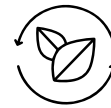


Our Sustainability Strategy

Our business strategy is built on **four commitments** and grounded in driving sustainable solutions for our clients and communities:



Sustainability – identifying opportunities to streamline industrial processes, resulting in increased efficiency;



Innovation – devising novel solutions to age-old problems;



Reliability – using our in-depth expertise to ensure our solutions last well into the future; and



Safety – making workplaces safer.

1. Our Material Topics

We performed our first **materiality assessment** in 2022 to identify the most relevant environmental, social, and governance (ESG) topics. This assessment, as well as the whole reporting project, was coordinated in-house by our dedicated, interdisciplinary **Sustainability Project Team**, supported by the **Operative Committee** – which includes representatives from all Tenova Business Units and Functional Areas – and overseen by the **Sustainability Steering Committee**, which validated the results of the assessment (see **Governance and ESG Management**, pag. 55).

Tenova's materiality assessment was characterized by an emerging approach called **"double materiality"** that considers both impact materiality and financial materiality¹. The methodology used included quantitative and qualitative elements. The first part was carried out with a survey covering 25 ESG topics completed by over **200** internal and external stakeholders, which was then followed up with stakeholder interviews to gain more granular insights.

As part of our **Sustainability Framework**, we have organized our material topics under **three pillars** to guide our strategy and action planning.

Tenova's Material Topics² are:

Environment	Social	Governance and Business resilience
Energy transition	Health and safety	Business ethics, anti-corruption, and compliance
Energy efficient technologies	Product safety and quality	Transparency and reporting
Environmental impact of products and services	Employee well-being	Responsible procurement
Circular economy	Employee hiring and retention	Human rights
Climate impact of operations	Employee benefits and compensation	C-level accountability for ESG issues
Waste disposal and recycling	Employee training and development	Sustainable behavior promotion
Sustainable innovation and R&D	Diversity, inclusion, and equal opportunity	Sustainability advocacy
Digital transformation of processes		

¹ A sustainability topic is material from an impact perspective if the organization is connected to actual or potential significant impacts on people or the environment related to the sustainability topic over the short, medium, or long term. A sustainability topic is material from a financial perspective if it triggers financial effects on the organization. (Source: EFRAG (European Financial Reporting Group) [Draft] European Sustainability Reporting Standard 4 Sustainability material impacts, risks, and opportunities).

² For a list of definitions of material topics, please see the **"Material Topic Definition"** paragraph in the Appendix.

2. Our Sustainability Framework

After identifying our priority issues through the materiality assessment, we developed a **Sustainability Framework** to drive purposeful action on our material issues and clearly demonstrate our **sustainability ambition**.

For this scope, we activated a **participatory process** involving leaders and key internal stakeholders to co-design this sustainability framework including a shared sustainability ambition. This is the resulting ambition:

“We lead the way towards the sustainable transformation of our industry.

We enable our people, clients, suppliers, and stakeholders to grow and innovate while caring for the well-being of our planet.

We contribute to a resilient and fair world by operating responsibly.”

This ambition represents the overarching mission that Tenova is committed to activate along the main focus areas and sustainability actions under **three major pillars**, which relate to our impact on the ESG topics:

- **We Transform Business**
Helping our clients and suppliers transform to operate within planetary boundaries
- **We Build Trust**
Empowering our employees and reinforcing mutual trust with all our stakeholders
- **We Act Transparently**
Being transparent within our organization and with our stakeholders

Transformation, Trust, and Transparency are the three concepts underpinning these three pillars. It is no coincidence that they all start with the “T” of Tenova – this underscores our intention to deeply embed sustainability within our business. Presenting our pillars using “we” statements makes them more concrete while adding our personal Tenova touch.

We take action on our material topics as organized in the following Framework. In order to strengthen our Sustainability Framework, we prioritized the **Sustainable Development Goals (SDGs)** that Tenova contributes to and focuses on, reported at the bottom of the pillars.

Sustainability ambition

The pillars

The focus areas

We **lead the way** towards the sustainable **transformation** of our industry.

We **enable** our people, clients, suppliers, and stakeholders to grow and innovate **while caring** for the well-being of our planet.

We **contribute to a resilient and fair world** by operating responsibly.

WE TRANSFORM BUSINESS

Helping our clients and suppliers transform to operate within planetary boundaries.

Developing sustainable solutions & technologies

Investing in sustainable innovation, R&D, and Digital Transformation

Accounting responsibly for our direct environmental impact



WE BUILD TRUST

Empowering our employees and reinforcing every day the mutual trust with all our stakeholders.

Providing a safe working environment

Caring for our employees & providing equal opportunities

Managing talent, empowering and training employees

Developing safe-by-design technologies

Strengthening our collaboration with communities and stakeholders at large



WE ACT TRANSPARENTLY

Being transparent within our organisation and with our stakeholders.

Operating an ethical business

Communicating our impact openly and responsibly

Engaging suppliers for a sustainable and resilient supply chain, and providing supply chain transparency

Embracing sustainable finance principles



3. Stakeholder Engagement



Our **key stakeholders** are shareholders, employees, suppliers, clients, business partners, trade associations, peers and competitors, community members, academics, and the media.

We engage with our stakeholders through direct outreach, events, and by soliciting their feedback through avenues like our materiality assessment. We prioritize communication with our stakeholders because we carefully consider their perspectives on how our business impacts them. For further information on Tenova's stakeholder engagement practices, please refer to the section "**Stakeholder Engagement**" in the Appendix.

We are members of several global associations within the metals industry. Tenova is an executive committee board member of the: European Steel Technology Platform (**ESTEP**), Italian Association for Metallurgy (**AIM**), Lombardy Intelligent Factory Association (**AFIL**), and Association for Iron and Steel Technology (**AIST**)'s Mexico Chapter, through which we highlight ESG issues that are important to our industry.