

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;

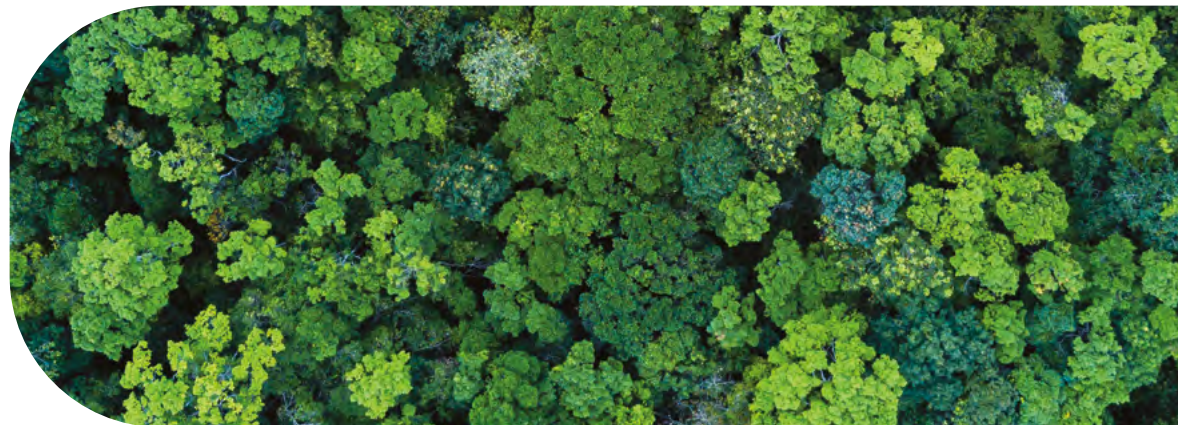


**Safety** – making workplaces safer;

# Our Sustainability Strategy



# Our **Material Topics**



Tenova Group's 2024 sustainability performance reporting is grounded in a thorough **materiality assessment**, aimed at identifying the **most relevant environmental, social, and governance (ESG) topics** for both the Group and its stakeholders. This approach enables us to **ensure transparent disclosure** while effectively guiding the Group's broader sustainability strategy.

Looking ahead, in the coming reporting cycles, the Group is expected to fall within the scope of the Corporate Sustainability Reporting Directive (CSRD), the EU directive requiring companies to report their relevant sustainability performances in a more detailed and comprehensive manner. This transition would mark a significant milestone

for the Group, which has already been engaging in voluntary sustainability reporting since 2022.

We are closely monitoring the evolution of advanced sustainability disclosure requests and standards, with the goal of enhancing transparency and accountability in how we communicate our impacts, always with a view toward **continuous improvement** and **alignment with stakeholder expectations**.

To that end, we have chosen to incorporate targeted developments designed to gradually align with the potential upcoming reporting requirements. One such development concerns our materiality analysis: in 2024, we conducted an **impact materiality assessment**

in accordance with the methodology set forth in the **GRI Standards**, and in alignment with the **European Sustainability Reporting Standards (ESRS)** which are the current European reporting standards enforced by the CRSD at the time of writing this Report.

The materiality assessment, as well as the whole reporting project, was carried out by our dedicated, interdisciplinary **Sustainability Project Team**, supported by the **Operative Committee** – which includes representatives from all Tenova Group Business Units and Functional Areas – and overseen by the **Sustainability Steering Committee**, which validated the results of the assessment (see Governance and ESG Management, p. 79).

## The materiality assessment process was developed over several key phases:

### 1) Context Analysis:

In the initial phase, Tenova Group conducted an **overview** of its operations, business relationships, sustainability context, and key stakeholders. This step was essential in **identifying the topics of interest** and the main impacts of the Group.

### 2) Identification of an Impact Long List:

Once the **relevant topics** were defined, each was **broken down** into single **impacts**, both positive or negative, actual or potential, arising from Tenova Group's activities and operations with respect to the environment, the community, and other stakeholders identified in the previous phase. Each identified impact was, in turn, **linked to** the corresponding topics, sub-topics, and sub-sub-topics outlined in the **ESRS framework**. As a result, a long list of sustainability-related impacts was identified as relevant to the sector and potentially material for the Group.

### 3) Assessment of Impact Significance:

The significance of each impact was then **evaluated across different dimensions**, following the requirements of the Reporting standards. In the evaluation process,

we took into consideration scale, scope, irremediable character, and likelihood of each impact. The impact evaluation was assessed by engaging **key internal** and **external stakeholder groups** in a voting process. At this stage, a stakeholder engagement activity was conducted, considering the input and views of over 700 internal and external stakeholders, and has resulted in a shortlist of **relevant ESG topics** connected to impacts. Further details on this engagement process are provided in the following chapter "Stakeholders' contribution to our Materiality assessment."

### 4) Materiality Threshold and Impact Prioritization:

Following the assessment of all impacts potentially relevant to the Group, a **materiality threshold was established** to determine which impacts are the most significant for the Group. All the impacts scoring above this threshold were included in the final list of **material impacts**. More specifically, the materiality threshold was defined by identifying as material those impacts that resulted from a combination of relevance (based on the criteria taken into consideration during the evaluation process) and likelihood, according to a risk-based approach.



As part of this year's impact **materiality assessment**, the Group **considered its entire value chain**. Although comprehensive data on value chain impacts is not yet available, an initial evaluation was carried out to identify and estimate the most relevant areas. Going forward, the Group intends to strengthen its monitoring systems to progressively integrate these aspects and enhance the overall coverage of its ESG performance.

The following list includes the ESG topics that have been identified as **relevant for the Group's own operations** as a result of the materiality assessment and that will be further disclosed in the present Report<sup>1</sup>:



This analysis represents a key building block for our forthcoming **double materiality assessment** (both inside-out and outside-in perspectives), as required by the CSRD framework.

<sup>1</sup> For the complete results of the impact materiality assessment, listing the most significant sustainability impacts of the Tenova Group (own operation and value chain), please refer to the table in the Appendix, within the section titled "ESG topics and impact scope."

# Stakeholders' Contribution to our Materiality Assessment

At Tenova Group, **stakeholder engagement is not a formality; it is a core principle**. We recognize that our stakeholders are not only affected by our activities, but also key users of the sustainability information we disclose. For this reason, we placed their voices at the center of our materiality assessment process.

To capture a complete view of our **actual and potential impacts**, we actively engaged both **internal and external stakeholders**, including Techint Group representatives (Tenova is one of Techint Group

companies). The goal was to gather insights that truly reflect the complexity of our operations and the breadth of our sustainability footprint.

We began with a series of **in-depth interviews**, involving internal stakeholders whose perspectives are critical to our strategic direction: among them, the **senior management of both Tenova and TAKRAF** were engaged, alongside representatives from core ESG-related functions, such as **Corporate Communications, Legal & Compliance, QHSE, Human Resources, Supply Chain**, and **Research & Development**. These

conversations helped us understand not only the operational impacts but also the broader strategic risks and opportunities.

To deepen the analysis, we incorporated the voices of our **Business Unit Leaders**, whose direct knowledge of our technologies, processes, and customer applications enabled us to examine the impacts generated across the value chain more closely, in line with the reporting standards' requirements.

At the same time, we conducted a **targeted survey** with four key stakeholder groups, chosen for their ongoing relationship with the Group, and their exposure to ESG themes:



**Employees**



**Suppliers and Business Partners**



**Customers and Techint Group Representatives**



**Banks and Financial Institutions**

This engagement strategy provided us with a comprehensive view of our sustainability impact, aligned with our ambition to be accountable and continuously improve our understanding of the Group's impacts.



# Our Sustainability Framework

To drive purposeful action on its impacts and clearly demonstrate its sustainability ambition, in 2023 Tenova developed a tailored **Sustainability Framework**, initiating a **participatory co-creation process** by engaging leaders and key internal stakeholders alike to jointly define this framework and articulate a shared sustainability vision for the company.

The resulting framework is structured around **three strategic pillars**:

- **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 operating responsibly.

**Transformation, Trust, and Transparency** are the foundational concepts that guide these pillars. It is no coincidence that each begins with the letter “T”, a clear signal of our intention to embed sustainability at the very heart of **Tenova Group’s identity**. Presenting them through “we” statements makes our commitments more concrete, while adding a distinctively personal and collective Tenova touch.

The material topics identified through the **2024 impact materiality assessment** at the Group level are naturally aligned with the three pillars, ensuring that the related significant impacts are addressed through a consistent and strategic approach.

Furthermore, each pillar has been mapped in relation to the **United Nations Sustainable Development Goals (SDGs)**, placing Tenova Group’s strategy within a broader global framework for sustainable development.



Our 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.

Our pillars

**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 operating responsibly.



Our focus areas

- Developing sustainable solutions & technologies
- Investing in sustainable innovation, R&D, and Digital Transformation
- Developing safe-by-design technologies



Impact from business

- Providing a safe working environment
- Caring for our employees & providing equal opportunities
- Managing talent, empowering and training employees
- Accounting responsibly for our direct environmental impact
- Strengthening our collaboration with communities and stakeholders at large



Impact from our own operations

- Ethically operating our 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

