

Responsible Steel™ Certified Site



DNV-2024-C692501

Presented to

ACCIAI SPECIALI TERNI S.p.A.

SITE NAME AND ADDRESS

ACCIAI SPECIALI TERNI S.p.A.
Viale B. Brin, 218 – 05100 Terni (TR)
Italy

CLIENT NAME AND ADDRESS

ARVEDI ACCIAI SPECIALI TERNI
Viale B. Brin, 218 – 05100 Terni (TR)
Italy

Version of the ResponsibleSteel Standard and Assurance Manual that the site was audited against

ResponsibleSteel Standard Version 1.1, 23 June 2021
ResponsibleSteel Assurance Manual Version 1.0, 29 December 2019

ISSUE DATE

29 April 2024

EXPIRY DATE

28 April 2027

NEXT SCHEDULED AUDIT

May 2025

CERTIFIED SINCE

29 April 2024

CERTIFICATION SCOPE

Manufacture, testing of slabs, coils, strips, sheets of stainless steel, through: scrap melting, refining, continuous casting, hot rolling, cold rolling and related heat treatments; cutting of sheets and coils in stainless steel coil-coated too. Manufacture, testing of forged products and blocks for molds in carbon steel, low alloy and stainless through: casting, forging, heat treatment, mechanical processing.

Any facilities and associated activities that are directly related to steel making or processing, that are on-site or near the site and that have not been included in the certification scope or audit scope

None

CERTIFICATION BODY

DNV
Vivo Building
30 Stamford St
South Bank
London SE1 9LQ
United Kingdom

AUTHORISED CERTIFICATION BODY SIGNATURE

A handwritten signature in blue ink, appearing to read 'Th van Haaren'.

Thomas van Haaren, Global Services Manager



ResponsibleSteel™, 755 Hunter Street,
Newcastle West NSW 2303, Australia

Validity of this certificate is subject to continued conformity with the applicable ResponsibleSteel Standard and can be verified at www.responsiblesteel.org

This certificate does not constitute evidence that a particular product supplied by the certificate holder is ResponsibleSteel certified. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required ResponsibleSteel claim is clearly stated on sales and delivery documents.



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Annex

ACCIAI SPECIALI TERNI S.p.A.

SITES AND FACILITIES COVERED BY THE CERTIFICATE

ACCIAI SPECIALI TERNI S.p.A.
- Headquarter, Stainless Steel Manufacturing (AST): ACCIAI SPECIALI TERNI
- Forging Division (SdF): DIVISIONE FUCINE
Viale B. Brin, 218 – 05100 Terni (TR)
Italy

CENTRO SERVIZI TERNI
Service Center Terni (CST)
Strada dei Confini, 48 – 05100 Terni (TR)
Italy

SUPPORT FUNCTIONS THAT CONTRIBUTED TO THE AUDIT

ACCIAI SPECIALI TERNI S.p.A.
Management operational an support Functions of Acciai Speciali Terni
Management operational an support Functions of Società delle Fucine
Viale B. Brin, 218 – 05100 Terni (TR)
Italy
CENTRO SERVIZI TERNI
Management operational an support Functions of Centro Servizi Terni
Strada dei Confini, 48 – 05100 Terni (TR)
Italy

ResponsibleSteel™, 755 Hunter Street,
Newcastle West NSW 2303, Australia

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certificate when the required ResponsibleSteel claim is clearly stated on sales and
delivery documents.



Public summary audit report

This is a concise public summary of the audit report for ACCIAI SPECIALI TERNI S.p.A. DIVISIONE FUCINE CENTRO SERVIZI TERNI. The full version of the audit report is in the possession of the member company and the audited sites.

Audit overview

Member name	Arvedi Acciai Speciali Terni SpA
Audited entity name	Acciai Speciali Terni S.p.A. Centro Servizi Terni (Service Center Terni)
Number of sites Names & location	<u>Individual sites comprising the cluster are:</u> 1) Acciai Speciali Terni S.p.A. Address: Viale B. Brin, 218 - 05100 Terni (TR) – Italia Activities and products: - Stainless steel manufacturing (Activities: Melting shop, slab continuous casting, hot rolling, Cold Rolling, Bright annealing; Products: Slabs, cold coils, black coils) - Forging Division (Activities: hydraulic press for forging, furnaces for heat treatment, mechanical workshop; Products: Forgings products, Cylinders / Rotors for the Energy sector). 2) Centro Servizi Terni (Service Center Terni) Address: Strada dei Confini 48 - 05100 Terni (TR) – Italia Activities and products: Linee of Cutting (longitudinal and transversal) and Finishing Lines of Products (Activities: cut (longitudinal and transversal) to length line and slitter, coil coating line and Scotch brite line. Products: strips coils, small coils, plates and sheets, products with painted and scotch brite surface finishes) Website: www.acciaiterni.it
Certification scope	Scope: Manufacture, testing of slabs, coils, strips, sheets of stainless steel through: scrap melting, refining, continuous casting, hot rolling, cold rolling and related heat treatments; cutting of sheets and coils in

	stainless steel coil-coated too. Manufacture, testing of forged products and blocks for molds in carbon steel, low alloy and stainless through: casting, forging, heat treatment, mechanical processing. Sites: • Headquarter Terni Brin Street (Stainless steel manufacturing): Melting shop, slab continuous casting, hot rolling, Cold Rolling: - Melting Shop and slab continuous casting: Where principal activities and facilities are: Loading Iron Alloy Scrap, Melting Steel in Electric Furnaces (EAF), Refining steel in Ladle Furnaces (in specially designed plants where the required analyses, temperature and quality are obtained: the AOD, VOD and ASEA/SKLB converters for treating all types of steel) and Continuous Casting Machines - Hot Rolling Mill: where the slabs are heated to correct temperature in a walking-beam furnace, then are rolled through reversing roughing mill with different passes and then in a finishing mill composed by seven stands. - Cold Rolling Area: where the activities / process are: <u>Annealing and Pickling:</u> (The pickling and annealing process made by several process lines of the hot strips consists of three main phases: Annealing, Mechanical ecological pickling, Chemical ecological pickling). <u>Cold Rolling:</u> The cold rolling is done with Sendzimir rolling mills which, can significantly reduce the thickness of the strips with great precision, (stretching and flattening). <u>Cold Annealing in Ba Furnace:</u> annealing of cold rolled steel in the BA furnace does not cause oxidation of the strip because the internal atmosphere in the furnace is not oxidant. Once annealed, the strip is skinpassed to acquire the mechanical characteristics required, excellent flatness and improved brightness. <u>Cold Annealing of Cold Rolled Steel:</u> in cold annealing of cold rolled steel, the surface of the strip is oxidised as it passes through the oven. To clean the surface from oxide, the strip is then passed through the eco-chemical and electrochemical pickling. Once pickled, the strip is sent to skin-passing where it acquires the required mechanical characteristics and flatness. • Headquarter Terni Brin Street (Forging Division): hydraulic press for forging, furnaces for heat treatment, mechanical workshop: - <u>Forging Area</u> receives the liquid steel from the AST Melting Shop, and ingots are made through "vacuum" or "spring" casting. The demattered and cleaned ingots are left to cool. Subsequently, heating cycles (in gas heating furnaces) and forging cycles are carried out on the ingots, with hydraulic
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	presses with integrated manipulator, until the required dimensions for the product to be made are obtained (e.g. cylinders). Once the forging and cooling of the product (e.g. cylinder) is completed, the mechanical processes are carried out with: horizontal and vertical, numerically controlled Lathes, Milling machines, Grinding machines, Boring and Honing machines. Non-Destructive Testing and Heat Treatments (with horizontal and vertical heating furnaces powered by natural gas and remote temperature control; Vertical and horizontal water and/or polymer quenching tanks, Rotary furnaces with tempering machines and a temperature cooling tank vertical oil) are carried out to guarantee the required quality and characteristics of the products (e.g. cylinders). • Site 1 Service Center (Strada dei Confini - Terni): Levelling & cut to length Lines, Slitting Lines, Polishing Lines, Scotch-Brite Lines and Coating Line. - Once the hot or cold rolling production cycle is completed, the steel can be further processed in the Terni Service Center to achieve the dimensional specifications and surface appearance requested by the customer. - Coils can be cut to length, into thinner strips or in small coil, into sheets on Leveling & cut to length Lines and Slitting Lines. The surface finishing is carried out in the Polishing Lines, Scotch-Brite and Coating Lines and related testing.
Standard version audited against	ResponsibleSteel Standard V2.1 - Core
Audit type and outcome	Surveillance Audit
Certification body	DNV Business Assurance Italy S.r.l. Via Energy Park, 14 - 20871 Vimercate (MB) Italy Tel: +39 039.6899905
Audit dates	Surveillance Audit: June 16 th to 17 th , 2025 and June 23 th to 26 th , 2025 Surveillance Reporting: 26 th , and 30 th June 14 th , 15 th and 30 th 2025 July 2025
Number of auditors and audit days	2 auditors: 1 Lead auditor and 1 Auditor, 15 days total. 12 days Surveillance audit: June 16 th to 17 th , 2025 number of days 4,00 (2 auditor) and June 23 th to 26 th , 2025 number of days 8,00 (2 auditor) 3 days Surveillance Reporting: 26 th , and 30 th June 14 th , 15 th and 30 th 2025 July 2025 number of days 3,00 (2 auditor)
Lead auditor declaration	The findings in this report are based on an objective evaluation of evidence, derived from documents, first-hand

	observations at the sites and interviews with site staff, workers and stakeholders, as conducted during stage 1 and stage 2 audit activities. The audit team members were deemed to have no conflicts of interest with the sites. The audit team members were professional, ethical, objective and truthful in their conduct of audit activities. The information in this report is accurate according to the best knowledge of the auditors who contributed to the report. It should be noted that audits are snapshots that rely on sampling. Sampling of interview partners, of documentation and records, of observed operations and activities. The auditors can therefore not exclude the possibility that there are non-conformities in addition to the ones identified during the audit activities.
Next audit type and date	Re-certification audit November 2026

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Introduction

About ResponsibleSteel

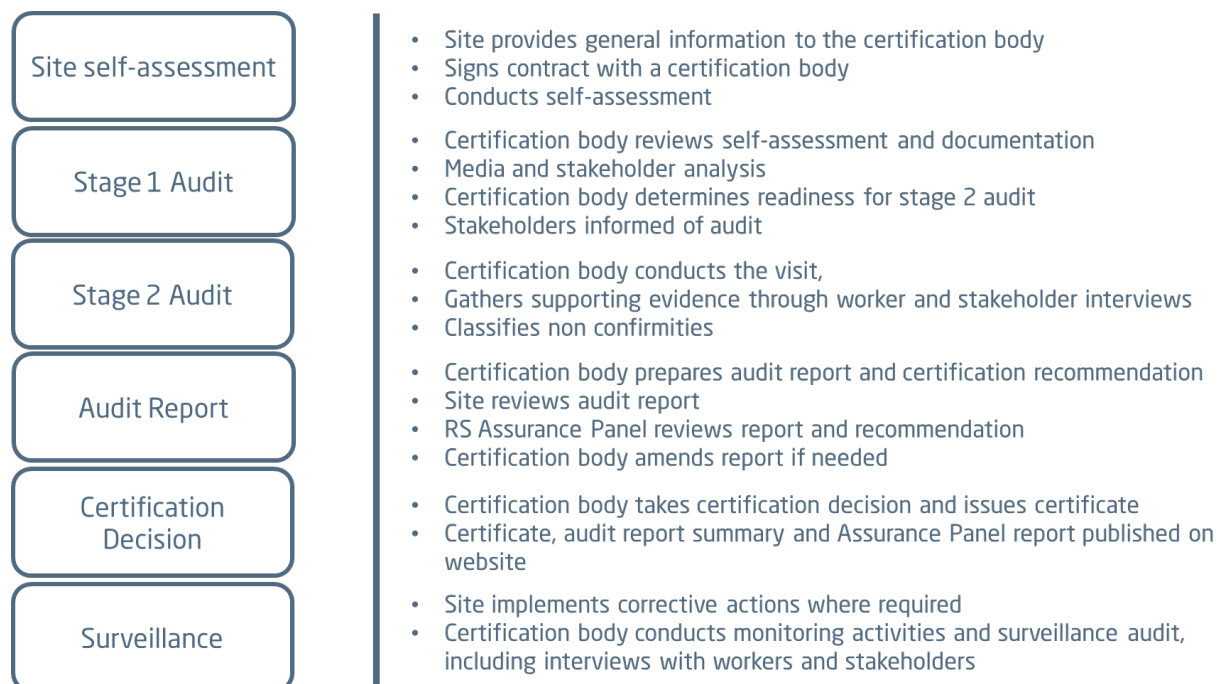
Our mission is to be a driving force in the socially and environmentally responsible production of net-zero steel, globally.

We are a not-for-profit multi-stakeholder organisation founded to bring together business, civil society and downstream users of steel, to provide a global standard and certification initiative for steel. We have built a consensus on what sustainability looks like for steel – including the impacts of mining, steel production, the scrap metal supply chain, greenhouse gas emissions, water use, workers' rights, communities and biodiversity. We are the first global scheme for responsibly sourced and produced steel.

Our Members include steel makers, mining companies, automotive and construction companies as well as civil society organisations focused on labour rights, biodiversity, climate change and many other important issues.

Overview of the certification process

To become a 'Certified Site', the process below must be followed:



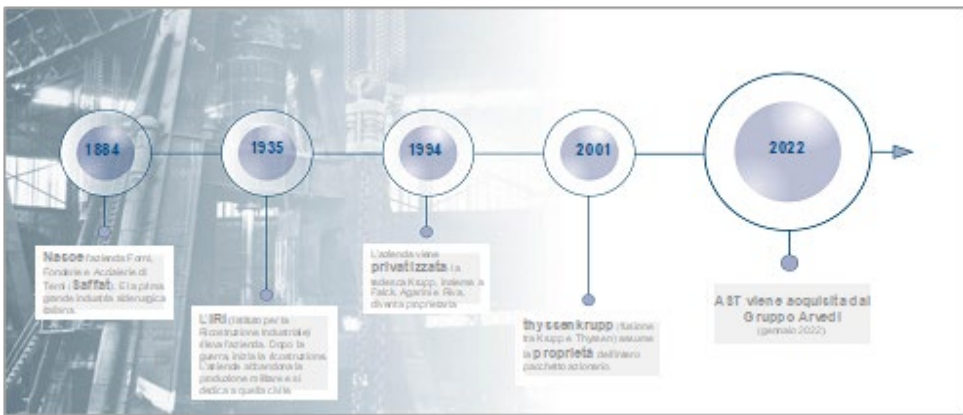
Sites can apply to be assessed against the ResponsibleSteel Standard on a voluntary basis. Conformity with the Standard is verified by independent certification bodies and auditors. They study documentation provided by the site, review relevant media and scientific publications on the site, visit the site to see operations first-hand, and interview site management, process owners, shopfloor workers and external stakeholders such as authorities, community and civil society representatives. The assessment is summarised in an audit report that is reviewed by an independent Assurance Panel. Only if that Panel is satisfied with the quality of the audit and the resulting report, can a site with a positive certification recommendation be certified. A ResponsibleSteel certificate is valid for three years and certified sites have to pass a surveillance audit after 18 months and subsequent re-certification audits to remain certified. The rules and processes for ensuring compliance with the Standard are outlined in the [Assurance Manual](#) and have been developed using the Assurance Code of Good Practice set by the ISEAL Alliance as a reference.

It should be noted that engagement of external stakeholders is not required for the additional responsible sourcing and GHG requirements. A site visit is only necessary for the additional requirements if the site's GHG data has not been independently verified before the ResponsibleSteel audit or if the site and their certification body agree that a site visit would be useful.

ResponsibleSteel provides an Issues Resolution System that any stakeholder may use to log a complaint about any aspect of the ResponsibleSteel programme. The [Issues Resolution System](#) can be accessed via the ResponsibleSteel website.

More information on ResponsibleSteel can be found on <https://www.responsiblesteel.org/>.

Site information

Country and town	1) Acciai Speciali Terni S.p.A. Address: Viale B. Brin, 218 - 05100 Terni (TR) – Italia 2) Centro Servizi Terni (Service Center Terni) Address: Strada dei Confini 48 - 05100 Terni (TR) – Italia
Activities and products	1) Acciai Speciali Terni S.p.A. Address: Viale B. Brin, 218 - 05100 Terni (TR) – Italia Activities and products: - Stainless steel manufacturing (Activities: Melting shop, slab continuous casting, hot rolling, Cold Rolling, Bright annealing; Products: Slabs, cold coils, black coils) - Forging Division (Activities: hydraulic press for forging, furnaces for heat treatment, mechanical workshop; Products: Forgings products, Cylinders / Rotors for the Energy sector). 2) Centro Servizi Terni (Service Center Terni) Address: Strada dei Confini 48 - 05100 Terni (TR) – Italia Activities and products: Linee of Cutting (longitudinal and transversal) and Finishing Lines of Products (Activities: cut (longitudinal and transversal) to length line and slitter, coil coating line and Scotch brite line. Products: strips coils, small coils, plates and sheets, products with painted and scotch brite surface finishes) Website: www acciaiterni.it
Year site opened	History:
Major extensions and / or refurbishments and year(s) when these occurred	 The timeline shows the following milestones: 1884: Nasce l'azienda Forni, Fonderie e Acciaierie di Terni (Saffat). È la prima grande industria siderurgica italiana. 1935: L'IRI (Istituto per la Ricostruzione Industriale) diventa l'azienda. Dopo la guerra inizia la ricostruzione. L'azienda abbandona la produzione di armi e si dedica a quella civile. 1994: L'azienda viene privatizzata. La siderica Ksp, insieme a Pacc, Agnelli e Breda, diventa proprietaria. 2001: ThyssenKrupp (azienda tra Ksp e Thyssen) assume la proprietà dell'intero pacchetto azionario. 2022: AST viene acquistata dal Gruppo Arvedi (gennaio 2022). 1984: The Company Forni, Fonderie e Acciaierie company of Terni (Saffat) is founded. It is the first big Italian steel industry. 1935: The IRI (Institute for Industrial Reconstruction) takes over the Company. After the war, reconstruction begins. The Company abandons military production and dedicates itself to civilian production.

	1994: The Company is privatized: the german Krupp, together with Falck, Agarini and Riva, becomes the owner. 2001: Thyssenkrupp (merger between Krupp and Thyssen) assumes ownership of the entire share package. 2022: AST is acquired by the Arvedi Group (January 2022).
Annual production	<u>Production (year 2024)</u> Acciai Speciali Terni S.p.A. Stainless steel manufacturing: - Melt shop (crude steel): 923.463 tons, (this production of Melt Shop is used both for the subsequent plants, ref. Hot Rolling, and for the Forging Division. - Hot Rolling: 982.834 tons, - Cold rolling): 549.560 tons, Forging Division: 6.130 tons Centro Servizi Terni (Service Center Terni): 291.443 tons
Number of employees and contractors	Year 2024 1) Acciai Speciali Terni S.p.A. - Stainless steel manufacturing: 1.922 (Men 1.814 and Women 108) - Forging Division: 190 (Men 185 and Women 5) 2) Centro Servizi Terni (Service Center Terni): 139 (Men 139 and Women 0) For each site, add number of contractors (on average per year): 1003 1) Acciai Speciali Terni S.p.A. - Stainless steel manufacturing: 844 (Men 716 and Women 128) - Forging Division: 38 (Men 36 and Women 2) 2) Centro Servizi Terni (Service Center Terni): 121 (Men 113 and Women 8)
Carbon reduction target	Reduction 60% for Scope 1+Scope 2 emission intensity within 2028 respect 2022 and 20% for Scope 3 emission intensity.
Further environmental and social information	ACCIAI SPECIALI TERNI website: https://www.acciaitermi.it/en/

Stakeholder engagement

The Audit Team conducted stakeholder engagement based on the "assessment criterion" of including stakeholders who have contacts and/or interests with the organization ACCIAI SPECIALI TERNI SpA, in relation to their interaction and/or presence at the local site, taking into account what has been reported in the media, without prejudice and/or discrimination against local communities.

Representatives of various stakeholder groups were evaluated, such as representatives of local communities, local and national government authorities, politicians, labor and organizational representatives, religious leaders, civil society organizations, academics, as well as environmental committees and associations.

In identifying which stakeholders to contact, or which groups, consideration was given to feedback from stakeholders received during the initial audit conducted in October 2023 for ResponsibleSteel. These included:

- Public and religious representatives from the region (e.g., the Mayor of Terni and the President of the Province of Terni, the President of the Umbria Region, the Bishop of Terni, Narni, and Amelia),
- All trade union organizations present in Arvedi AST,
- Five different environmental committees and associations operating locally.

A letter was sent to the identified stakeholders via email (about 18 recipients), followed by phone contact, requesting they either direct participation during the week of June 23–26 or submission of a response or engagement document, as they are recognized stakeholders for ARVEDI AST.

About 14 stakeholder groups confirmed their availability to participate in the meeting held on June 24, 2025, via phone. These included all trade union representatives, the Mayor of Terni (who is also President of the Province of Terni), the President of the Umbria Region, and the environmental associations "Pensare il Domani" and "Comitato Prisciano." Two emails were received from stakeholders unable to attend.

An entire day, June 24, 2025, was dedicated to interviews with external stakeholders. Meetings were held both in person at their premises (e.g., the Prefect of Terni) and via phone calls (e.g., the Mayor of Terni/President of the Province, and with the President of the Umbria Region).

Direct meetings with stakeholders were held at the Library Office of Acciai Speciali Terni.

All stakeholder meetings were insightful, particularly those with the Prefect of Terni, the Mayor of Terni/President of the Province, and the new President of the Umbria Region. They all acknowledged the importance of engaging with ACCIAI SPECIALI TERNI as a key interlocutor for the future development of ARVEDI AST on issues of sustainability, workers' rights, the environment, and health and safety. Particular importance was attributed to the signing of the **Program Agreement**, which outlines investments in certain environmental and production improvement projects, signed by several Italian ministries, the Umbria Region, the Municipality of Terni, and the National Agency Invitalia.

Trade union participation was substantial (12 representatives in total), covering all trade union organizations. Both regional/provincial representatives and local union delegates from Acciai Speciali Terni took part, expressing their expectation for a meeting with Arvedi AST to learn about the company's future industrial plans. The presence of all union representatives enabled a comprehensive understanding of union perspectives on both Arvedi AST's internal matters (e.g., subcontracting) and the working conditions of employees and third-party companies operating at Arvedi AST.

The meetings with environmental associations “Pensare il Domani” and “Comitato Prisciano” were particularly informative regarding certain environmental concerns such as dust, noise, and vibrations, issues for which Arvedi AST has committed to improvements as outlined in the Program Agreement.

Almost all stakeholders expressed the need to continue cooperating with ARVEDI AST and called for enhanced communication between the company and its stakeholders.

Internal Stakeholders

Appropriate importance was given to internal stakeholders: **the workers**. Workers represent a key group of internal stakeholders, as they are directly affected by the company’s actions.

Worker interviews were conducted in accordance with ResponsibleSteel requirements, including both group and individual interviews. Interviews involved both female and male employees, as well as temporary workers and workers employed by third-party companies.

Interviewed workers were able to freely express their views regarding work activities at ARVEDI AST. The issues raised were further examined within the framework of ResponsibleSteel Principles.

All employees expressed their commitment to ARVEDI AST and described a positive working environment.

Noteworthy elements of communication regarding ResponsibleSteel Principles emerged during these interviews.

Many employees have a long history at ARVEDI AST and possess a clear understanding of the new Arvedi management and the company’s future development plans. A total of 21 employees were interviewed during the audit, including 5 individual interviews (one of which with the site RLS, elected responsible for the H&S of the workers at the site) and 3 group interviews (two groups of 5 employees and one group of 6 employees). The overall distribution of interviewees was 16 direct employees, 2 agency/temporary workers, and 3 subcontracted/third-party workers. One group was composed entirely of women (5 workers), one group was made up of foreign male workers (5), and one group was mixed (6). All interviews were conducted during the morning shift between 08:30 and 12:30, but the sample represented workers worked across all shifts (production workers have not always fixed schedules).

The interviews included both individual sessions of at least 15 minutes each and group sessions of 45 minutes each.

Summary of audit findings

Conform	Conformity, the requirement is fulfilled.
Opportunity for improvement (OFI)	The respective requirement or criterion has been implemented, but effectiveness or robustness might be increased, or it is a situation that could lead to a future non-conformity if not addressed.

Minor non-conformity (NC)	Isolated, unusual or non-systemic lapse. Or a lapse with limited temporal and organisational impacts. A non-conformity that does not result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. Sites can become certified with minor non-conformities, but they must have addressed them by the time of their next audit.
Major non-conformity (NC)	A non-conformity that, either alone or in combination with further non-conformities, results in or is likely to result in a fundamental failure to achieve the objective of the relevant requirement or related criterion. For example, non-conformities that continue over a long period of time, are systemic, affect a wide range of the site's production or of the site's facilities. Sites with major non-conformities cannot be certified.
Exclusion	The requirement is either not applicable : excluded from the audit since it is not applicable to the sites; or not rated : the requirement is very closely linked to another requirement where a non-conformity (NC) or opportunity for improvement (OFI) has already been raised. Sometimes, when requirements are linked to one and the same subject-matter, it is appropriate to count NCs or OFIs only once to avoid repetition.

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Principle 1. Corporate Leadership					
Criterion 1.1: Corporate Values and Commitments (6)	4	2	0	0	0
Criterion 1.2: Leadership and Accountability (5)	5	0	0	0	0
Principle 2. Social, Environmental and Governance Management Systems					
Criterion 2.1: Management System (5)	5	0	0	0	0
Criterion 2.2: Responsible Sourcing (5)	3	1	1	0	0

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 2.3: Legal compliance and signatory obligations (6)	6	0	0	0	0
Criterion 2.4: Anti-Corruption and Transparency (8)	8	0	0	0	0
Criterion 2.5: Competence and awareness (5)	5	0	0	0	0
Principle 3. Responsible Sourcing of Input Materials					
Criterion 3.1: Commit to responsible sourcing (18)					(*18) - n/a
Criterion 3.2: Know your upstream supply chains (10)					(*10) - n/a
Criterion 3.3: Understand supplier ESG performance (15)					(*15) - n/a
Criterion 3.4: Strengthen and account for responsible sourcing (23)					(*23) - n/a
Criterion 3.5: Report publicly on responsible sourcing (11)					(*11) - n/a
Criterion 3.6: Commit to responsible sourcing and incorporate it in key functions and processes. (15)					(*15) - n/a
Criterion 3.7: Know your upstream scrap supply chain (8)					(*8) - n/a
Criterion 3.8: Understand supplier ESG performance and promote improvement (12)					(*12) - n/a
Criterion 3.9: Strengthen and account for responsible sourcing (1)					(*1) - n/a
Criterion 3.10: Report publicly on responsible sourcing (16)					(*16) - n/a
Principle 4. Decommissioning and closure					
Criterion 4.1: Decommissioning and closure (14)	0	0	0	0	14
Principle 5. Occupational Health & Safety					
Criterion 5.1: OH&S policy (6)	6	0	0	0	0
Criterion 5.2: Health and Safety (OH&S) management system (10)	10	0	0	0	0
Criterion 5.3: Leadership and worker engagement on OH&S (9)	9	0	0	0	0
Criterion 5.4: Support and compensation for work-related injuries or illness (8)	8	0	0	0	0
Criterion 5.5: Safe and healthy workplaces (5)	3	1	0	0	1
Criterion 5.6: OH&S performance (2)	2	0	0	0	0
Criterion 5.7: Emergency preparedness and response (6)	6	0	0	0	0
Principle 6. Labour Rights					

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 6.1: Child and juvenile labour (10)	8	0	0	0	2
Criterion 6.2: Forced or compulsory labour (7)	7	0	0	0	0
Criterion 6.3: Non-discrimination (9)	8	1	0	0	0
Criterion 6.4: Association & collective bargaining (12)	12	0	0	0	0
Criterion 6.5: Disciplinary practices (5)	3	1	1	0	0
Criterion 6.6: Hearing and addressing worker concerns (5)	4	1	0	0	0
Criterion 6.7: Communication of terms of employment (5)	5	0	0	0	0
Criterion 6.8: Remuneration (11)	10	0	0	0	1
Criterion 6.9: Working time (7)	5	2	0	0	0
Criterion 6.10: Worker well-being (2)	2	0	0	0	0
Principle 7. Human Rights					
Criterion 7.1: Human rights due diligence (5)	4	1	0	0	0
Criterion 7.2: Security practice (9)	8	1	0	0	0
Criterion 7.3: Conflict-affected and high-risk areas (5)	0	0	0	0	5
Principle 8. Stakeholder engagement and communication					
Criterion 8.1: Stakeholder engagement (10)	8	2	0	0	0
Criterion 8.2: Grievances and remediation of adverse impacts (12)	11	1	0	0	0
Criterion 8.3: Communicating to the public (7)	6	1	0	0	0
Principle 9. Local Communities					
Criterion 9.1: Commitment to local communities (8)	8	0	0	0	0
Criterion 9.2: Free, Prior & Informed Consent (3)	0	0	0	0	3
Criterion 9.3: Cultural heritage (6)	5	0	0	0	1
Criterion 9.4: Displacement and Resettlement (9)	0	0	0	0	9
Principle 10. Climate Change and GHG emissions					
Criterion 10.1: Corporate commitment to achieve the goals of the Paris Agreement (7)	7	0	0	0	0
Criterion 10.2: Corporate Climate-Related Financial Disclosure TCFD (2)	2	0	0	0	0
Criterion 10.3: Determination of GHG emissions for the purpose of site level GHG emissions reduction targets and planning (4)	4	0	0	0	0

Principles and criteria (# of requirements)	Conform	OFI	Minor NC	Major NC	Exclusion
Criterion 10.4: Determination of site level GHG emissions for the purpose of reporting the GHG emissions intensity for the production of crude steel (29)	0	0	0	0	(*29) - n/a
Criterion 10.5: Site-level GHG emissions reduction targets and planning (11)	11	0	0	0	0
Criterion 10.6: Requirements to market or sell products as ResponsibleSteel certified (8)	0	0	0	0	(*8) - n/a
Criterion 10.7: GHG emissions disclosure and reporting (8) (NOTE: 10.7.2 and 10.7.3 only applicable if site seeks certification to the additional requirements)	4	0	0	0	(*2) - n/a for 10.7.2 (*2) - n/a for 10.7.3
Principle 11. Noise, emissions, effluents and waste					
Criterion 11.1: Noise and vibration (7)	4	3	0	0	0
Criterion 11.2: Emissions to air (8)	6	2	0	0	0
Criterion 11.3: Spills and leakage (9)	8	1	0	0	0
Criterion 11.4: Waste, by-product and production residue management (11)	9	2	0	0	0
Principle 12. Water Stewardship					
Criterion 12.1 Water-related context (7)	6	1	0	0	0
Criterion 12.2 Water balance and emissions (8)	8	0	0	0	0
Criterion 12.3 Water-related adverse impact (6)	6	0	0	0	0
Criterion 12.4 Managing water issues (8)	6	1	1	0	0
Principle 13: Biodiversity					
Criterion 13.1: Biodiversity commitment and management (25)	15	1	0	0	9
	Conform	OFI	Minor NC	Major NC	Exclusion
Total (365) *	292	25	3	0	45

* Note that the Total in the table does not correspond to the sum of Conform, OFI, Minor NC, Major NC and Exclusion due to the way that requirements and conformity classifications are counted.

Exclusions

The requirement not applicable are:

3 - All principle in Not applicable for Certification Core ResponsibleSteel

4 - Arvedi AST does not have decommissioning and closure activities planned

5.5.3 - The requirement is not applicable. No accommodation is provided within the Arvedi AST and CST sites.

6.1.5 - For Arvedi AST child labor is not tolerated. Arvedi AST has not identified work positions for child labour.

6.8.6 - No accommodation is provided to workers at audit date.

7.2.2 - Arvedi AST security service is not an extensive service.

7.3.1 - AST does not operate in conflict-affected and high-risk areas.

7.3.2 - AST does not operate in conflict-affected and high-risk areas.

9.2.1 - Arvedi AST has no plans for production activities in territories other than those where it is already present. No indigenous people are living in the area where AST is operating.

9.2.2 - No indigenous people are living in the area where AST is operating.

9.2.3 - No indigenous people are living in the area where AST is operating.

9.3.4 - No indigenous people are living in the operations area of AST.

9.4 - Arvedi AST has no plans for physical and economic relocations or production activities in territories other than those in which it is already present.

10.4 - This point is Not applicable for Certification Core ResponsibleSteel

10.5.1 b - Arvedi AST does not import heat or steam, these data cannot be evaluated

10.6 - This point is Not applicable for Certification Core ResponsibleSteel

10.7.2 - This point is Not applicable for Certification Core ResponsibleSteel

10.7.3 - This point is Not applicable for Certification Core ResponsibleSteel

13.1.4 - Arvedi AST does not convert or degrade any natural or critical habitats

13.1.5 - Arvedi AST does not have event of downgrading, downsizing or degazettement of World Heritage Sites, Ramsar sites or protected areas of the IUCN categories I-VI, the site continues its no-go policy.

13.1.6 - Arvedi AST does not have there are no World Heritage sites, Ramsar sites or officially protected areas in, around or adjacent to the area of activity

13.1.7 - Arvedi AST does not have protected and community-conserved areas and Ramsar sites; Species on the IUCN Red List of Threatened Species, categorised as vulnerable, endangered or critically endangered; Key Biodiversity Areas; Natural and critical habitat, as well as modified habitat.

Strengths

1. Corporate Leadership

There is strong commitment to sustainability and the ResponsibleSteel Principles from both top management and the wider workforce. Active participation has been evident throughout the organization, reflecting a clear alignment with leadership values.

2. ESG Management Systems

Arvedi AST has a consolidated, integrated management system certified to various standards (ISO 9001, 14001, 45001, 50001) and boasts proven experience with the ISO 37001 standard. This demonstrates a mature and structured approach to ESG and the principles of ResponsibleSteel.

3. Responsible Sourcing

This principle is currently not applicable for the ARVEDI AST site.

4. Decommissioning and Closure

This principle is currently not applicable for the ARVEDI AST site.

5. Occupational Health and Safety

This principle is well implemented at Arvedi AST. ISO 45001 certification reflects a proactive health and safety culture, with a clear commitment at all levels, from Top Management, the Managers, the Operational and workers, this to ensuring safe working conditions.

6. Labour Rights

Labour rights are protected through well-defined governance policies embedded in the integrated management system of Arvedi AST. Interview feedback highlighted a positive internal climate, with employees feeling engaged and heard.

Arvedi AST also demonstrates a long-standing commitment to employee well-being, especially through welfare initiatives such as the Company Mutual Fund, which provided over 27,000 supplementary health services in 2024 to employees and retirees. Additional welfare tools include the Terni Workers' Club (CLT) and also a digital welfare platform accessible to all employees, allowing them to use welfare credits granted under the national metalworking contract. These programs are well communicated in accessible languages and formats, both at onboarding and via official channels.

7. Human Rights

Arvedi AST has actively addressed human rights through policies and systems that, for example, prohibit child labor, forced labor, and non-discrimination. ResponsibleSteel's requirements in this area are clearly understood and implemented and are considered an integral part of the organization's governance framework.

8. Stakeholder Engagement

Arvedi AST shows a high level of openness in stakeholder engagement. Stakeholders — including workers — were actively involved in initiatives like the ResponsibleSteel Open Day, reflecting strong internal communication and transparency practices.

9. Local Communities

Engagement with local communities has highlighted challenges and tensions, but it has also demonstrated the company's clear willingness to listen and address their concerns. Arvedi AST has developed direct and unfiltered channels of communication between local residents and company responsibilities, a key positive factor that provides a solid foundation for building trust and collaboratively addressing the issues raised by affected communities.

10. Climate Change and Greenhouse Gas Emissions

Arvedi AST has developed an ambitious decarbonization plan, targeting a 60% reduction in Scope 1 and 2 emissions by 2028, with the goal of reaching net zero by 2050. The roadmap is well defined and actively progressing.

11. Noise, Emissions, Effluents and Waste

These environmental aspects are well managed through the certified ISO 14001 system. Several improvement projects are already underway, indicating a strong environmental management structure. Important for the development of environmental projects is the signing of the Program Agreement between Arvedi AST, some Italian Ministries, and the Umbria Region and the Municipality of Terni.

12. Water Stewardship

Water management has also been effectively addressed within the environmental management system, with an integrated and coherent approach, in line with ResponsibleSteel's expectations. The "La Grande Opera" event was an interesting demonstration of Arvedi AST's use of water resources, and also, as was participation in the TURN project.

13. Biodiversity

Arvedi AST has taken positive action on biodiversity, including initiatives such as urban forestry and pollinator protection (beekeeping projects), showing attention to environmental value beyond regulatory compliance.

Areas for improvement

During the audit, a few areas were identified that require the attention of the sites and **n.3** minor non-conformities against requirements of the ResponsibleSteel Standard were raised. The sites are required to effectively address the non-conformities before the next audit. The non-conformity findings are related to:

2.2.1 b) - New Human Rights Policy don't sent to Level 1 suppliers

The new Human Rights Policy of January 2025, which contains some commitments previously outlined in the AST Code of Ethics, are not detailed in the new Arvedi 2025 Code of Conduct, that has not been sent to Level 1 suppliers.

6.5.4 – Documents shared with suppliers

It is noted that the latest revision of the Human Rights Policy, which states that “The company also ensures that no threats are used or disciplinary practices that undermine the dignity of workers are tolerated,” was not yet included among the documents shared with all suppliers at the time of the audit — only the previous version (where the reference to disciplinary practices was more generic and not detailed) had been shared.

12.4.2 c) - Plan is not made available to the public

The "Environmental Sustainability Plan - Management, Monitoring, and Control of Water Resources" updated on 21 May 2025 has not been made available to the public.

Apart from the **3** minor non-conformities, ARVEDI AST complies with all requirements of the ResponsibleSteel standard.

Opportunities for improvement (OFI):

However, the auditors Team has identified **25** requirements that the site can improve which are included in the main body of this Report. These are recommendations to ARVEDI AST rather than non-conformities and can be found in the tables below.

1.1.2 - The postal delivery methods for the letter dated 9 April 2025 from President Arvedi to the Arvedi AST workers need to be improved, as some of the workers interviewed stated that they had not received it because they normally received Arvedi AST documentation (e.g. pay slips) by email.

1.1.2 - Further communication initiatives with workers and stakeholders that the Arvedi AST organization intends to develop should be documented.

5.5.2 a) - The restoration/renovation of the bathrooms and showers in changing room SN1 is to be monitored.

6.3.1 a) - It is noted that in the ESG Sustainability Policy the references to the previous Code of Ethics and Code of Conduct should be updated to the Arvedi Code of Conduct 2025.

6.5.1 - It is noted that in the ESG Sustainability Policy the references to the Code of Ethics and Code of Conduct should be updated to the Arvedi Code of Conduct 2025.

6.6.2 - However, from workers' interviews it emerged that while white-collar employees are aware of the procedure and the available channels, blue-collar workers are not yet fully informed. One partial reason is

that the procedure was only recently published and, although it has been posted and emailed to all employees with a company email address, the information has not yet reached the broader workforce.

6.9.1 a) - The ESG Sustainability Policy still refers to the old Code of Ethics and Code of Conduct, which have been absorbed by the Arvedi Code of Conduct 2025 — this needs to be updated.

6.9.1 c) - Although the organization is achieving positive results in reducing ROS, action plans need to be established to also reduce the cases of single workers.

7.1.2 - At present, the first annual review of this KPI has not yet been carried out. The suggestion is to perform and document the review of the KPI as established in the Matrix.

7.2.3 b) - The KPI-2-SIN evaluation that 100% of "percentage of security personnel who have received formal training on human rights principles and proportional use of force" is planned to be completed within 2025 and has not yet been done.

8.1.3 - Although Arvedi AST has established various forms of communication with the Prisciano Committee, such as reporting to the toll-free number, WhatsApp calls, and direct phone calls with the HSE manager, periodic meetings should be developed to document the authorization status of the environmental improvement actions of interest to them.

8.1.4 e) - Some responses to questions/reports provided by the toll-free number regarding specific environmental issues are sometimes generic and not detailed, e.g.: questions/reports 24 and 29 June 2025 by the Prisciano Committee.

8.2.2 - Although all stakeholders were generally aware of the reporting channels (including employees and shift leaders), it emerged during the interviews that some production workers were not yet aware of the issuance of the MO 01 X 004 Management of Indications ESG (Gestione delle Segnalazioni ESG) rev.0 05/06/2025 procedure and the related reporting mechanisms. This was justified by the fact that the new procedure had been issued less than a month before and the official communication was sent individually to each employee with a company email address. Shift leaders were instructed to share the information with production workers, but this was not sufficient. Arvedi AST has already planned initiatives to ensure that all workers, including production staff, are made aware of the grievance system in the short term.

8.3.3 d) - However, it is noted that the full plans have not yet been published; they are planned to be fully disclosed in the Sustainability Report 2025. This OFI remains relevant until the full publication is completed.

11.1.2 - Although Noise and Vibration Reduction Plans are established and critical machinery is assessed, the assessment of noise and vibration sources needs to be further explored / extended to identify further improvement / impact reduction elements.

11.1.3 a) - The operational control sheets, Moda 13 and Moda 14, do not explicitly specify controls for noise-and/or vibration-critical machinery (e.g., machinery / equipment that produces high and/or significant noise and/or vibration emissions that have a significant impact on the environment).

11.1.6 - For the improvement actions proposed in the Final Validation Report of 05/06/2025 of the Environmental Sustainability Plan - Prevention and reduction of noise and vibration, control and monitoring actions must be developed.

11.2.4 a) -The operational control sheets, Moda 13 and Moda 14, do not explicitly specify controls for noise- and/or vibration-critical machinery (e.g., machinery / equipment that produces high and/or significant noise and/or vibration emissions that have a significant impact on the environment).

11.2.6 - For the improvement actions proposed in the Final Validation Report of 5 June 2025 of the Environmental Sustainability Plan - Prevention and Reduction of Atmospheric Emissions, their monitoring must be defined, providing indications of the implementation and the timeframe for development

11.3.3 - For the improvement actions proposed in the Final Validation Report of 05/06/2025 of the Environmental Sustainability Plan – Prevention and Containment of Leaks and Spills, their monitoring must be defined, providing indications of the implementation and the timeframe for development.

11.4.1 c) - In relation to the various projects proposed in the "Environmental Sustainability Plan - Management of Waste, By-Products, and Production Residues", monitoring needs to be defined by developing KPIs that provide indications of the progress of the plans and/or improvements achieved.