the Group’s activities and business relationships has been carried out and the sustainability context in which these occur has been analyzed. All the analyses have been performed considering the four Divisions that compose the diverse Duferco’s ecosystem. This provided critical information for identifying all actual and potential impacts. In particular, the following analyses have been conducted:

- **Sector analysis:** review of key sustainability documents published by relevant international sustainability organizations, and documents edited by sector specific associations and organizations.
- **Benchmark analysis:** review of sustainability and social responsibility reports and similar sources of publicly available information from Duferco competitors to identify the most widely discussed sustainability issues.
- **Media analysis:** review of publicly available articles related to relevant sustainability areas in order to identify the impact of public opinion and the media.
- **Legislative analysis:** review the current and future legislation that may impact the organization in the next years.

In the **second step**, all actual and potential impacts on the economy, environment, and people, including impacts on human rights have been identified and listed, across all organization’s operations and commercial partnerships.

Actual impacts are those that have already occurred, whereas potential impacts are those that may result from the operations and initiatives undertaken. These impacts can be both positive and negative, short-term, and long-term, intended and unintended, reversible and irreversible, taking into account all conceivable scenarios.

In the **third step**, the significance of the impacts found have been evaluated, in order to rank and categorize them as relevant and not relevant. Prioritization allowed to address the effects while identifying all the material topics for reporting. Analyses of both the quantitative and qualitative kinds were used to determine the impact’s significance.

The assessment of the negative impacts is the result of the combination of two main variables: severity and the likelihood of the occurrence of the impact.

The **severity** of an actual or potential negative impact was determined by the following characteristics:

- Scale: how severe the impact is;
- Scope: how widespread the impact is;
- Irremediable character: how hard it is to counteract the resulting harm.

For potential negative impacts, also the **likelihood** (the chance of the impact happening) variable was considered, determined quantitatively.

In the case of positive impacts, the **scale** of an impact refers to how beneficial the impact is or could be, and the **scope** refers to how widespread the impact is or could be.

Also in this case, for potential positive impacts, also the **likelihood** variable was taken into account. The likelihood of an impact can be measured or determined qualitatively or quantitatively. It can be described using general terms or mathematically using probability or frequency over a given time period.

In the **fourth step** all the impacts have been prioritized based on their significance to determine the material topics for reporting. A threshold has been defined to determine which of the impacts will be objects of reporting. The output is a list of the so-called **material topics**, meaning that they have been considered highly relevant from the internal or the external point of view.

Finally, the material topics have been linked to the relevant GRI Disclosures. For each material topic, Duferco Group has mapped the links between the GRI topic-specific Standard and has identified the reporting boundaries, i.e. the impacts generated both within and outside the Group.



Duferco Group Material Topic	GRI Material Topic	Scope of the topic		Limitations of the scope
		Internal	External	
DIVERSITY & EQUAL OPPORTUNITIES	GRI 405 Diversity and Equal Opportunity	Duferco Group	-	
	GRI 406 Non-Discrimination			
EMPLOYEES TRAINING, PERFORMANCE & WELL-BEING	GRI 401 Employment	Duferco Group	-	
	GRI 404 Training and Education			
OCCUPATIONAL HEALTH & SAFETY	GRI 403 Occupational Health & Safety	Duferco Group	-	
TALENT ATTRACTION AND RETENTION	GRI 401 Employment	Duferco Group	-	
AIR POLLUTANT EMISSIONS	GRI 305 Emissions	Duferco Group	-	
CIRCULAR ECONOMY & MATERIAL CONSUMPTION	GRI 301 Materials	Duferco Group	-	
ENERGY EFFICIENCY AND CLIMATE CHANGE	GRI 302 Energy	Duferco Group	-	Energy consumption of offices and related emissions
	GRI 305 Emissions			
ACCESSIBILITY TO ENERGY AND SUSTAINABLE MOBILITY	GRI 302 Energy	Duferco Group	-	
	GRI 305 Emissions			
WATER RESOURCE MANAGEMENT	GRI 303 Water and Effluents	Duferco Group	-	
WASTE MANAGEMENT	GRI 306 Waste	Duferco Group	-	
BIODIVERSITY CONSERVATION	GRI 304 Biodiversity	Duferco Group	-	
BUSINESS INTEGRITY AND TRANSPARENCY	GRI 206 Anti-competitive Behavior	Duferco Group	-	
CUSTOMER PRIVACY	GRI 418 Customer Privacy	Duferco Group	-	
HUMAN RIGHTS PROTECTION	-	Duferco Group	Suppliers	
INNOVATION AND BUSINESS DEVELOPMENT	-	Duferco Group	-	
GENERATED VALUE & COMMUNITY SUPPORT	GRI 413 Local communities	Duferco Group	-	
SUSTAINABLE SUPPLY CHAIN	GRI 308 Supplier Environmental Assessment	Duferco Group	Suppliers	
	GRI 414 Supplier Social Assessment			

## Reporting scope

The reporting scope includes Duferco Participations Holding S.A. (DPH), Duferco Italia Holding SpA and the list of companies belonging to Duferco's divisions, as listed below:

### ENERGY Division

- Duferco Energia and its subsidiaries: Energia & Territorio, ELCA, Duferco Solar Puglia, Duferco Solar Giammoro, Duferco Solar Trieste, Duferco Solar, Immobiliare Le Clarisse, Duferco Biomasse, Duferco Sviluppo, Baslab, Idroelettrica Sud;
- Energy Biomass Sourcing (EBS);
- DXT International and its subsidiaries: DXT Commodities North America, DXT Commodities and Matrix Energy Partecipacoes.

### STEEL Division

- Duferco Travi e Profilati and its subsidiaries: Travi e Profilati di Pallanzeno and Acofer Prodotti Siderurgici;
- Ferriere Bellicini;
- Acciai Rivestiti Valdarno (ARV);
- Duferco Danish Steel;
- Duferco Morel and its subsidiaries: Duferco Morel Quincaillerie, Morel Distribution Profil, Duferco Thionville, Duferco France, TPS Lux Trade.

### SHIPPING Division

- Nova Marine Holding and its joint ventures: Aug. Bolten, Nova Algoma, Nova Log, Nova Marine Carriers Middle East, Nova Marine Carriers, Nova Marine Carriers UK, Nova Marine NL, Nova Ship Tech, Lydiamar and Technical Core Management.

### INNOVATION Division

- Duferco Dev;
- Mainsim;
- Duferco Engineering;
- Duferco Wallonie.

Note: Data on economic performance and the economic value generated and distributed are based on the Duferco Participations Holding SA Consolidated Financial Statement as of 30<sup>th</sup> September 2023.

Exceptions to the reporting scope reported above could occur:

- Concerning qualitative information (i.e. *Universal Standards*), where necessary, to guarantee a complete disclosure of the information;
- concerning quantitative information (i.e. *Topic Standards*), where necessary, based on the relevance of the contribution with respect to the indicator considered.

Hereinafter is a schematic summary of the scope related to *Topic Standards*.

Limitations to the reporting scope of GRI quantitative indicators disclosed in the Report 2023	HOLDING		ENERGY				
	DPH	Duferco Italia Holding	EBS	Duferco Energia	Duferco Sviluppo	Duferco Biomasse	DXT International
201-1 Direct economic value generated and distributed	●	○	○	●	○	○	○
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●	●	●	●	○	●	●
301-1 Materials used by weight or volume	○	○	●	○	○	●	○
302-1 Energy consumption within the organization	○	○	●	●	○	●	○
302-4 Reduction of energy consumption	○	○	●	●	○	○	○
303-3 Water withdrawal	○	○	○	○	○	○	○
305-1 Direct (scope 1) GHG emissions	○	○	●	●	○	●	○
305-2 Energy indirect (scope 2) GHG emissions	○	○	●	●	○	●	○
305-7 NOx, SOx and other significant air emissions	○	○	○	○	○	○	○
306-3 Waste generated	○	○	○	○	○	○	○
306-4 Waste diverted from disposal	○	○	○	○	○	○	○
306-5 Waste directed to disposal	○	○	○	○	○	○	○
308-1 New suppliers that were screened using environmental criteria	○	○	●	●	○	●	●
401-1 New employee hires and employee turnover	●	●	●	●	●	●	●
402-1 Minimum notice periods regarding operational changes	●	●	●	●	●	●	●
403-9 Work-related injuries	○	○	●	●	○	●	○
403-10 Work-related ill health	○	○	●	●	○	●	○
404-1 Average hours of training per year per employee	●	●	●	●	●	●	●
404-3 % of employees receiving regular performance and career development reviews	●	●	●	●	○	●	●
405-1 Diversity of governance bodies and employees	●	●	●	●	○	●	●
406-1 Incidents of discrimination and corrective actions taken	●	●	●	●	○	●	●
414-1 New suppliers that were screened using social criteria	○	○	●	●	○	●	●
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	○	●	●	●	○	●	●



	SHIPPING	INNOVATION				STEEL				
	Nova Marine Holding	Duferco Engineering	Duferco Dev	Duferco Wallonie	Mainsim	ARV	Duferco Danish Steel	Duferco Morel	Duferco Travi e Profilati	Ferriere Bellicini
	●	○	○	○	○	○	○	○	●	○
	●	●	●	●	●	●	●	●	●	●
	○	○	○	○	○	●	●	●	●	●
	●	○	○	●	○	●	●	●	●	●
	●	○	○	●	○	●	●	●	●	●
	○	○	○	○	○	●	●	●	●	●
	●	○	○	●	○	●	●	●	●	●
	●	○	○	●	○	●	●	●	●	●
	●	○	○	○	○	●	●	●	●	●
	○	○	○	○	○	●	●	●	●	●
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## Reporting process and methodology

The process of gathering data and information and preparing the report was coordinated and managed by the Group's Sustainability Team, in cooperation with the other corporate functions and operating companies.

Data presented in the report have been collected through internal interviews and with the support of a specific sustainability reporting package composed of different sections and spreadsheets, including the selected GRI indicators to cover material aspects in line with GRI Sustainability Standards. The qualitative and quantitative information of the aspects addressed in the document were gathered from the process owners through interviews and data collection process.

The main calculation methodology and assumptions

used to determine performance indicators and figures have been reported below, in addition to those that already are indicated in the related sections.

Duferco Group's employee's related figures are represented as headcount as of 30<sup>th</sup> September of the reporting periods and not as Full-time equivalent (FTE) data.

For environmental data the Group adopted a conservative approach in the assumptions made, resulting in the adoption of the worst environmental performance of Duferco Group and its related companies. In particular, greenhouse gas emissions calculations have been carried out based on principles included in the GHG Protocol Corporate Accounting and Reporting Standard and determined as follows:

### DIRECT (SCOPE 1) GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, Gasoline, Burning oil, Natural gas, Coal, Intermediate Fuel Oil (IFO) and Very Low Sulphur Fuel Oil (VLSFO)	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2023, 022 and 2021	Only CO <sub>2eq</sub> emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakages	-	Global Warming Potentials (GWPs) are taken from DEFRA, Conversion factors database (2023, 2022, 2021). The GWPs used in the calculation of CO <sub>2eq</sub> are based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year period so that the Conversion Factors are consistent with current national and international reporting requirements.

### INDIRECT (SCOPE 2) GHG EMISSIONS

SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid - location-based method	Electricity consumption	Terna, Confronti Internazionali, 2020 - 2019 Data (Total gross production)	Only CO <sub>2</sub> emissions were considered
Electricity purchased from national grid - market-based method	Electricity consumption	For European countries: AIB - European Residual Mixes, 2021 and 2022	Only CO <sub>2</sub> emissions were considered

For further information and comments on the report, please contact:

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# GRI content index

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	Note on methodology; Annual Report: The Group.			
	2-2 Entities included in the organization's sustainability reporting	Note on methodology			
	2-3 Reporting period, frequency and contact point	Note on methodology. The reporting period is aligned to the reporting period of the financial statement. This report is published on April 2024.			
	2-4 Restatements of information	There are no restatements to be reported.			
	2-5 External assurance	This report is not subject to external assurance.			
ACTIVITIES AND WORKERS					
	2-6 Activities, value chain and other business relationships	The integrity of our business: Along the value chain; Annual Report: The Group.			
	2-7 Employees	People around Duferco: A world within a company. On-call employees are equal to 0.			
	2-8 Workers who are not employees	People around Duferco: A world within a company.			
GOVERNANCE					
	2-9 Governance structure and composition	THE DUFERCO ORGANIZATION - People around Duferco: A world within a company - Duferco's sustainable path and value creation.	Point c.	Information not available or incomplete.	The information was not collected for this year.
	2-10 Nomination and selection of the highest governance body	The Highest Governance Body is nominated and selected according to strict criteria based on expertise and competencies.			



INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
	2-11 Chair of the highest governance body	The Chairman of the Board of Directors of DPH is not a senior executive in the organization.			
	2-12 Role of the highest governance body in overseeing the management of impacts	The Board of Directors has not a direct role in overseeing sustainability related impacts of the Group. The Sustainability Steering Committee is in charge of this responsibility and multiple members of the Board of Directors are part of it.			
	2-13 Delegation of responsibility for managing impacts	The responsibility related to the management of organization's sustainability impacts is delegated to the Group's Sustainability Steering Committee and to each Company's focal points.			
	2-14 Role of the highest governance body in sustainability reporting	The responsibility related to the reviewing and approving of the reported information is delegated to the Group's relevant function and Companies' focal points.			
	2-15 Conflicts of interest	As stated in the Group's code of Ethics: "Recipients must behave impartially in all business dealings and carry out their tasks in favor of Duferco, avoiding any conflict of interests, even merely potential or partial, meaning by that, a situation in which there may be an interest other than that of Duferco, or the Recipient may obtain undue personal advantage for himself or for others from information obtained as a result of the office held. Any existing or potential conflict of interest must be disclosed to the direct supervisor by the interested party"			
	2-16 Communication of critical concerns	Related to concerns from stakeholders, Duferco Group manage a public contact point at this link: <a href="https://www.duferco.com/contacts/">https://www.duferco.com/contacts/</a> Critical issues are communicated to the Board of Directors on the basis of their relevance.			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
	2-17 Collective knowledge of the highest governance body	Since the responsibility in terms of sustainability is delegated to the Sustainability Steering Committee, no actions were implemented to expand the collective knowledge of the highest governance body on sustainable development.			
	2-18 Evaluation of the performance of the highest governance body	In 2023, no procedures aimed at evaluating the performance of the highest governance body in relation to the overseeing of the management of Duferco Group's impacts on the economy, the environment and people were implemented.			
	2-19 Remuneration policies		All	Confidentiality constraints	For reasons of confidentiality, the Group preferred not to publish the data required by this disclosure.
	2-20 Process to determine remuneration		All	Confidentiality constraints	For reasons of confidentiality, the Group preferred not to publish the data required by this disclosure.
	2-21 Annual total compensation ratio		All	Confidentiality constraints	For reasons of confidentiality, the Group preferred not to publish the data required by this disclosure.
<b>STRATEGY, POLICIES AND PRACTICES</b>					
	2-22 Statement on sustainable development strategy	Message from the Chairman			
	2-23 Policy commitments	Reference is made to the Code of Ethics publicly available on the Group's website. Further commitments are published at operating companies' level.			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
	2-24 Embedding policy commitments	The integrity of our business: The governance tools			
	2-25 Processes to remediate negative impacts	Annual Report: The Group			
	2-26 Mechanisms for seeking advice and raising concerns	People around Duferco: A world within a company			
	2-27 Compliance with laws and regulations	During the current reporting year 1 significant case of noncompliance with laws and regulations for which financial penalties were imposed and 0 with non-monetary penalties. During the current reporting year 6 fines for instances of non-compliance with laws and regulations (17,060.05 € for irregularities in the Municipality of Grignone Rotzo)			
	2-28 Membership associations	The integrity of our business: Along the value chain			
STAKEHOLDER ENGAGEMENT					
	2-29 Approach to stakeholder engagement	The integrity of our business: Along the value chain			
	2-30 Collective bargaining agreements	People around Duferco: A world within a company			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Note on methodology			
	3-2 List of material topics	Note on methodology			
ECONOMIC PERFORMANCE INDICATORS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 201: Economic performance 2016	201-1: Direct economic value generated and distributes	Annual Report: Business Results			



INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
ANTI-COMPETITIVE BEHAVIOR					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In reference to 2023, no legal actions occurred, neither closed, nor pending, for anti-competitive behavior, anti-trust, and monopoly practices.			
ENVIRONMENTAL PERFORMANCE INDICATORS					
MATERIALS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	The Green challenge: Resource efficiency and circular economy			
ENERGY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report: Sustainability at Duferco			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	The Green challenge: The Duferco Power			
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	The Green challenge: Management of our footprint			
	303-2 Management of water discharge-related impacts	The Green challenge: Management of our footprint			
	303-3 Water withdrawal	The Green challenge: Management of our footprint			The plants considered in high risk areas according to the public database Aqueduct Water Risk Atlas from World Resource Institute are located in San Giovanni Valdarno, San Zeno Naviglio and Giammoro.

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
EMISSIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	The Green challenge: The Duferco Power			
	305-2 Energy indirect (Scope 2) GHG emissions	The Green challenge: The Duferco Power			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	The Green challenge: The Duferco Power			
WASTE					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 306: Waste 2020	306-3 Waste generated	The Green challenge: Resource efficiency and circular economy			
	306-4 Waste diverted from disposal	The Green challenge: Resource efficiency and circular economy			
	306-5 Waste directed to disposal	The Green challenge: Resource efficiency and circular economy			
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	At Group level, on the perimeter indicated in the Note on methodology, the percentage of new suppliers that were screened using environmental criteria in FY2023 was 21%.			
SOCIAL PERFORMANCE INDICATORS					
EMPLOYMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People around Duferco: A world within a company			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
LABOR/MANAGEMENT RELATIONS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 402: Labor relations 2016	402-1 Minimum notice periods regarding operational changes	People around Duferco: A world within a company			
OCCUPATIONAL HEALTH & SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	People around Duferco: Care and development of our People			
	403-2 Hazard identification, risk assessment, and incident investigation	People around Duferco: Care and development of our People			
	403-3 Occupational health services	People around Duferco: Care and development of our People			
	403-4 Worker participation, consultation, and communication on occupational health and safety	People around Duferco: Care and development of our People			
	403-5 Worker training on occupational health and safety	People around Duferco: Care and development of our People			
	403-6 Promotion of worker health	People around Duferco: Care and development of our People			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People around Duferco: Care and development of our People			
	403-9 Work-related injuries	People around Duferco: Care and development of our People			
	403-10 Work-related ill health	People around Duferco: Care and development of our People			



INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
TRAINING AND EDUCATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People around Duferco: Care and development of our People			
	404-3 Percentage of employees receiving regular performance and career development reviews	People around Duferco: Care and development of our People			
DIVERSITY AND EQUAL OPPORTUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	The integrity of our business: The governance tools			
NON-DISCRIMINATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	People around Duferco: A world within a company			
HUMAN RIGHTS					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews	The Group's Code of Ethics sets out all rights, duties, and responsibilities of Duferco towards stakeholders, and recommends, promotes or prohibits certain behaviors, in addition to complying with any provisions of applicable law. In particular, Duferco recognizes and respects the dignity, the privacy and the rights of all individuals and rejects and condemns any form of discrimination or harassment, in all the operations carried out internally and with counterparts.			

INDICATORS	DESCRIPTION	REPORT REFERENCE	OMISSION/NOTES		
			Requirement(s) omitted	Reason	Explanation
LOCAL COMMUNITIES					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	People around Duferco: Connection with the communities			
SUPPLIER SOCIAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	At Group level, on the perimeter indicated in the Note on methodology, the percentage of new suppliers that were screened using social criteria in FY2023 was 21%.			
CUSTOMER PRIVACY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6 complaints concerning breaches of customer privacy were registered in FY2023 within the organization.			
OTHER MATERIAL TOPICS					
BRAND IDENTITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			
INNOVATION AND BUSINESS DEVELOPMENT					
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report: Sustainability at Duferco			

# Corporate directory

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