

GREENHOUSE GAS EMISSIONS REDUCTION POLICY

Marcegaglia Steel SpA, the holding company of the Marcegaglia Group for steel production and processing activities, and its directly and indirectly controlled operating companies (Marcegaglia Carbon Steel SpA, Marcegaglia Ravenna SpA, Marcegaglia Specialties SpA, Marcegaglia Gazoldo Inox SpA, Marcegaglia Plates SpA, Marcegaglia Buildtech Srl, Marcegaglia Stainless Sheffield Ltd, Marcegaglia Fos sur Mer Sas and their subsidiaries), state in this policy the fundamental principles regarding decarbonisation objectives relating to mitigation and adaptation to climate change.

Our commitment

Today, the main challenge on the global agenda is undoubtedly to manage climate change and move towards increasingly long-lasting, sustainable and inclusive development. In this context, one of the most considered issues is the reduction of greenhouse gases, in particular carbon dioxide emissions. Industry, especially the steel industry, a hard-to-abate sector, is one of the biggest contributors to global emissions and has long been engaged in projects, processes and innovative technologies that can make a significant contribution to decarbonisation.

Marcegaglia emphasises its commitment to reducing greenhouse gas emissions by promoting energy efficiency and the use of renewable energy sources to foster the transition to a zero-carbon economy by 2050.

The analysis of GHG (Greenhouse Gas) emissions is now strategic in reducing climate impact and central to the quantification, monitoring, reporting and reduction of greenhouse gases. For this reason, Marcegaglia has long been committed to publicly reporting its Corporate Carbon Footprint, in accordance with the GHG Protocol methodology (Scope 1, Scope 2 and Scope 3) and in relation to the categories required by the international standard ISO 14064.

Scope 1 represents direct emissions from installations within the organisation's boundaries that use natural gas and LPG in combustion processes, as well as process emission and fossil fuels used in heating systems, transport and vehicle fleets; Scope 2 relates to indirect emissions from the withdrawal of energy from the grid (electricity, steam, heat or cooling); Scope 3 counts all other indirect emissions, i.e. emissions upstream and downstream of industrial activity.

Furthermore, Marcegaglia Steel, with its main production sites, already participates in the European Union's Emissions Trading System (EU ETS), adopted to control emissions and achieve CO₂ reduction targets in key industrial sectors, and in the Carbon Border Adjustment Mechanism (CBAM), relating to the creation of a market for CO₂ allowances linked to the production and import of products from non-EU countries.

At the same time, attention is also focused on the Product Carbon Footprint through the life cycle assessment aimed at quantifying the carbon content, both through the Environmental Product Declaration (EPD) as well as according to the methodology provided by the ISO 14067 standard.

Our targets

In the **short term**, by **2027**, the decarbonisation plan envisages, for the steel processing segment, a 12% reduction in Scope 1 and Scope 2 (market-based) emissions intensity compared to the 2021 baseline, through interventions in the fields of logistics, internal handling, utilities, renewable energy and technological improvements aimed at ever-greater energy efficiency.

In the **medium term**, by **2030**, Scope 1 and Scope 2 (market-based) decarbonisation targets will be consolidated and significantly extended to reduce carbon dioxide emissions by at least 30% compared to the 2021 baseline.

This crucial second phase involves the implementation of important projects such as the "Carbon Capture" of the CO₂ emitted by the cogenerator and future production plants at the Ravenna facility, and also the transition to new technologies that do not involve the further use of fossil fuels.

The commitment and planning for the use of energy from renewable sources continues, both through the installation of new photovoltaic systems and through contractual instruments such as Power Purchase Agreements (PPAs) and procurement of energy with Guarantees of Origin (GO). In addition to this, it is intended to resort to low-carbon energy sources, such as nuclear power, particularly for foreign operations.

With regard to the planned technological improvements, these will mainly concern: the enhancement of mathematical models to facilitate dialogue between production lines and the reduction in line set-up times; the digitisation of cold transformation processes of coils; the integration of high-tech sensors and devices into the main production processes to carry out online checks; the robotisation of processes and the electrification of plants.

In addition to the above, in the field of logistics and internal handling, there are plans to modernise the facilities serving the port docks, build automated warehouses for the transport of semi-finished and finished products inside and outside industrial buildings, replacing the current diesel-powered vehicles, and electrify the vehicle fleet. Further measures will concern the energy efficiency of auxiliary systems, such as the revamping of cooling systems, the relamping of lighting systems and the installation of heat recovery systems.

With regard to Scope 3, in the -30% target for 2030 the procurement of raw materials plays a fundamental role: the Marcegaglia Group is investing in its production facilities in Fos-sur-Mer and Sheffield, which are based on electric furnace technology, and in the supply of raw materials from the Swedish company Stegra, where Marcegaglia not only acts as an investor but also plays a strategic role as an industrial partner. It is also essential the engagement of the supply chain, which is required to share data relating to both product and organisational carbon footprint.

Finally, work is underway to accelerate the transition from road to rail and sea transport; of particular note is the ambitious project to build a new 11-kilometre railway link between Castelluccio station and the Marcegaglia plant in Gazoldo degli Ippoliti, which also includes a new railway terminal serving the industrial area of the municipalities of Gazoldo degli Ippoliti and Rodigo.



Long-term projects (2030-2050) concern strategies aimed at pursuing the targets of the steel market's evolution and integration, which will lead Marcegaglia to carbon neutrality – Net Zero – by 2050. The process of complete decarbonisation will be pursued through technological development and the use of low-carbon energy sources such as nuclear and renewables, shifting towards biofuels and hydrogen.

Circular economy projects, increased digitalisation, Artificial Intelligence and Machine Learning, the spread of Carbon Capture projects, and the electrification of processes and vehicle fleets will be fundamental.

All these long-term targets will be developed with the utmost attention to the supply chain, which will be one of the strategic factors.

To better reflect the dynamic nature of our organisation, the industrial development of our sites and corporate acquisitions, the specific targets are based on CO₂ emissions intensity and their update is scheduled on an annual basis. The data are shared publicly through Sustainability Reporting. This policy is subject to periodic review, both in terms of the achievement of targets and to assess its alignment with technological developments and corporate transformations.

Gazoldo degli Ippoliti, 24th September 2025


Chairman and CEO
Dott. Antonio Marcegaglia
Vice Chairman and CEO
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