

# We Act Transparently

Being transparent within our organization and with our stakeholders



At Tenova, we believe in leading by example. We recognize that the leadership position we have earned in the metals industry comes with important responsibilities. We aspire to be a trustworthy partner for our stakeholders and a driver for exemplary behavior within our industry. Therefore, we have chosen to adopt comprehensive, far-reaching internal policies

that govern both the behavior of our employees and our relationships with outside stakeholders.

In this section, we report on how we advance transparency in our highest governance bodies and policies, ensuring our employees behave in ethical and principled ways that reflect our company's values.

# 1. Governance and ESG Management

Tenova Group is headed by **Tenova S.p.A.**, based in Italy and led by a five-member **Board of Directors**, including our Chairman and key persons leading relevant disciplines including HR, Finance and Accounting, Business, and Markets bringing a diversified range of experiences. With reference to local Tenova Group companies, Boards of Directors are generally composed of the local business manager, the head of the relevant BU, and the local CFO. Each Board of Directors makes strategic decisions on the organization's direction and considers sustainable development. Alignment of activities with our values and mission are determined by the Boards of Directors and the CEO.

The Tenova S.p.A. Board is supported by two management committees, the **Compliance Committee** and the **Risk Committee**. Additionally, Tenova S.p.A. is supported by the **Supervisory Body (Organismo di Vigilanza)**, in accordance with Italian Legislative Decree n. 231/2001. Management of our ESG issues sits with the Risk Committee.

**Sustainability** is at the heart of our business and our values. We have created **three management bodies** to benchmark our progress, create goals, monitor progress, and cascade accountability across the organization:

- Our nine-member **Sustainability Steering Committee** devises our overall strategy on sustainability and sets our goals. It determines the right partners to achieve our goals and creates an action plan.
- The Steering Committee is supported by the **Sustainability Project Team** which manages projects created in the action plan, coordinates with relevant partners, monitors progress against KPIs, and keeps projects running on schedule.
- Finally, our **Operative Committee** communicates the strategy, goals, and action plan across the organization and cascades responsibility for projects to the appropriate groups within Tenova.

Progress against our goals and action plan is reported to the Board's Risk Committee by the Sustainability Steering Committee at least twice a year. Ultimately, our **C-level executives** are accountable for progress against our sustainability vision, so we tie their annual compensation incentive to performance on sustainability.

## Tenova Board of Directors as of December 31<sup>st</sup>, 2022<sup>1</sup>

### GRI 2-9 Governance structure and composition

Member name	Gender	Executive and non-executive members <sup>2</sup>	Competencies relevant to the impacts of the organization
Andrea Alberto Lovato	M	EXECUTIVE	Business and markets
Federico Metzger	M	EXECUTIVE	Human resources
Roberto Pancaldi	M	EXECUTIVE	Business and markets
Gianfelice Rocca <sup>3</sup>	M	NON-EXECUTIVE	Strategy, business
Michele Zerbi	M	NON-EXECUTIVE	Administration, finance, internal controls

### GRI 405-1 Diversity of governance bodies<sup>4</sup>

Tenova Spa Board of Directors	2021		2022	
	Number	Percentage	Number	Percentage
By gender	5	100%	5	100%
of which female	-	0%	-	0%
of which male	5	100%	5	100%
By age group	5	100%	5	100%
under 30 years old	-	0%	-	0%
30-50 years old	1	20%	1	20%
over 50 years old	4	80%	4	80%

<sup>1</sup> All Board of Directors members are not independent and do not belong to under-represented social groups. Furthermore, they all have a tenure of 1 year and represent their main stakeholder of reference, which are the shareholders.

<sup>2</sup> The term "Executive" is used according to the definition provided by the "Codice di Autodisciplina delle società quotate"

<sup>3</sup> He is a Board Member in 2 listed companies and in various companies of Techint Group or other institutions in the education realm.

<sup>4</sup> The reported data refer only to Tenova S.p.A.

## 2. Compliance and Ethics

The metals industries are closely regulated and Tenova is committed to continuing to comply with all local, regional, and national regulations in the localities in which we operate. In Italy, Tenova S.p.A. adopted an **Organization, Management, and Control Model** in accordance with the requirements of Italian Legislative Decree Number 231/2001 and the criteria established by the main trade associations. The model is defined and tailored based on risks specific to Tenova S.p.A. and updated through periodic risk assessment activities.

All Tenova employees are required to conduct business activities in compliance with Tenova ethics and integrity values, existing guidelines, rules, and internal regulations. Every employee is expected to honor our **Code of Conduct**, including being transparent about conflicts of interest in compliance with **Tenova Transparency Guidelines**, immediately notifying the company (in writing) of potential issues, and acting at all times in a transparent, proper and honest manner in order to best protect the company's interests.

The **Compliance Committee** oversees our internal control system, which is designed to reinforce our existing compliance-oriented corporate culture. The system consists of a set of principles, rules, and procedures designed to guarantee efficient and effective management of all business processes. Our **Compliance Department** supports the definition of the system's processes and controls, while our **Internal Audit Department** provides independent, objective analysis designed to monitor system effectiveness.

As part of our ongoing commitment to fair and transparent business practices, in 2017 we joined the **Metals Technology Initiative (MTI)**. Hosted by the **Basel Institute on Governance**, MTI provides a forum for members to develop anti-corruption compliance practices and safeguard fair competition in the metals industry. MTI members pledge to prohibit bribery, maintain robust internal control systems, compete fairly in the market, address key ethics risks in the industry, and share best practices.



## Code of Conduct

Our **Code of Conduct** outlines our expectations for employee behavior, guaranteeing ethical and responsible conduct company-wide. This includes appropriate interactions with clients, suppliers, and third parties in general, as well as rules against any type of discrimination, and more. **All employees are required to accept our Code of Conduct** at the end of the recruitment and hiring process, as well as periodically during campaigns aimed at reinforcing the awareness of the Code and its principles. Our **Tenova Anti-Bribery Policy** outlines values, principles, and responsibilities that we adopt to fight corruption. We additionally comply with the OECD Anti-Bribery Convention, the UN Convention Against Corruption,

the U.S. Foreign Corrupt Practices Act, the U.K. 2010 Bribery Act and Italian Legislative Decree 231/2001. According to **Tenova Transparency Guidelines**, employees and Board Members are also required to declare any conflicts of interest whenever they occur during their tenure. We have set a goal for 100% of employees to complete a conflict-of-interest declaration. In 2019 and 2020, we ensured that 99% of existing employees had completed one. Thereafter, new hires are required to complete one when they are onboarded. As it is a continuous process, we estimate 95% or more of our employees have completed the declaration to date.

We also have a **whistleblowing procedure** open to all Tenova personnel and external parties. Reports can address issues of conduct relating to entities, employees, and external collaborators with which the company operates or maintains business relations. Whistleblowers can email our Audit or Compliance Departments directly, or through internal or regular mail. The confidentiality and data protection rights of whistleblowers are guaranteed and good faith whistle-blowers are protected from retaliation. Information on how stakeholders can make a report are available on **Tenova's website** and through our intranet site.

## Data Privacy and Security

Protecting the data of our employees, customers, and partners, and securing our infrastructure from cyberattacks is a top priority for Tenova. We adhere to the highest standards of **data privacy and security** in the countries where we operate, including GDPR.

### Cybersecurity

We have several policies aimed at **mitigating cyber risk**, including a mobile device management policy, access control policy, and security incident procedure. We have a **Cybersecurity Roadmap** that outlines key safeguards we maintain and identifies potential threats as they arise. Risks we monitored closely in 2022 included data loss prevention, security

information, and event management. We utilize tools such as AI and machine learning to help us continuously monitor for and identify potential security risks. In 2021 and 2022, no substantiated complaints concerning breaches of customer privacy and losses of customer data occurred at Tenova companies included within this report's scope.

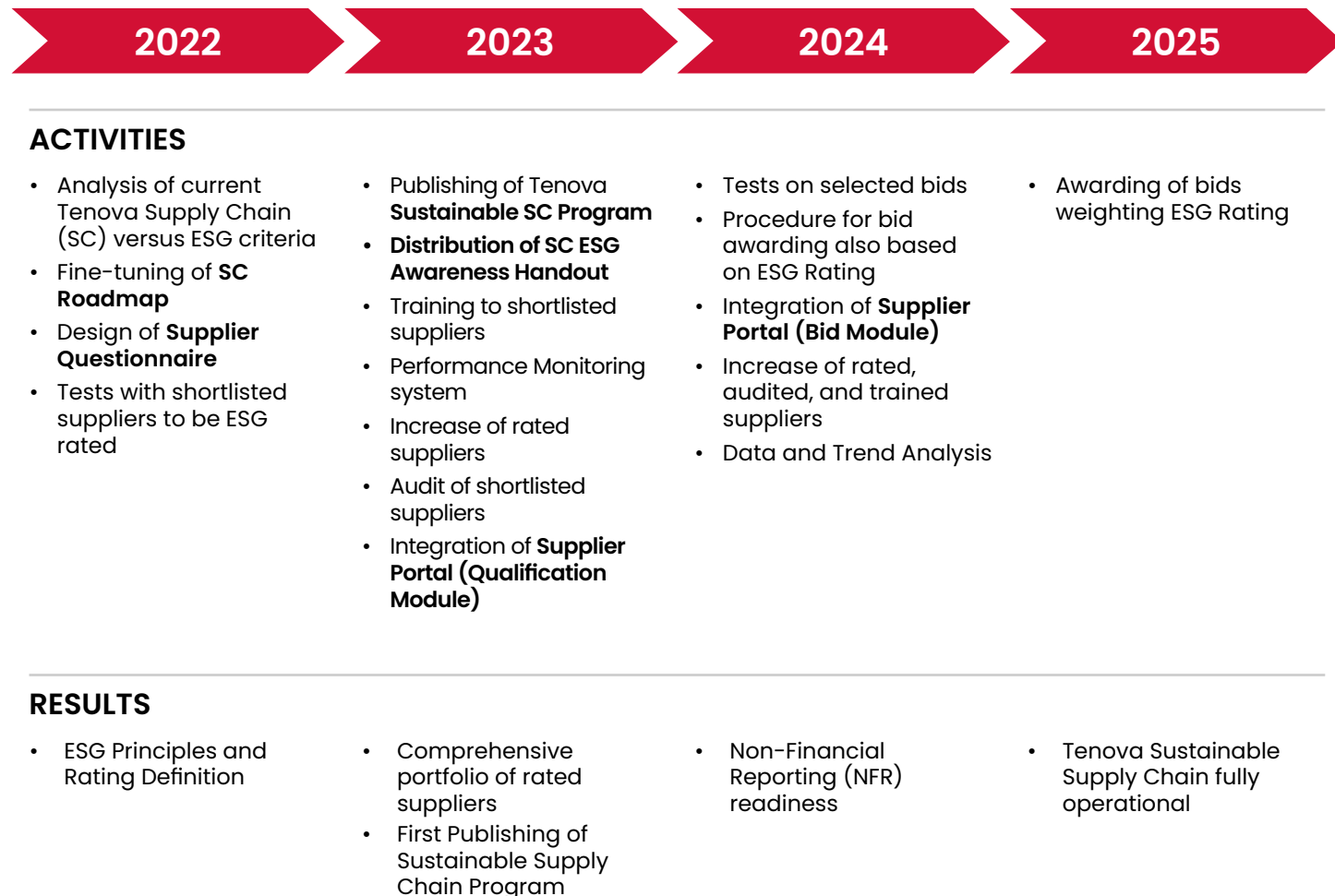


# 3. Our Supply Chain

Tenova is a global company with a **global supply chain**. We operate and purchase inputs from around the world, respecting all legal regulations related to procurement in the countries we operate in and purchase from. We expect our supply chain partners to also adhere to all relevant regulations. We approach sourcing from two angles: **strategic sourcing** and **supply chain risk management**. Strategic sourcing prioritizes moving procurement closer to customers and creating longer term contracts for critical components that we purchase in high volumes. Supply chain risk management prioritizes diversifying supplies of key components, enhancing due diligence of existing suppliers, and taking more direct action related to transport and expediting. To address these risks, we prioritize suppliers that have achieved ISO certification which has strict rules related to health, safety, environmental compliance, and more.

In 2022, a **questionnaire to screen suppliers** was developed, covering the main environment, social, and governance areas. The questionnaire was provided to a sample of suppliers representing 36% of purchased volume and representatives of all major procurement legal entities or areas – Italy, Germany, the U.S., India, China, and South Africa. This step was the first in our new **Sustainable Supply Chain Roadmap to 2025**. The ambition of the roadmap is for Tenova to annually determine **actionable steps to enhance our supply chain with best practices** regarding environmental, social and governance criteria.

## Tenova Sustainable Supply Chain Roadmap to 2025



## 4. Human Rights

Tenova pays particular attention to **respecting the culture of the people we work with**, both internally and externally. Our final goal is to create a working environment where equal opportunities, personal development, and equal pay are offered regardless of location. We prohibit discrimination based on gender, religion, origin, nationality, age, sexual orientation, or disability. We also adhere to all human rights laws in the countries in which we operate.

Tenova allows collective bargaining and supports **workers' right to freedom of association**. For our unionized employees, we abide by rules set by the national collective labor agreements in the countries in which we operate, such as the defined notice period. We also condemn child and forced labor and avoid working with suppliers that do not strictly prohibit the use of child or forced labor.

