

# Sustainability Report



# Sustainability Report

fiscal year 2024

# index

message to stakeholders

highlights

### sustainable strategy

our pillars group organization reference context value chain materiality roadmap update

### energy

steam generators decarbonization waste as resource water treatment digital solutions

### environment

air emissions climate water circular economy waste packaging 2

4)

society

our people human rights health and safety human capital diversity and inclusion social support

35)

governance

corporate governance risk management business integrity management systems

44

reporting

sustainability rating key performance indicators methodological notes GRI Content Index 57

70

77

# Message to Stakeholders

### Dear Stakeholders,

the year 2024 and the first months of 2025 marked a pivotal phase for the Sofinter Group. After navigating a period of significant challenges, we are now approaching a turning point in the transformation of our companies: Sofinter – with its divisions Macchi and SWS – together with AC Boilers, Itea, and Europower.

Thanks to the strategic support of the MUTARES international private equity investor, we have laid the foundations for a robust and sustainable relaunch that is not yet complete, but increasingly within reach.

As part of our reorganization, we have reduced our participation in CCA, which will also no longer be directly managed in terms of ESG performance.

This allows us to focus on the core businesses where we can generate the greatest impact and ensure consistent alignment with our sustainability goals. Looking ahead, we anticipate further organizational developments that will enhance the efficiency of our entire structure, including improvements in ESG performance. These changes will enable us to better serve our stakeholders, strengthen our operational resilience, and accelerate our contribution to a more sustainable future.

This Sustainability Report reflects a streamlined and more effective approach compared to previous editions. It is designed to clearly communicate our progress, priorities, and commitments, while remaining accessible and transparent to all our stakeholders.

In the last year, Macchi has celebrated major international successes, including advanced steam generation systems for the Oil & Gas sector and the further development of hydrogen and multi-fuel technologies.

AC Boilers with over 150 years of experience and more than 80,000 MW installed worldwide, continues to lead in utility boiler technology and Waste-to-Energy solutions. Itea has achieved significant progress in the development of a new generation of flameless oxy-combustion pilot plants, confirming its role as a technological innovator in clean energy and waste valorization.

Europower has expanded its role in turnkey energy and water treatment projects, while SWS remains a key player in desalination and industrial water treatment, supporting sustainable resource management.

We are deeply aware of the urgent need to build a future that is energetically sustainable. This means diversifying energy sources, developing more flexible and resilient systems, and ensuring that clean energy is accessible to all.

Our technologies are designed to create real value for our customers, helping them reduce emissions, optimize energy use, and contribute to a low-carbon economy.

None of this would have been possible without the dedication, expertise, and patience of our people. Across all companies and departments, our teams have shown extraordinary commitment in managing this transition and our internal transformation. Their technical skills, collaborative spirit, and resilience have been essential in maintaining operational continuity and driving innovation.

We are deeply grateful for their support and proud to walk this path together. We also extend our sincere thanks to all our suppliers and partners across the value chain, who have stood by us during this period of transformation. Their collaboration, flexibility, and shared commitment to quality and sustainability have helped us strengthen our partnerships and overcome critical challenges. Together, we have built a network of trust and

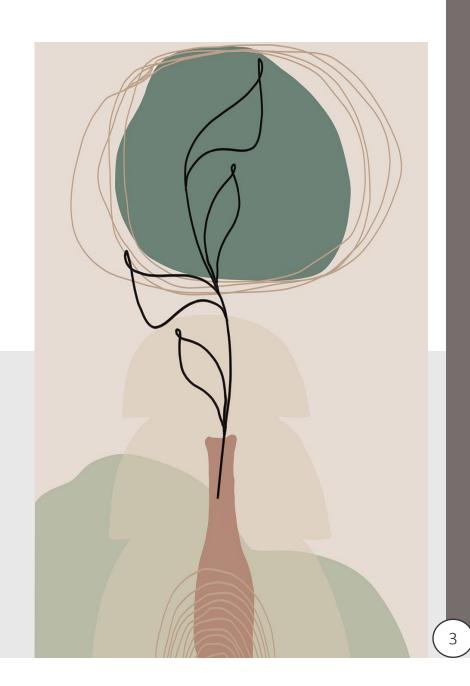
innovation that will continue to support our long-term goals.

Throughout the year, we have undertaken a path of growth and collaboration, engaging with our stakeholders — including our valued clients in the Energy, Industrial, Oil & Gas sectors and beyond — to co-create solutions that are both innovative and responsible. This dialogue has been essential in shaping our strategy, improving our technologies, and reinforcing our shared values. We are proud of the milestones achieved, but we remain focused on the future.

Our goals are ambitious, and our commitment is unwavering. Together, we can build a more sustainable, resilient, and inclusive energy landscape.

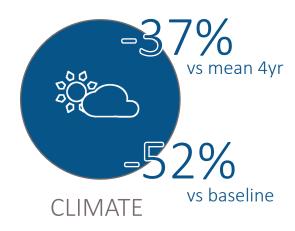
Sincerely,

*Marco Ernesto Donghi* **CEO – Sofinter S.p.A.** 

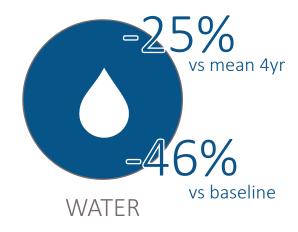


# Highlights

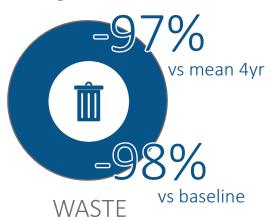




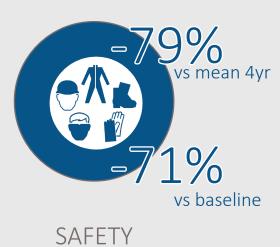
### water consumption



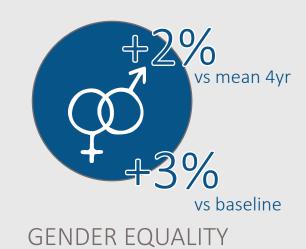
dangerous wastes



injury reduction

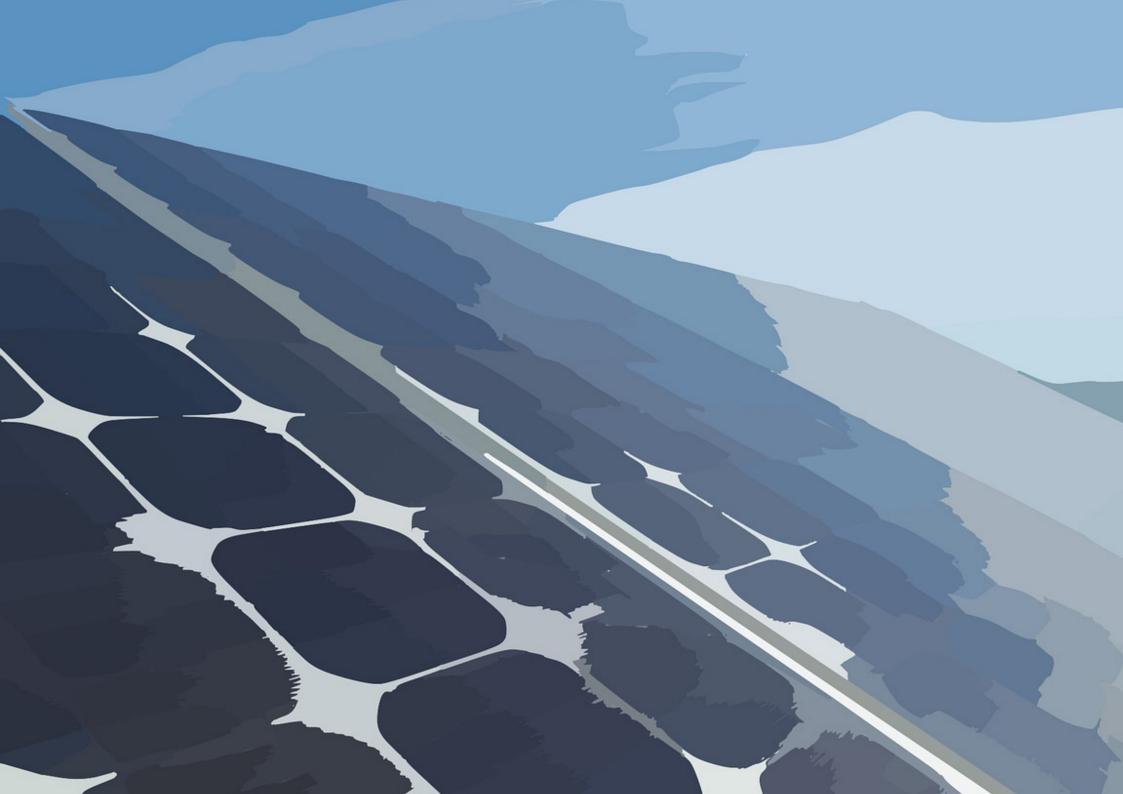


female representatives



ISO 14001-45001







Since 2022, the Sustainability function has been active within the Group, with the aim of placing a structured and strategic focus on the Environmental, Social, and Governance (ESG) pillars. Dedicated resources have been allocated to develop policies that support sustainable growth and long-term profitability.

In addition to incorporating the former Environment, Health and Safety (EHS) department, the Sustainability function actively collaborates with the People & Culture department for the analysis, development, and monitoring of data related to the Social pillar. It also works closely with the Legal function on Governance-related matters, promoting new initiatives and projects aimed at strengthening the Group's ESG framework.

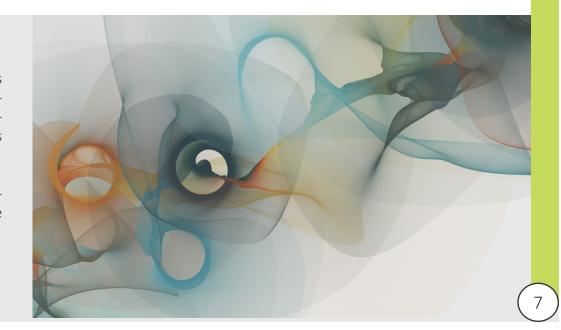
Furthermore, the Sustainability function is an integral part of the Gender Equality Committee, working alongside selected female colleagues to promote gender equity and support inclusive policies and practices across the organization.

ESG performance is regularly reviewed by the Sustainability Board, which includes the CEOs of all Group companies and senior executives. These evaluations are reported to the Board of Directors of Sofinter S.p.A., the Group's highest governing body responsible for overseeing the organization's impact on the economy, the environment, and society.

The Group's commitment to sustainability is formally expressed through the publication of its "Sustainability Strategy" a document that defines its approach to ESG matters and represents a key milestone in its ongoing journey toward responsible and sustainable business practices.

The function plays a central role in coordinating sustainability initiatives across all business areas. It works with the Commercial team to meet customer expectations and ESG rating requirements, collaborates with Operations to improve environmental and energy performance, and supports Engineering in the sustainable development of products.

It also engages with Management to implement projects that promote employee well-being and enhance corporate governance, while assisting the Purchasing department in assessing the sustainability of the supply chain.



"Conducting a business sustainably from an economic, social, and environmental point of view is a fundamental value for the Sofinter Group, which, at this particular historical moment, in an energy context in full transformation, is indissolubly linked to the development of the Energy business.

Integrating Sustainability into the strategy and activities of a company represents the achievement of the Group's path of progressive evolution, which has led over time to an increasingly strong involvement of all stakeholders, whose interests, expectations, and needs are the foundational elements for decision-making processes and the creation of such value.

Sofinter Group, reinforcing what is indicated in the Ethical Code of its companies and in the Management Systems Policies, aims to guide the business in an integral, inclusive, responsible, and sustainable way. It draws inspiration from the Ten Principles of the United Nations Global Compact, which stem from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

Sofinter Group operates through the Environmental, Social, and Governance pillars with the involvement of the entire value chain, requiring the commitment of its Suppliers and demonstrating the results achieved to Customers, Institutions, the local Community, and all stakeholders.

### **Environment**

The Group is aware that the activities of building large steam and energy generation plants have impacts on the environment.

For this reason, it is oriented towards the prevention of such impacts already in the research, development, and design phase, achieving greater efficiency in the use of fuels and studying to make new alternative energy sources to fossil fuels operational as soon as possible, where feasible.

This contributes to the reduction of emissions into the atmosphere and the fight against climate change, as well as the rationalization and reduction of raw materials and natural resources used in the subsequent construction phase, in collaboration with its supply chain.

The development of performance monitoring systems and predictive maintenance for components and spare parts of plants installed at customer sites also allows for additional environmental benefits in terms of emissions, material use, and waste management, while simultaneously extending the life of the plant, delaying its revamping and final decommissioning.

### **Social Sustainability**

The Group's strength and vitality are founded on people. The centrality and development of human capital in the transformation of businesses and companies represent the main engine for generating new ideas, developing technologies, innovative products, and offering excellent services. The commitment is therefore focused on searching, selecting, and retaining talent, valuing human resources and supporting them in the development of their careers, structuring new methods to identify professional and personal needs, increasing competencies, and social and work well-being.

The Group is also active in ensuring a workplace based on the principles of gender equality, respect for differences, and the promotion of inclusion, supporting the effort to create a corporate culture against discrimination and the spread of stereotypes.

Fundamental remains the corporate responsibility towards the protection of human rights, the fight against child labor, and the improvement of safety and health at work, supporting a participatory process of risk management and reduction, and raising awareness among all staff to promote and disseminate such values.

### Governance

The companies of the SOFINTER Group have structured a Corporate Governance system in compliance with civil law regulations, the self-regulation principles set by the competent authorities, and the best international practices. Within this system, the foundational elements of corporate governance are ensured, in the interest of Shareholders, Employees, Collaborators, and all those who enter into business relationships or come into contact with the Group. These elements include compliance with regulations, crime prevention, and the fight against corruption in all its forms, in a transparent, objective, and documented manner.

To achieve these goals, an Ethical Code, Anti-Corruption Manual, and Export Control System Manual have been adopted, valid for all the companies of the Group; an Organization, Management, and Control Model pursuant to Legislative Decree 231/2001 by the Parent Company and the main Italian subsidiaries; specific policies on Quality, Safety, and Environment implemented through Management Systems compliant with ISO standards.

In addition to the Supervisory and Control Bodies required by law, the Group has also equipped itself with an Internal Control and Risk Management System, structured on the basis of recognized international guidelines; the management and monitoring of strategic, operational, compliance, and financial risks are an integral part of the corporate business model.

Furthermore, the SOFINTER Group, in addition to acting according to the principles of the Global Compact, integrating them into its strategy and activities, intends to commit to pursuing some of the 17 Sustainability Development Goals defined by the United Nations 2030 Agenda, focusing primarily on those that are technically feasible and applicable to its reality, in order to contribute to solving social and environmental challenges through collaboration and technological innovation.

The degree of achievement of objectives and the results of Environmental, Social, and Governance performances will be periodically monitored and evaluated in corporate reporting documents and collectively accounted for in a Sustainability Report. Through this report, the Group intends to maintain an active dialogue with all stakeholders and reaffirm its commitment and full responsibility in the sustainable evolution of the Energy world".

### **Sofinter Group**

### our pillars

Sofinter Group: the most agile and ready global reference for steam generation. For chemical, industrial, and energy players, our Group leverages the talent and imagination of our people to deliver advanced steam generation technologies that drive the energy transition, through optimized engineering and future-proof solutions.

The Group, active in the international energy market, provides plants and components for the production of steam for industrial use and for the generation of electricity, for waste treatment and incineration, and for water treatment.

Within the Group, about 500 people operate and collaborate, committing through their work to represent and promote our values. Our values are at the heart of Sofinter Group's business sustainability model.

With this report, referring to the 2024 fiscal year for the Italian sites, we intend to share our commitment and our results with the entire community and stakeholders.

### PEOPLE EMPOWER ENERGY TRANSITION

The Sofinter Group envisions a world where the global energy transition is driven by human talent and technological innovation. In this world, advanced Steam Generation (SG) solutions play a critical role in helping creating a more sustainable, efficient, and secure energy future.



### **PURPOSE** - energy transition

To contribute substantially to the energy transition

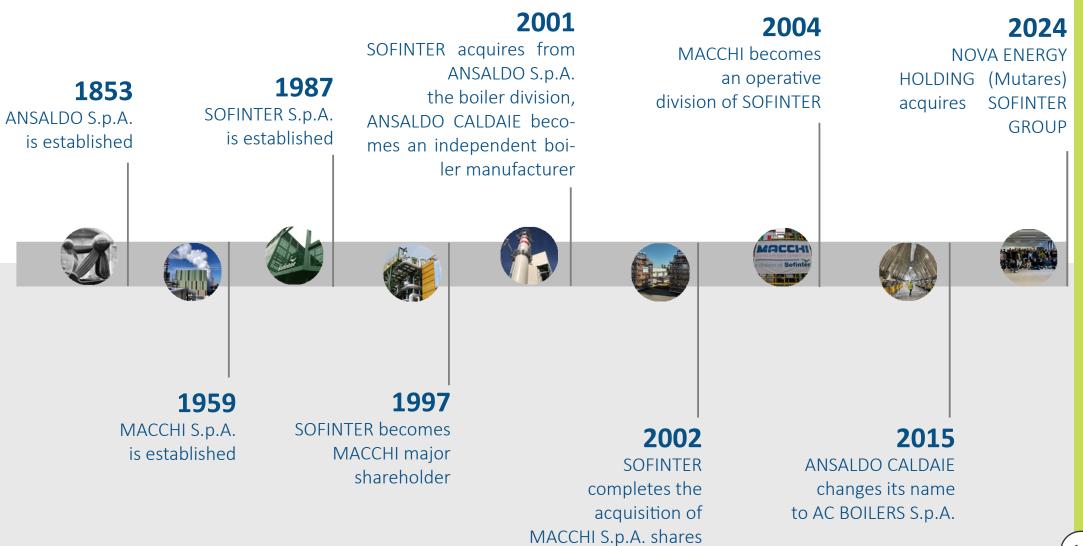
### **PROFIT - empower**

To study, design and create technological and plant solutions to achieve the best results

### **PASSION - people**

To listen, to understand and to accompany customers in an effective, creative and reliable way, leveraging the know-how, talent and work of people

group organization



### group organization







Leading Italian and world-class excellence in the supply of industrial boilers for oil & gas business and heat recovery steam generators for industrial cogeneration systems. Operative division of SOFINTER S.p.A.

Specialized in solutions for industrial water treatment and seawater desalinization. Operative division of SOFINTER S.p.A.

The Sofinter Group, in its current organizational structure is composed of the following companies: Sofinter, AC Boilers, Itea, Europower and represents the evolution of the steam and energy production sector from gas, biomass, urban waste and ensures effective cooperation and sharing of means and tecnologies of the member companies, serving the end customer and the entire community.

Sofinter S.p.A., established in 1987 and including the Macchi and SWS divisions, is the leader of the Group and the owning company, in partnership with other industrial partners, of AC Boilers S.p.A., Europower S.p.A., Itea S.p.A.

Sofinter S.p.A. provides support and services to all the Companies and Divisions of the Group through the departments of Purchasing, Service, Human Resources, Environment and Safety, Legal, Communication, Tecnological Infrastructures, Administration, Finance and Control, Maintenance, and General Services.



Italian original Boiler Manufacturer, providing the full range of Steam Generators and technologies for power industry.



Cutting-edge solution provider in flameless technology for waste incineration applications.



Design, turn-key supply and operation of industrial cogeneration plants and small waste to energy systems.

### group organization



Macchi, a division of Sofinter S.p.A., operates in the design and construction of industrial steam generators and recovery for co-generative cycles (CHP) and boasts a long and consolidated experience in supplies intended for the industrial sector in complex plants all over the world.

### The technologies under the Macchi brand are as follows:

- Industrial steam generators with two cylindrical bodies bearing hori zontal
- (TITAN M) or vertical paths;
- Single-drum radiant-type industrial steam generators (MRD);
- Recovery steam generators downstream of gas turbines (HRSG) for Combined Heat and Power (CHP) cycles;
- Recovery boilers (WHB) on industrial processes.

Founded in 1959 and becoming part of the Sofinter Group in 1997, Macchi was incorporated into Sofinter S.p.A. as an operating division in 2004. On the strength of its know-how, consolidated and perfected over 60 years, Macchi supplies major international Engineering, Procurement and Construction (EPC) companies and International Oil Companies (IOCs) with products manufactured in accordance with the most pertinent technical standards in the industry.

This Division is an important reference in the global market with approximately 600 units still in operation, for which Macchi is able to:

- extend the useful life
- improve efficiency
- increase flexibility on usable fuels

# MECH

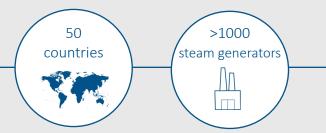
### **Clients and Sectors:**

Oil & Gas: 45%

Chemical: 25% Industry: 10%

Power Generation: 15%

Others: 5%



### group organization



AC Boilers S.p.A., formerly Ansaldo Caldaie, is active in the design, construction and installation of large steam generators including:

- Steam Recovery System Generators downstream of gas turbines for combined cycle plants (Heat Recovery System Generator or HRSGs);
- Biomass steam generators;
- Steam generators for municipal solid waste and waste-derived fuels (Wa ste-to-Energy or WTE plants);
- Power steam generators for steam plants for the production of clean electricity from fossil fuels (Supercritical and Ultra-Super-Critical power plants);
- Combustion systems optimised for NOx reduction (DeNOx);
- Energy Storage Systems

Founded in 1853 as Ansaldo, as a result of the merger of the two leading 20th-century Italian manufacturers, the company was acquired in 2001 by Sofinter S.p.A. under the name Ansaldo Caldaie S.p.A.

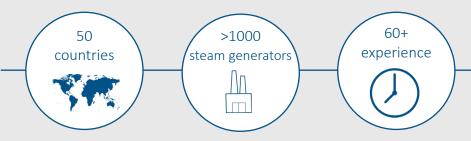
AC Boilers ensures technological operational flexibility, allowing plants designed for base-load service to operate intermittently according to the energy production needs.



# **Clients and Sectors:** Power Generation: 65%

Industry: 17% Oil & Gas: 11%

Chemical: 7%



### group organization

Within the Sofinter Group, Itea S.p.A. is involved in the development and marketing of plants based on the ISOTHERM Pwr® "flameless" Oxy-Combustion pressure technology. Itea is a fundamental component supporting the energy transition as its mission aims to "burn without polluting" and use secondary raw materials that would otherwise be destined for landfill.

The Research and Development division at Itea is of primary importance, being the base for developing new and complete turnkey plants and providing the technical assistance needed to guarantee possible technological solutions for existing plants.



Flameless technology enables the production of low-cost energy (steam and electricity) using lean fuels such as municipal waste, industrial waste, heavy oils, acid gases, petroleum coke and lean-grade coal. This technology ensures a quality of emissions that exceeds the requirements of current environmental regulations, for any combustible/material treated.

ISOTHERM Pwr® technology renders it possible to treat – even simultaneously – combustibles and waste with completely different characteristics and, when applied to the treatment of liquid and/or solid industrial waste, is even capable of treating hazardous industrial waste, including waste accumulated in landfills over decades.





### group organization

SALINE WATER SPECIALISTS

ADDIVISION OF SOFINTER S.P.A.

Europower S.p.A. deals with the design, construction, commissioning, operation and maintenance of industrial plants in the sectors of electricity production, thermal energy, waste-to-energy, biomass plants, waste and water treatment, and industrial utilities.

Founded in 1979 as Commissioning Italia S.p.A. and becoming Europower S.p.A. in 2005, it also designs, supplies, and builds turnkey plants and operates them through a dedicated Operation and Maintenance Global Service team.



Saline Water Specialists (SWS) designs and builds seawater desalination plants and industrial water treatment plants in general. Established in 1996 as an independent company, SWS has created plants for the energy, refining and petrochemical industries.

In addition to desalination, SWS' experience covers all water treatment plants used by power plants and refineries. SWS designs and supplies degassers of any capacity up to 2,000 T/h in a single unit, being capable of operating under the broadest range of operating conditions, including in a vacuum. SWS' experience includes condensate polishing plants for steam cycles in thermal power plants and refineries, realised with ion-exchange resins and both internal and external regeneration.

In 2005, Sofinter acquired all shares from the other partners to became the sole owner of SWS.



### group organization

Although not established as a company, the importance of the Group's Service Department should be emphasised to provide products and services to both Italian and international customers, aimed at keeping steam generators operational as well as their maintenance or complete rehabilitation. These generators can be of Macchi, AC Boilers or third-party manufacture.



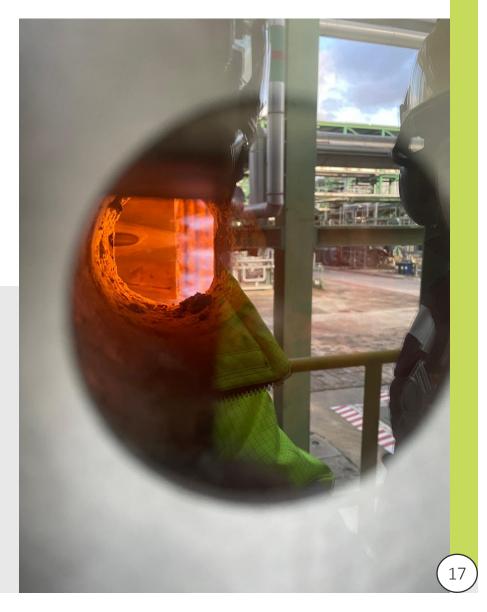
### **Products**

Pressure parts Auxiliary systems Combustion technologies

### **Service development**

- life extension;
- flexible loads;
- performance enhancement;
- LTSA: Long Term Support Agreements







group organization



<sup>\*</sup>including external contractors

<sup>\*\*</sup>not comprised in the scope of reporting

### reference context - stakeholders

In terms of stakeholders, our values are manifested and communicated in different ways to various interested parties: each stakeholder is sensitive to one or more corporate development perspectives, in which they identify their needs, expectations, beliefs, and priorities.

Sofinter Group believes that an adequate system of identification, communication, involvement, and engagement of stakeholders is of fundamental importance in improving the overall sustainability performance of the organization.

For this reason, the Group has developed a policy of dialogue with the various interlocutors to assess individual needs and ensure greater sharing of corporate objectives.

The protection of the environment and territory, the enhancement of social aspects, and the protection of human rights are the main sustainability issues shared with the various stakeholders.

The network of stakeholders of the Sofinter Group, which constitutes the system of internal, external, institutional relationships, and generally represents the context of influence, is shown in the following figure.



# Strategia Sostenibile

### reference context - clients

### **Qatar Connect 2025**

On January 28th, the first edition of Qatar Connect 2025 was held at the MULTAQA Conference Center (Qatar Foundation) in Doha. This Customer Day event was conceived and organized by the Service team, the Marketing team, and our local company NITCO, with the participation of 30 end customers, EPC contractors, and business partners. The initiative was considered a great success based on the feedback received from attending clients.

Qatar Connect 2025 was officially inaugurated by the Italian Ambassador to Qatar.

Qatar Connect 2025

28" January 2025

Soffmer Group

Stand Rower Generation a division of Soffmer

Goinest

Connect

Con

Sofinter teamwork introduced the Group's offering and took part in working groups aimed at listening to our customers' needs. Participants showed strong interest in Macchi and AC Boilers technologies, particularly in emission reduction opportunities through our Ultra Low NOx burners, Plug & Play solutions, and a wide range of Boiler Service products and offerings.

Also highly appreciated were the presentations on SWS water treatment technology and flameless oxy-combustion for waste-to-energy (WTE) by ITEA. The various roundtable discussions organized among customer groups proved particularly effective, offering a platform to exchange experiences, share customer suggestions, and explore ideas for future product development.





### reference context - value chain

Building a sustainable value chain is essential for companies aiming to create long-term resilience, reduce environmental and social risks, and generate shared value for all stakeholders. A responsible value chain promotes transparency, ethical practices, and innovation. This approach not only strengthens compliance with global standards but also enhances competitiveness and trust among customers, partners, and investors.

Over the past few years, the Sofinter Group has integrated the assessment of Environmental, Social, and Governance (ESG) factors into its Supplier Qualification and Selection process, introducing a dedicated sustainability rating for its value chain. This approach, particularly for strategic or critical suppliers, fosters active collaboration aimed at improving ESG performance. Key initiatives include identifying measures to reduce environmental impact, optimizing supply processes, defining and monitoring shared sustainability goals, raising awareness, and promoting continuous improvement in line with the principles of the United Nations Global Compact.

In addition, several awareness campaigns and both collective and individual events were organized with suppliers to explain the approach, discuss the rating system, clarify the meaning of the scores obtained, and outline the necessary improvement actions.

During 2023 and 2024, the supplier ESG performance evaluation system was further enhanced through in-depth policy reviews, requests for quantitative data and indicators, and analysis of medium- and long-term objectives across various sustainability themes. Suppliers were engaged based on order volume and category as follows:

- 81 suppliers with annual orders exceeding €1 million
- 77 suppliers with annual orders between €300K and €1 million
- 13 additional suppliers from the Vendor List, regardless of order value

This brings the total to 171 suppliers and partners.

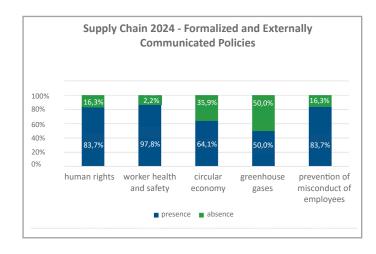
Below are some key indicators reflecting the maturity level of Sofinter Group's value chain regarding sustainability, based on data collected in 2023 and 2024.

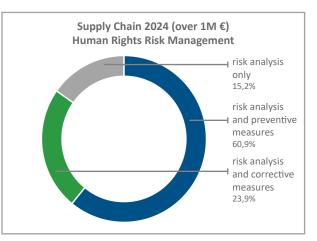
- Health & Safety and Human Rights: High sensitivity across all suppliers, with 98% and 84% respectively having formalized and externally comm nicated policies.
- Governance: Misconduct prevention is a priority, with 84% of suppliers having formalized policies.
- Environment: Lower engagement in setting concrete targets for Gre enhouse Gas (GHG) reduction (50%) and Circular Economy initiatives (64%).

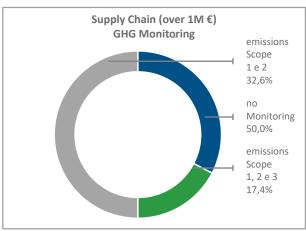
Partnerships with suppliers of core materials for steam generators are particularly critical. With these partners, Sofinter not only measures the environmental footprint of product manufacturing but also develops joint strategies to provide end customers with more efficient plants and technologies. These solutions aim to reduce emissions and minimize material and resource waste during operation, maintenance, and decommissioning.

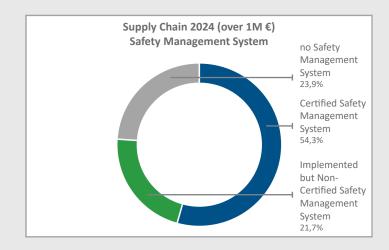
Specific checks and evaluations are carried out on metallic components of steam generators to maintain a high percentage of recycled material in supplied products. For further details, please refer to the chapter on Circular Economy

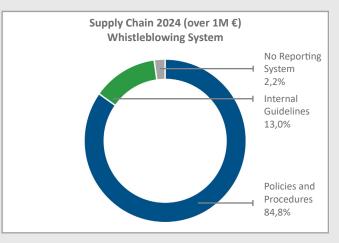
### reference context -value chain











### reference context - institutions and collaborators

### Workplace Health Promotion- WHP

Throughout 2024, the companies of the Sofinter Group actively engaged with the core pillars of the WHP program, which include promoting healthy eating, physical activity, smoking cessation, mental well-being, and work-life balance.

As part of these efforts, on November 19th, Sofinter hosted representatives from ATS Insubria at its headquarters in Gallarate for an awareness meeting against smoking. The session featured an engaging presentation and group activities aimed at understanding how to overcome smoking habits and highlighting the health risks associated with both traditional and unconventional cigarettes.

On June 23, 2025, the WHP Lombardia – Workplace Health Promotion award ceremony was held in the prestigious Sala Verdi of the Conservatorio di Musica "Giuseppe Verdi" in Milan. The event, promoted by ATS Milano with the support of the Lombardy Region, celebrated over 70 companies committed to promoting health and well-being in the workplace. Among the honored organizations were Sofinter, AC Boilers, and Europower, recognized for their dedication to implementing sustainable health practices and fostering a culture of wellness.

The program featured institutional greetings, presentations of eight exemplary WHP companies, and a series of thematic talks on health and civil economy. A special highlight of the event was a musical performance by two Conservatory students, who performed a duo piano-tenor sax jazz standards from the 1920s to the 1990s





The WHP initiative continues to grow, encouraging companies to adopt concrete actions such as promoting healthy eating, physical activity, smoking cessation, and work-life balance, contributing to healthier workplaces across Lombardy.



### materiality

The assessment of material aspects is one of the fundamental processes in corporate sustainability management, aimed at identifying the focuses and priorities not only from the company's perspective but especially from that of all stakeholders.

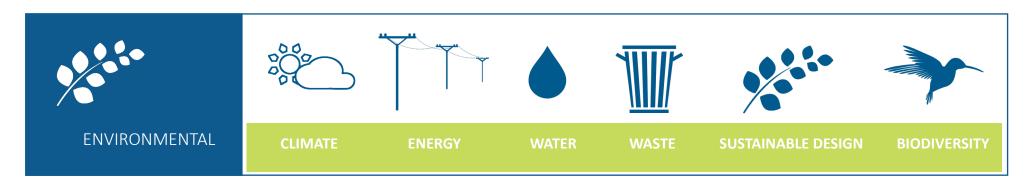
Over time, numerous approaches for such assessment have been developed or have seen substantial evolution, from the Global Reporting Initiative (GRI) Standard to the European Union Directive on Corporate Sustainability Reporting (CSRD). In particular, in recent years, the methodological approach distinguishes "single materiality" from "double materiality".

Double materiality implies that companies should assess both the risks and opportunities related to ESG (Environmental, Social, and Governance) themes that can influence the company's value creation ("internal impacts") and the ESG impacts that the company can have on the planet and external society ("external impacts").

The Sofinter Group has assessed its material sustainability aspects according to a dual materiality approach, which, based on the ESG pillars, combines qualitative and quantitative data to articulate, in the simplest way possible, the themes that are important to focus on in the near future in the exercise of business.



materiality- sustainability themes







### materiality- stakeholder engagement

In order to involve our stakeholders and analyze their perspective on sustainability themes, representatives from different areas were identified, in order to obtain an objective representation of the Sofinter Group's stakeholders. In particular, a Sustainability Questionnaire was created, submitted to stakeholders for completion following information and explanation of the objectives related to the materiality analysis.

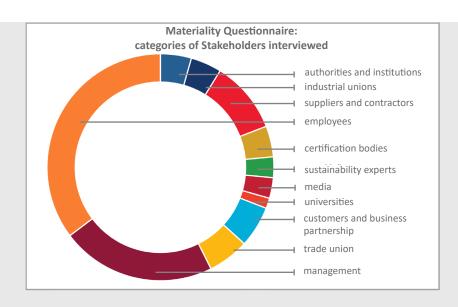
A total of 68 people were involved, both internal and external to the corporate organization, divided percentage-wise into the categories listed below. The responses obtained from the Questionnaire were subsequently categorized and the priorities assigned by the stakeholders to the material themes were defined.

The theme of Energy, closely related to that of Climate, has been the main material aspect of an environmental nature to which stakeholders, both internal and external, have given the most importance. This likely reflects the general concern related to climate changes that are determining extremely negative impacts on the environment and the territory, as well as the possibility of access to energy sources that are always available, clean, and at contained costs.

Regarding other environmental themes, while internal stakeholders have also shown an interest in maintaining high standards for Discharges and Emissions, all respondents considered it very important for the Sofinter Group to focus on Sustainable Design of its products.

The Development of Human Capital has been evaluated as a priority among the Social themes, as well as the protection of Health and Safety at Work, the latter in particular supported by external stakeholders, followed by Standards of Work and Employee Well-being.

Among the Governance themes, all respondents attributed greater importance to Corporate Integrity, which must constitute the main driver for the Group to manage a responsible and sustainable business, followed by the guarantee of compliance with Laws and Regulations. The size of the icons reported in the Materiality Matrix reflects the importance given by stakeholders to the ESG sustainability theme.



### materiality- outward impact assessment

An analysis was conducted to verify which themes the Sofinter Group has the greatest external impacts on.

The impacts were evaluated on a simplified value chain:

- Upstream suppliers of goods and services
- Operations workshops, construction sites, and offices
- Downstream plants and end customers

The data were researched within the relevant sector (mechanical engineering, energy, oil), conducting an analysis and a benchmark with the data made available by the main players among customers and suppliers, then calibrating and integrating them internally through experts and references for the various topics. Each impact was estimated considering the size of its field of application, severity and frequency, reversibility of the damage, and control capacity by the Sofinter Group.

The results thus obtained have determined a lesser or greater relevance of the topic on the planet and the external society, reflecting the contribution on the X-axis of the Materiality Matrix.



THEME	UPSTREAM OF	PERATIONS	DOWNSTREAM
climate energy water waste sustainable design biodiversity			
health&safety diversity&inclusion human capital labor standars resource enhancemen economic contribution social support			
laws&regulations business integrity privacy			

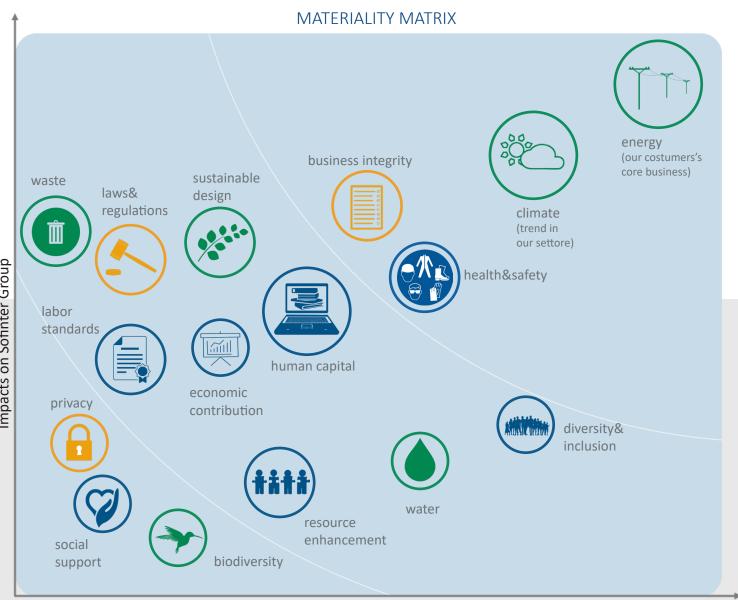
### materiality- inward impact assessment

Finally, according to the principles of double materiality, the impacts of sustainability themes on the Sofinter Group in terms of risks and opportunities for the organization itself were evaluated.

The impacts were determined by considering the results of the sustainability ratings of the Group's companies, where available, legislative developments on ESG issues, internal and sector risk analyses, as well as data from questionnaires filled out by stakeholders.

The results thus obtained, combining risks and opportunities, have determined a lesser or greater relevance of the topic on the organization of the Sofinter Group, reflecting the contribution on the Y-axis of the Materiality Matrix.

The Materiality Matrix of the Sofinter Group was thus constructed using all the inputs collected in the process of evaluating material aspects.



### materiality- Sustainable Goals

Since 2015, the member countries of the United Nations have adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new development agenda. The 17 Sustainable Development Goals (UN Sustainable Development Goals) require strong involvement from all sectors of society, from businesses to the public sector, from civil society to philanthropic institutions, from universities and research centers to information and culture operators.

The role of businesses is, of course, significant.

In light of this, the Sofinter Group has correlated the material aspects identified with the 17 "Sustainable Development Goals" proposed by the United Nations, in order to harmonize its sustainability objectives with the classification proposed at the international level.

ESG THEMES	PRIMARY SUSTAINABLI Development Objectiv	
	energy  affordable and clean energy innovation and infrastructure	sustainable design  sustainable design  gindustry, innovation and infrastructure infrastructure
	climate 13 climate action life on land	waste T2 responsible consumption and production
	health&safety	diversity & inclusion
	human capital	resource and and well-being enhancement
	business integrity  16 peace, justice and strong institutions	

### roadmap update

In relation to the evaluation of the main aspects of materiality and corporate priorities, also considering the interests of all stakeholders, the Sofinter Group has defined a strategic Sustainability Plan for the three-year period 2023-2025, identifying the following Objectives.

In addition to the correlation with the UN's SDGs, the objectives are broken down into specific activities applicable to all companies in the Group regarding operational aspects or product development and refer to the current status or degree of maturity, taken as a reference and baseline.

ASPECT	OBJECTIVE	SDG	CONTEXT	ACTIVITIES	BASELINE actual state	KPIs target
climate	Contribute to the fight against climate change	13 CUMME ACTION 15 LIFE ONLAND	operations	Reduction of tCO <sub>2 eq</sub> emissions from Scope 1 and 2	Monitoring of CO2 Emissions Scope 1 and 2	- 10% ton. CO2 eq. emissions (vs baseline 2020) by 2025 target reached 2024
			product	Timely definition of the carbon footprint of different types of products and installations	Data taken from raw material purchases and estimated through EPDs of suppliers	Life Cycle Assessment (LCA) Macchi and AC Boilers main pro- ducts by 2025
energy	Supporting the process of global energy transition	7 AFGRARE AND CLEAN BURBEY	product	Dissemination of hydrogen technologies, WTE installations, biomass and oxyfuel plants	The development and initial implementation of hydrogen technology, realisation of WTE and biomass plants, testing and first implementation of oxyfuel plants	reached, on going

## roadmap update

ASPECT	OBJECTIVE	SDG	CONTEXT	ACTIVITIES	BASELINE actual state	KPIs target
waste	Reducing pollutants in the environment to a technically-feasible minimum.  Promoting the enhan-	12 MISPOGREI  OCHOMOTORI AND PRODUCTION  TO LIFE  HAND  TO MILAND	operations	Maintenance of high percentages of waste for reclamation or recycling in offices, factories and construction sites	High percentage of special waste destined for recovery or recycling (99% in 2024)	Percentage of waste recovered > 95% target reached 2024
	cement of energy from waste		product	Further improvement of combustion parameters (NOx, CO, particulates) in relation to the change in technologies used.	High performance of emission parameters in traditional methane combustion processes.	reached, on going
				Use of waste as a resource for energy production through WTE plants, biomass, and oxy-combustion technology	Exploitation of waste resources in the realized WTE and biomass plants	reached, on going
health & safety	Protecting workers and ensuring a safe and healthy workplace	8 OCCINT WORK AND CONTRIL	operations	Further improvement in safety performance, elimination of serious injury incidents, and reduction of minor injuries for all types of contracts (employees,	Absence of serious injuries, gradual reduction over time of minor injuries	Creation, calculation, and monitoring of an integrated injury index for all types of contracts
nearin & surety				temporary workers, contractors)		by 2025
diversity & inclusion	Developing inclusive workplaces	5 CONCUENTS  10 REDUCED  10 REQUERTES	operations	Promote a culture of diversity and inclusion, improve gender equality at all organizational levels	Limited female representation in executive and managerial roles (18% and 8% in 2024)	18%→25% total percentage of women in the Group 8% → 10% percentage of women in managerial roles by 2025

implementation/high risk

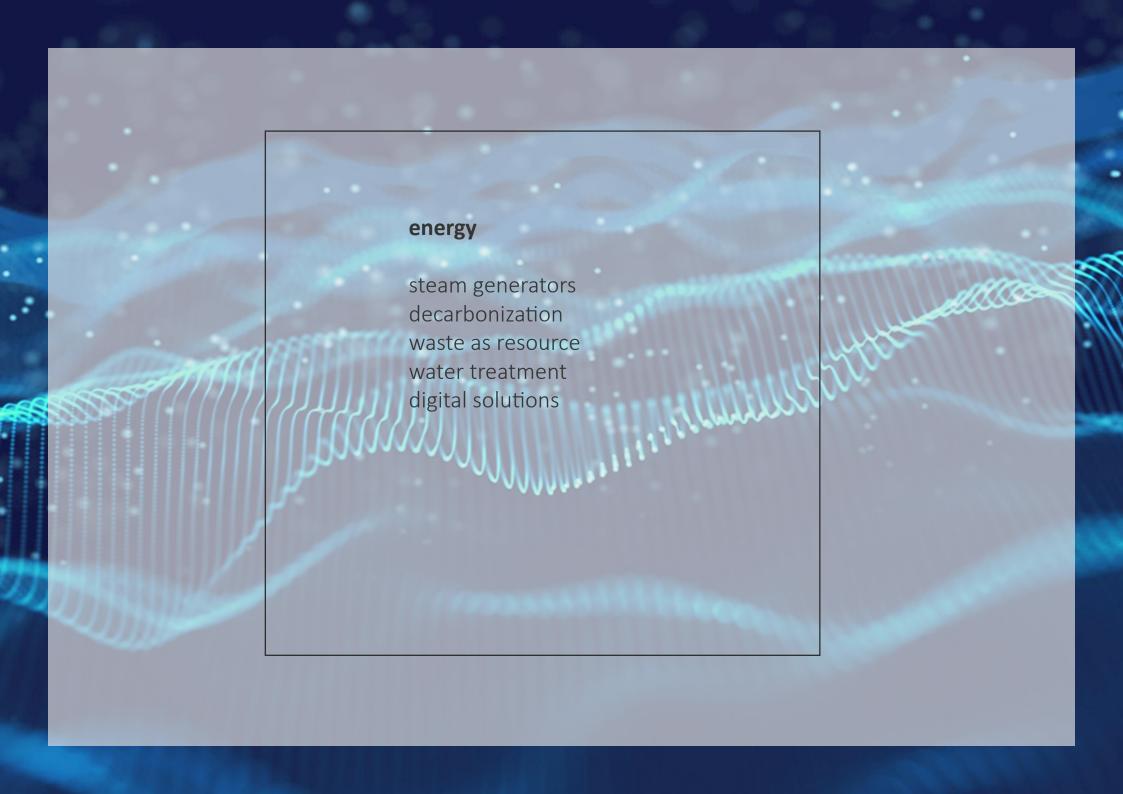
### roadmap update

ASPECT	OBJECTIV	Œ S	DG	CONTEXT	ACTIVITIES	BASELINE actual state	KPIs target
diversity & inclusion	n					Board of Directors as the sole governance body on diversity and inclusion issues	Establishment of the Gender Equa- lity Committee by 2025 target reached 2024
human capital	People's pro personal gro		OUALITY EDUCATION  BECENT WORK AND EDINAMIC GROWTH	operations	Improvement of the develop- ment and training path for em- ployees in both qualitative and quantitative terms, also within the context of technological, digi- tal, and social change	Continuous training path within the company, evaluation and improvement of skills in the ESG field	Extension of roles also to workshop staff by 2025
resource enhancem	job satisfa workplace	vell-being and ction in the	GOOD HEALTH AND WELL SEING	operations	Reshaping corporate culture concepts, further involving employees in physical and mental well-being projects	Participation in institutional projects (Workplace Health Promotion) to improve well-being in the company and promote healthy behaviors	reached, on going
business integrity		ork environ- absence of actices		operations	Implementation of a new Group 'whistleblowing' system	Reporting of illegal and irregular activities through the new Whistleblowing system	Creation, dissemination, and use of the IntegrityLine Cockpit platform by 2025 target reached 2024
		Limited	l level of		Medium level of	High level of	

implementation/medium risk

implementation/limited risk





## steam generators

Macchi range of products and services includes:

Industrial Watertube Boilers: gas (included hydrogen), oil firing and any kind of liquid fuel; Heat Recovery Steam Generators (HRSG) downstream gas turbine and Waste Heat Boilers (WHB) for industrial process heat recovery; Marine Boilers (auxiliary and propulsion); Turn-key steam plants for offshore platform and FPSO (Boiler and Steam Turbine Integrated Plants); Ultra Low-NOx Burners (gas,including hydrogen, and liquid fuels).

AC Boilers reliably provides customized steam generators designed according to proprietary leading technologies for power plant applications, proven by our track records:

Heat recovery steam generators for Combined Cycles Utility boilers for a full range of fuel combinations, power ratings and applications

Waste-to-Energy steam generators Biomass-to-Energy steam generators





## **INDUSTRIAL** POWER GENERATION **INDUSTRIAL BOILERS SMALL-MEDIUM HRSGS UTILITY BOILERS FOSSIL FUFLS** WASTE HEAT BOILERS MEDIUM-LARGE HRSGS **BOILERS & HRSGS FOR OFFSHORE** MARINE INDUSTRY INDUSTRIAL BOILERS **BIOMASS AND** NON BOILERS FOR OFFSHORE MA-WASTE-TO-ENERGY BOILERS FOSSIL FUELS RINE INDUSTRY

## steam generators

## **INDUSTRIAL**

## TITAN M "D-TYPE" PACKAGE BOILER

Bidrum type with horizontal gas path Fuel oil, crude oil, gas incl. hydrogen firing

## **MVF UTILITY BOILER**

Bidrum type with vertical gas path Fuel oil, crude oil, gas incl. hydrogen firing

#### MRD HP RADIANT BOILER

Single drum type with vertical gas path Fuel oil, crude oil, gas incl. hydrogen firing

## STEAM CAPACITY UP TO

270 t/h 600.000 lb/h

STEAM OP. PRESSURE UP TO

110 barg 1,600 psig

STEAM OP. TEMPERATURE UP TO

520° C 970° F

#### STEAM CAPACITY UP TO

500 t/h 1,100,000 lb/h

STEAM OP. PRESSURE UP TO

110 barg 1,600 psig

STEAM OP. TEMPERATURE UP TO

520° C 970° F

#### **STEAM CAPACITY UP TO**

600 t/h 1,300,000 lb/h

STEAM OP. PRESSURE UP TO

140 barg 2,030 psig

STEAM OP. TEMPERATURE UP TO

540° C 1,005° F

## **HEAT RECOVERY BOILERS**

# HEAT RECOVERY STEAM GENERATOR (HRSG)

Horizontal & vertical design
Natural or assisted circulation
Multiple pressure levels
Supplementary and fresh-air firing mode with automatic change-over

#### **STEAM CAPACITY UP TO**

250 t/h 550,000 lb/h

STEAM OP. PRESSURE UP TO

140 barg 2,030 psig

STEAM OP. TEMPERATURE UP TO

520 °C 970 °F

#### **WASTE HEAT BOILERS (WHB)**

Industrial applications: FCC, Phatlic Anhydride, Steel Mill, Sulphur, Visbreaking Horizontal & vertical design

Natural or assisted circulation

#### **STEAM CAPACITY UP TO**

250 t/h 550,000 lb/h

STEAM OP. PRESSURE UP TO

140 barg 2,030 psig

STEAM OP. TEMPERATURE UP TO

520 °C 970 °F

## decarbonization

In the Energy Transition the Steam Generation technologies are key factors enabling the "decarbonization" process to achieve a sustainable environmental impact of thermal power plants through high efficiency solutions with reduced greenhouse gas emissions and pollutant abatement.

In the frame of the progressive Transition to sustainable Energy Systems, the energy outlooks expect that, in the next two decades, fossil power generation by the installed units will maintain a substantial share in several Countries, depending on local energy sources availability, to ensure base load capacity.

In the above frame, AC Boilers extensive experience can provide customers, during the lifetime of their plants, with a range of solutions to enhance the steam generators performances: conversions to cleaner fuels, upgrading to improve plant efficiency and capacity, retrofits to reduce the emissions.



## WTE & BIOMASS BOILERS

#### MULTI-PASS BOILER DESIGN

Grate combustion system integrated into boiler design

Wide range of waste and biomass fuels (MSW, RDF, industrial wastes, hospital wastes wood chips/pellets, forest residues, agro-biomass mixtures) Flue gas treatment system selected according to the best available technologies to comply with emission regulations

STEAM CAPACITY UP TO 200 t/h 440.925 lb/h STEAM OP. PRESSURE UP TO 118 bar 1.712 psig STEAM OP. TEMPERATURE

From its outset, AC Boilers has supplied more than 1000 units (80 GW) worldwide, of which 20 GW Super-Critical Utility Boilers, also confirming itself as a Global Market Leader in the last 30 years with regard to Super-Critical Oil/Gas Fired Boilers, holding 35% market share.

UP TO 540 °C 1.004 °F

AC Boilers has a base of proprietary know how and original design codes, integrated with Benson® Once-Through Licenses for Ultra Super-Critical and Super-Critical Designs.

## decarbonization

Macchi has developed a long experience with hydrogen for decades. Hydrogen has been commonly used mixed with other fuels in many Macchi fired boilers. Nevertheless, decarbonization target has promoted the use of Hydrogen up to 100% duty.

In 2020, Macchi achieved an important milestone in energy transition and decarbonization pathway. Macchi successfully tested a 35 MWth gas burner at CCA combustion test rig of Sofinter Group, firing 100% Hydrogen.

Tests included also operation with low calorific fuels as simulation of flare and waste gas which play an important role in decarbonization too.

The tested burner is an evolution of well proven Macchi Mars II burner widely referenced by more than 350 working units in industrial and oil & gas complex including hydrogen content up to 85%. Tests at full scale in CCA test rig demonstrated burner capability to operate in flexible and highly stable mode thanks to variable multi-spud arrangements and flame stabilizer located in the inner part of burner.

Burner is able to operate with natural gas, low calorific fuels and hydrogen in any proportion giving high level of flexibility to END USER. Burner is ready for commercial use since fully integrated in all type of Macchi boilers.

Combined firing (Natural gas or any other fuel) and Hydrogen, is feasible in Macchi boiler. Macchi has developed specific control algorithms included in ABS package to allow flexibility of operation expecially in cases where hydrogen supply is variable or available after some years.

## H2-100% HYDROGEN

#### **MACCHI MULTIFUEL**

BURNER FOR 100% HYDROGEN AND WASTE GASES Up to 40 MW – H2% Vol. Up to 100%

#### **MARS II**

ULTRA LOW-NOX BURNER (FUEL GAS/WASTE GAS & LIQUID FUEL) Up to 60 MW – H2% Vol. Up to 80%

#### **MHM XP**

LOW-NOX BURNER (MULTI FUELS & HEAVY FUEL OIL) Up to 100 MW – H2% Vol. Up to 60%





## waste as resource

Waste-to-Energy plants utilize the residual, non recyclable portion of the municipal wastes in environmentally sustainable systems avoiding the significant pollution impact of landfilling. This is in compliance with the EU environmental target to minimize substantially the waste portion to landfill and is in accordance with to the circular economy principles.

In the Waste-to-Energy plants, residual waste is used as a resource for:

- recovery of energy transformed into electricity, heat and steam, maxi mizing the energy efficiency
- recovery of secondary raw material to be reinjected into the economy

Waste to Energy is complementary to recycling: it treats waste that cannot be recycled or re-used including, in addition to municipal wastes or fuel derived from refuse, also other industrial wastes, hospital wastes and sludge.

AC Boilers has a longstanding history in supplying large capacity Waste-to-Energy steam generating systems for grate firing of municipal solid wastes and refuse derived fuels.

Biomass-to-Energy plants are based on the sustainable use of a large variety of biomass types achieving energy and residual material recovery in compliance with low emission levels according to the Best Available Technologies.

High performance of Biomass to Energy Plants can be achieved by cogeneration solutions for Combined Heat and Power production.

AC Boilers proven design, depending upon the biomass characteristics, is focused on efficiency optimization solutions through high levels of steam temperatures and pressures as wells on the selection of the boiler configuration suitable to high rates of availability across the plant lifetime.

ITEA's flameless oxy-combustion represents the technological evolution of more than 150 years of international experience in the combustion systems sector. Oxy-combustion is capable of replacing ordinary combustion in industrial processes.

Oxy-combustion is used to minimize gas, liquid, and solid emissions in terms of both quantity and quality of pollutants, aiming towards zero and to eliminate CO2 emissions into the environment by creating new products to replace virgin raw materials. Flameless oxy-combustion also generates raw materials for new uses. It prevents the landfilling of exhausted dumps by recovering waste and offers a technological tool capable of performing material remediation. Flameless oxy-combustion prevents the emission of hazardous and climate-altering fumes resulting from thermal waste treatments.



## water treatment

SWS is the engineering division of Sofinter SpA working in the field of the industrial units and equipment for the production of boiler feed water and the treatment of process water and condensate.

SWS operates as engineering division integrated inside the corporate organization. Technology, know-how and design capabilities are the strength points of the division, whereas all activities for project management, procurement and quality control are executed by the corporate organization.

All SWS products are customized in accordance to the Client's requisition and in compliance to the most stringent international codes and standards applicable to any industrial contest.



## THERMAL DEAERATORS

#### **BOILER FEED WATER**

VACUUM DEAFRATORS

Make up water and steam condensate (power generation).

Pure water for chemical processes e.g. absorption / stripping for NGL plants (Oil & Gas, chemical and petrochemical industry).

Water for re-injection (oil upstream industry on-shore and off-shore).

#### Equipment composed of:

- deaerating tower, horizontal or vertical, with process internals
- hold up tank

#### Design codes:

- ASME VIII Div.1
- HFI

Typical materials of construction:

- tower in CS SA516/70 with internals SS 316L
- tank in CS SA516/70

#### Optional supply extension:

- access platforms and ladders
- safety valves
- instrumentation
- insulation material

## digital solutions

AC PERFORMANCE PLUS is an OEM system based on the most recent "Internet of Things (IoT)" solutions with the purpose to provide remote monitoring from the manufacturer head office of the steam generators for power generation of any kind and type.

The boiler performance is continuously monitored based on algorithms deriving from AC Boilers experience and know-how. Abnormal trends or parameters potentially affecting the performance or the lifetime of the steam generators are reported to the customers for corrective actions.

AC PERFORMANCE PLUS is implemented through a cloud architecture utilizing cloud-based database, data analysis system, machine learning algorithms and business intelligence systems for the elaboration and the visualization of the collected data.

#### **MACCHI ABS**

Implementation of proprietary algorithms permit to get in real time different KPI (Key Performance Indicator) resuming in very fast way the current boiler operation.

Such KPI's may be available to operator interface.

ABS might be customized according specific End User need and may be implemented in Site DCS hardware or in a dedicated workstation.

Alternatively, it might be used directly by Macchi specialist working from Macchi Head Office on field data made available by End User as a remote customer support service.





## air emissions

The companies of the Sofinter Group identify atmospheric emissions as a key factor in their environmental impact management, particularly those arising from workshop activities such as welding processes, the use of production machinery, and heat treatments in furnaces.

The main sites contributing to atmospheric emissions are:

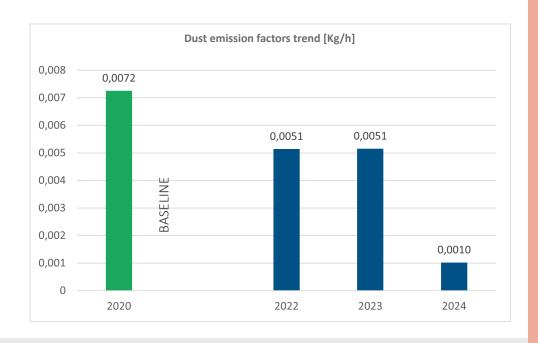
- The AC Boilers plant in Gioia del Colle (BA);
- The Macchi workshop in Fagnano Olona (VA), to a lesser extent;
- The Macchi port assembly area in Marghera (VE), with marginal in dustrial emissions;
- Experimental campaigns on oxy-combustion technologies carried out by ITEA;
- Civil emissions from heating systems at the head office in Gallarate (VA) and other locations.

In 2024, the AC Boilers plant in Gioia del Colle did not record any atmospheric emissions due to a production shutdown.

Similarly, ITEA did not generate emissions, as it was engaged in the construction of a new pilot plant featuring a vertically configured reactor.

The main type of atmospheric emission in the workshops consists of dust, primarily generated by manual and automatic welding processes. These emissions are directly influenced by the workload and the nature of the projects carried out by Sofinter and AC Boilers.

In 2024, the total quantity of dust emitted was 79 kg, entirely attributable to the Macchi workshop in Fagnano Olona, due to the production halt at the AC Boilers plant in Gioia del Colle.



This marks a significant reduction compared to 2023, when 1,418 kg of dust were emitted. As a result, the total emission parameter decreased from  $0.0051 \, \text{kg/h}$  in 2023 to  $0.0010 \, \text{kg/h}$  in 2024.

It is important to highlight that, when compared to the limits imposed by current regulations and considering the best available technologies for atmospheric emissions, the dust emitted—both in terms of concentration, emission factor, and mass balance—is more than twenty times lower at Fagnano Olona workshop.

## climate

The Sofinter Group, fully aware of its role in addressing the global sustainability challenge, is actively committed to technological innovation and the development of increasingly efficient plant solutions. In close collaboration with clients, research centers, and scientific partners, the Group designs systems that not only optimize energy consumption and adapt to various fuel types, but also significantly reduce greenhouse gas emissions.

At the same time, Sofinter adopts a comprehensive approach to environmental responsibility by continuously monitoring emissions from its operations and implementing reduction measures wherever technically feasible. Working alongside its entire supply chain, the Group is also advancing in the assessment and management of the carbon footprint of its facilities, prioritizing materials and suppliers that are mindful of the CO<sub>2</sub> impact of their products.

A key pillar of Sofinter's strategy is the development and promotion of technologies that enable the use of alternatives to fossil fuels—such as hydrogen, ammonia or flare gas —or energy from wasted sources, like special or urban wastes.

## Fight against Climate Change

Since 2020, all companies within the Sofinter Group have been actively pursuing a path toward reducing carbon dioxide emissions, with a structured approach aligned with the GHG Protocol:

#### Scope 1:

Direct emissions from fuel consumption in factories, offices, construction sites, and company vehicles.

#### Scope 2:

Indirect emissions from the use of purchased electricity, steam, or heating and cooling services.

In addition, the Group acknowledges its responsibility for Scope 3 emissions—those generated across the value chain—including the procurement of goods and materials, business travel, employee commuting, and the transportation and distribution of raw materials and finished products. This also includes the use and end-of-life management of generators and equipment sold to customers.

Starting from 2024, the Group has begun estimating the so-called Upstream contribution within Scope 3, focusing in particular on emissions related to employee commuting and fuel- and energy-related activities not included in Scopes 1 and 2.

As part of its commitment to combating climate change, Sofinter is at the forefront of developing steam generators and advanced technologies that enhance combustion efficiency, reduce reliance on fossil fuels, and lower  $CO_2$  emissions.

## climate

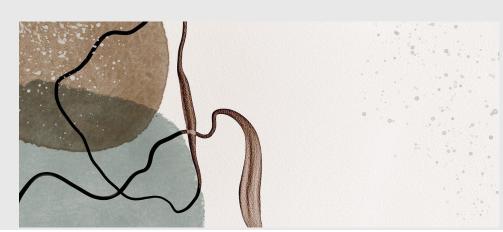
#### Decarbonization pathway

The decarbonization pathway of the Sofinter Group for direct emissions (Scope 1) and indirect emissions (Scope 2) aims to achieve neutrality by 2030 through the following actions:

- Replacing fossil fuels with renewable resources;
- Optimizing energy use and process efficiency;
- Purchasing electricity from renewable sources from suppliers;
- Offsetting CO<sub>2</sub> emissions.

Scope 3 emissions, which will require the collaboration and engagement of the entire supply chain and customers/partners throughout the entire lifecycle of the Group's products and services, are estimated to be gradually reduced, achieving neutrality in the near future.

A detailed accounting of Scope 3 emissions is expected starting from 2024 data, with the determination of reduction targets beginning in 2025 and a possible condition of neutrality for this category of greenhouse gas emissions by 2050.



## CARBON NEUTRALITY ROADMAP

2020 **COMMITMENT TO GHG** REDUCTION

FIRST QUANTIFICATION OF 2022 EMISSIONS (SCOPE 1 + 2) tCO<sub>2</sub> eq

2024

2025

2030

2050

FIRST QUANTIFICATION OF EMISSIONS (SCOPE 3) tCO2 eq

(SCOPE 1 + 2)  $tCO_2$  eq

CARBON NEUTRALITY IN **DIRECT OPERATIONS** (SCOPE 1 + 2)

CARBON NEUTRALITY IN THE VALUE CHAIN (SCOPE 1 + 2 + 3)

**VS BASELINE 2020** 

## climate

Over the past three years, following the establishment of its 2020 Carbon Baseline, the Sofinter Group has consistently monitored its Scope 1 and 2 CO<sub>2</sub> emissions, confirming a steady reduction in greenhouse gases from direct operations.

The most significant drop occurred in 2021, with a 30% reduction, primarily due to a temporary slowdown in workshop production. In 2022, further progress was made—reaching a 37% reduction—thanks to targeted energy efficiency initiatives, particularly at the Group's headquarters. In 2023, the reduction stabilized at 27%, even as the Group returned to full operational capacity.

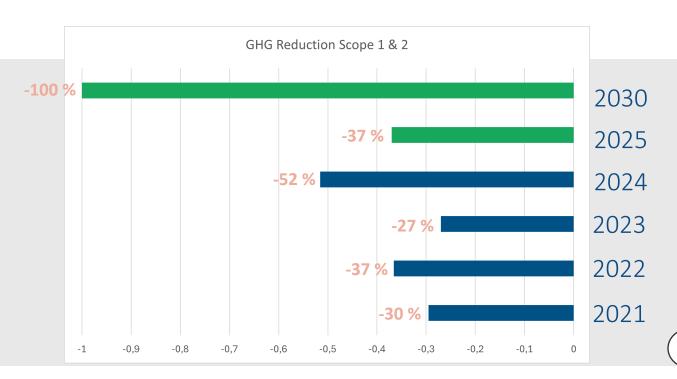
In 2024, a production halt due to the activation of a temporary unemployment scheme at the AC Boilers site in Gioia del Colle led to a substantial decrease in natural gas and electricity consumption. As a result, Scope 1 and 2  $\rm CO_2$  emissions dropped by 52% compared to the 2020 baseline — effectively allowing the Group to reach its decarbonization target one year ahead of schedule.

In addition, starting in 2024, the Group began estimating the Upstream component of Scope 3, focusing on emissions from employee commuting and fuel- and energy-related activities not included in Scopes 1 and 2.

At the same time, the Group is undergoing a broader corporate reorganization, including the outsourcing of certain operational activities. As a result, a further decline in Scope 1 and 2 emissions is expected. However, this shift is likely to lead to an increase in Scope 3 emissions, which are currently being assessed.

Given the scale and impact of these structural changes, it is highly likely that the Group's original Carbon Baseline will be revised starting next year, in order to ensure a more accurate and meaningful tracking of progress in reducing GHG emissions.

# GHG REDUCTION PATHWAY SCOPE 1 AND 2



## climate

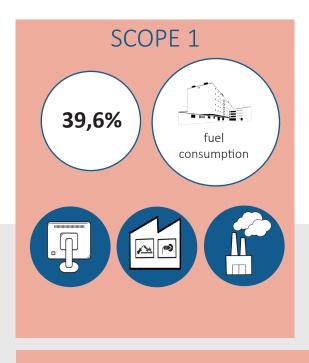
#### Calculation of the Carbon Footprint

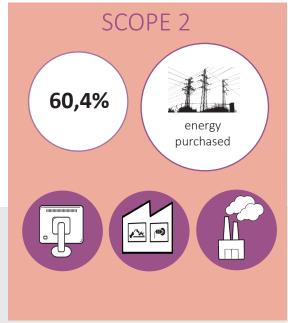
The calculation of GHG emissions for Scope 1 and 2 related to the direct activities of the Sofinter Group companies was conducted using a calculator developed by a sustainability rating company, starting from fuel and energy data certified by providers and energy service suppliers.

The methodology used by the calculator is that indicated by the GHG Protocol formulated by the World Resources Institute (WRI) in collaboration with the World Business Council For Sustainable Development (WBCSD).

The emission factors considered were derived from the EPA's Emission Factor Hub database for fuels and from the ADEME, Association of Issuing Bodies (AIB), and Institute for Global Environmental Strategies (IGES) databases for electricity, specifically applicable for countries outside the USA.

## CARBON FOOTPRINT MAP YEAR 2024





SCOPE 3
UPSTREAM

810 tCO2 eq



## water- supply

The primary use of water within the Sofinter Group continues to be for sanitary purposes. Industrial use remains limited and is primarily associated with hydraulic testing in workshops and on construction sites, typically on an occasional basis.

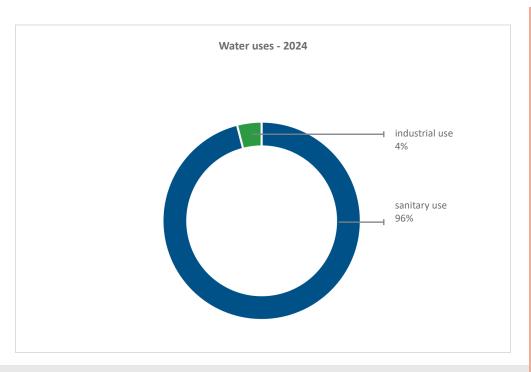
Given the Group's minimal direct impact on water resources through its operational activities, Sofinter recognizes the essential role of water in sustainable development and the need to ensure its responsible and equitable use, in line with the principles of the United Nations Sustainable Development Goals.

In this context, the Group is committed to:

- Fostering a culture of water responsibility by promoting internal awareness and training initiatives aimed at encouraging conscious consumption and the sustainable use of water resources across all levels of the organization.
- Guaranteeing universal access to water and hygiene by ensuring that all
  personnel including contractors benefit from safe, accessible drinking water and adequate sanitation facilities in every company location,
  in line with the principles of human rights and workplace well-being.
- Safeguarding local water ecosystems by continuously monitoring production and construction activities to prevent any negative impact on water availability, quality, or access for surrounding communities, in accordance with international environmental and social standards.

In 2023, the total water consumption by the Sofinter Group decreased by 12.9% compared to 2022, dropping from 15,315 m³ to 13,336 m³.

This reduction was mainly due to the contraction of activities at the Gioia del Colle site and the implementation of a project to improve the efficiency of the plant's water distribution system.



In 2024, despite the production halt at AC BOILERS' Gioia del Colle site, water consumption increased by 10.2%, reaching 14,690 m<sup>3</sup>.

This increase was primarily driven by high production activity at the Macchi workshops in Marghera (VE) and Fagnano Olona (VA), which experienced production peaks and used water for boiler hydraulic testing. Despite the high recirculation rate adopted during testing — wherever technically feasible—the overall water consumption rose due to the intensity and frequency of operations.

Overall, the average water consumption across all Group sites over the five-year period 2020–2024 shows a reduction of 13.10%, confirming the Group's ongoing commitment to improving water efficiency and minimizing its environmental impact.

## water- discharge

Sofinter Group manages water discharges in full compliance with local environmental regulations, distinguishing between civil and industrial sources:

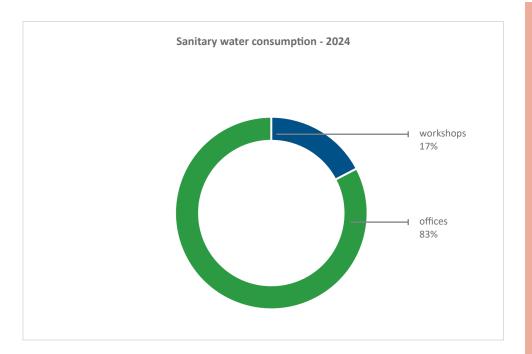
- Civil discharges, originating from offices and workshops, are con veyed into the public sewer system, respecting the pollutant con centration limits established by municipal authorities.
- Industrial discharges, generated during hydraulic testing of boilers in workshops and construction sites, are not released into the sewer system. Instead, they are classified and managed as waste, and sent to authorized treatment facilities for proper recovery and purifica tion.

This approach ensures that all water discharges—whether sanitary or process-related—are handled responsibly, minimizing environmental impact and aligning with best practices in sustainable water management. In parallel, the Group applies advanced systems for the collection, separation, and purification of rainwater runoff from external surfaces of production sites.

Rainwater is separated into first and second flushes and treated through different purification systems depending on the environmental and territorial context, with the goal of minimizing impact and, where possible, enabling reuse or safe discharge.

In 2024, Macchi Division site in Marghera (VE) carried out rainwater treatment activities. The treated water, following strict protocols defined by the competent environmental authorities, was discharged into the Venetian Lagoon, a highly sensitive Site of National Interest for contamination.

The total volume of treated and discharged rainwater at this site amounted to 17,380 m³, showing an increase compared to the previous year, due to meteorological phenomena.







## circular economy

The companies of the Sofinter Group — particularly Sofinter-Macchi and AC Boilers, which carry out significant product construction and assembly activities — continue to evolve their approach to circularity by integrating sustainable design principles and resource-efficient technologies into their production processes.

A constant and careful selection of materials for steam generators, combined with a progressive reduction in the use of raw materials and an increase in technological efficiency, has led to tangible benefits, including:

- Reduction in resource consumption and related costs;
- Optimization of components and increased speed in boiler production;
- Weight reduction and improved logistics for land and sea transport;
- Enhanced management, maintenance, and servicing processes;
- Lower environmental impact during dismantling and final disposal.

The steam generators and industrial plants produced by the Group are composed primarily of steel and metal alloys, which represent approximately 80–90% of the total material used.

The remaining portion consists of refractory materials (10-15%) and insulation materials (5-10%), along with smaller percentages of coatings and paintings, glass, lagging, gaskets, and shipping wraps.

This composition reflects the Group's focus on durability, recyclability, and performance, while also enabling efficient end-of-life management and material recovery. Key components such as pipes, collectors, burners, and cylindrical bodies are manufactured using recycled iron scraps, confirming the Group's strategic alignment with circular economy principles.

The recycling and recovery of metals—especially steel—represents not only a sustainable source of raw material but also a way to preserve natural resources and reduce the carbon footprint of industrial activities.

MATERIAL	MASS SHARE
iron from post consumer scrap	94%
iron from other sources	5%
alloy elements	0,6%
other elements	0,2%
packaging	0,2%
	I

Throughout 2024, Sofinter and AC Boilers exclusively used steel and alloys derived from metal recycling processes for the production of their steam generators, reinforcing the Group's commitment to circularity and sustainable industrial transformation.

In particular, the Group uses Carbon and Alloy Seamless Tubes & Pipes for Power Generation Applications, supplied by long-standing partners who declare the environmental performance of their products through EPD-certified documentation.

In 2024, the tubes used for the construction and assembly of the Group's steam generators contained 94–95% iron from post-consumer scrap, with only 5–6% derived from other sources, combined with alloys and other essential elements.

## waste

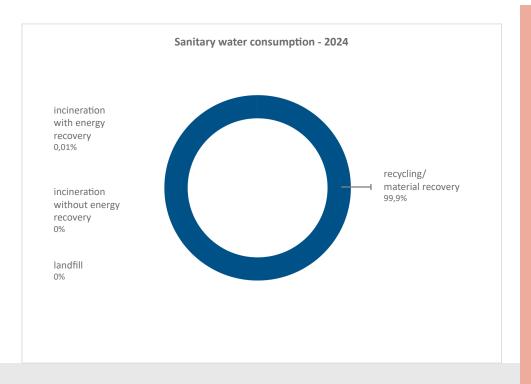
The correct management and separation of waste to maximize recovery and recycling remain key priorities for the Sofinter Group companies.

This approach is fully aligned with the European Union's evolving waste and resource efficiency policies, which promote a transition toward a regenerative circular economy. The Group actively contributes to this goal by enhancing internal processes to ensure that waste is not merely disposed of, but transformed into valuable secondary raw materials whenever possible.

This commitment is increasingly integrated into the Group's broader sustainability strategy, which emphasizes lifecycle thinking and minimization of environmental impacts. The urban waste or waste similar to urban waste produced by activities carried out mainly at the offices of the Group is separated according to local regulations for separate collection and conferred to the municipal management and treatment system.

The special waste resulting from the productive and industrial activities carried out at the workshops, plants, and construction sites of the Sofinter Group companies amounted to a total of 679,740 kg in 2024, of which only 1,438 kg were classified as hazardous. Thanks to improved waste management practices, 99.9% of the total waste was sent for recycling or material recovery, while just 0.01% was destined for incineration with energy recovery. No waste was sent for incineration without energy recovery or disposed of in landfills.

These results represent a significant improvement compared to previous years, driven also by a reduction in industrial-origin special waste and an increase in packaging waste, which is typically directed to recycling. This trend aligns with the ongoing transformation process within the Sofinter Group, which includes both a reduction in internal production activities



through the outsourcing of certain manufacturing processes, and a shift in the nature of operations, contributing to a more sustainable waste profile. Over the five-year period 2020–2024, the average recycling and material recovery rate for waste generated by the Group was 97.4%, confirming the Group's long-term commitment to circular economy principles and responsible resource management.

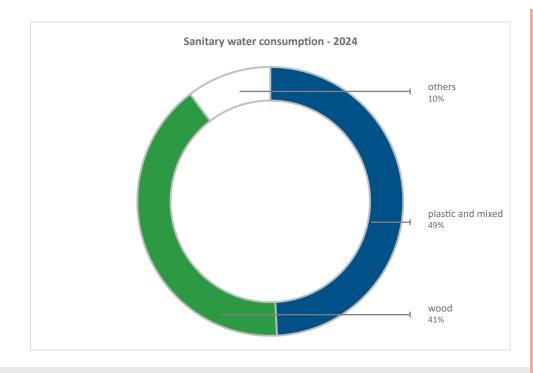
Moreover, the percentage of hazardous waste compared to total ordinary waste has shown a remarkable decline: from approximately 14% in 2020, through 4% during the 2022–2023 biennium, down to just 0.2% in 2024. This reflects the Group's continuous efforts to minimize environmental risks and improve the safety and sustainability of its industrial processes.

## packaging

The Sofinter Group continues to strengthen its commitment to reducing the environmental impact of packaging waste, in line with European directives on packaging and packaging waste, which promote prevention, reuse, and high-quality recycling.

To limit the generation of packaging waste—whether imported or purchased domestically—the Group carries out systematic checks on materials procured through its supply chain, identifying alternative solutions to the delivery of goods packaged with wood, paper, cardboard, plastic, or mixed materials.

Over time, partnerships with selected suppliers have been consolidated to enable the return and reuse of intact packaging, especially in the case of durable transport materials.



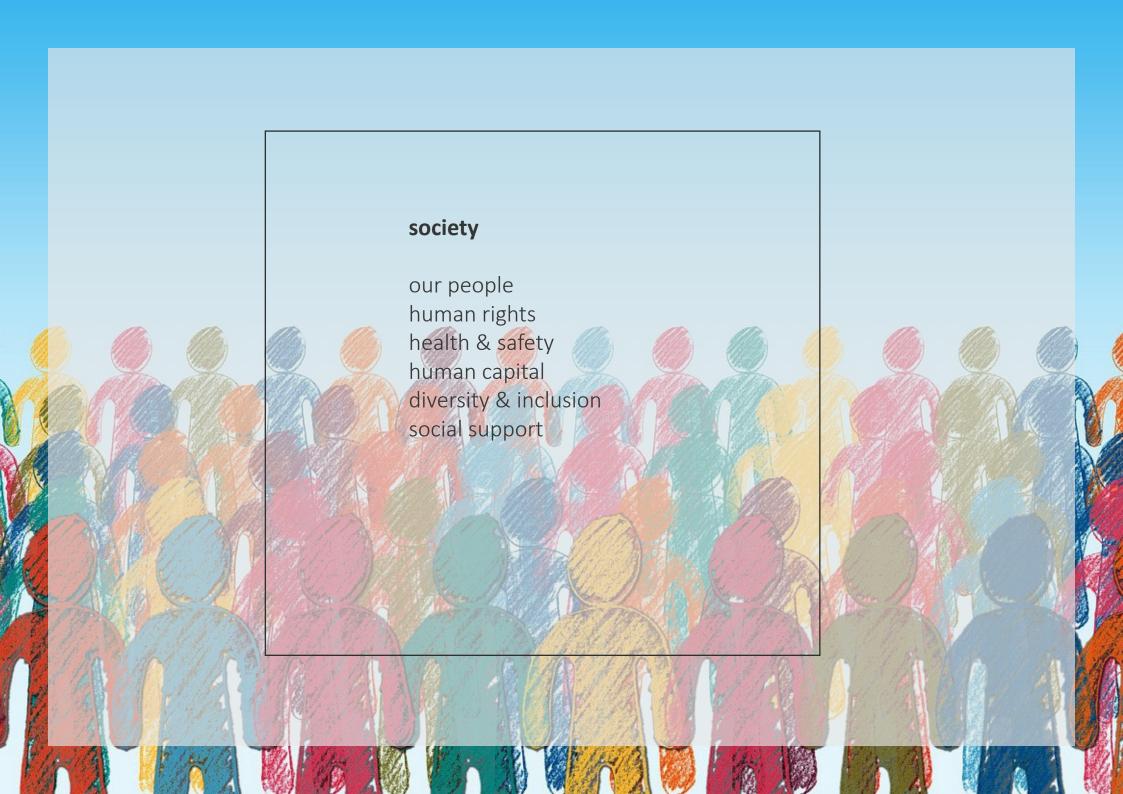
In 2024, the total amount of packaging waste generated by the Group amounted to 163,810 kg, representing 24% of the total special waste produced. Of this, 49.2% consisted of plastic and mixed materials, 40.5% of wood, and the remaining 10.3% of other materials.

Compared to previous years, 2024 marked a significant shift in the composition of packaging waste. Plastic and mixed packaging, which historically accounted for 60–65% of total packaging, dropped to around 50%, while wooden packaging increased from an average of 30–35% to over 40%.

This change reflects the Group's evolving operational model, which has led to a relative increase in the use of more sustainable and reusable packaging materials such as wood.

The Group continues to monitor these trends closely, aiming to further improve packaging circularity and reduce the environmental footprint of its supply chain.





# Society our people

At the Sofinter Group, all collaborators—regardless of their role, location, contract type, or length of service—are entitled to work under fair and respectful conditions. Respect for individuals and the promotion of dignity in the workplace are core values embedded in the Group's Code of Ethics and guide the behavior of all companies within the organization.

#### Labor Rights and Employee Relations

Labor rights are recognized as fundamental human rights. The Sofinter Group is committed to upholding these rights by fostering stable, transparent, and collaborative working relationships, and by ensuring high standards of employment across all its entities.

Constructive engagement with employee representatives is seen as essential to maintaining effective labor relations. All Group companies fully respect the right of workers to freely join or form trade unions and other representative bodies of their choice. Regular and proactive dialogue is maintained with corporate, local, and national union representatives, with the aim of building shared pathways toward prosperity, well-being, and sustainable growth. Many aspects of employment—such as working hours, occupational health and safety, leave policies, compensation, grievance procedures, and contract termination—are governed by national and collective labor agreements. All employees are informed of their rights through People&Culture function, which provides clear and timely communication on the applicable national collective agreement (CCNL Metalmeccanico), internal policies, personnel management procedures, and the Group's Code of Ethics.

#### Attracting and Retaining Talent

Attracting and retaining talent remains a strategic priority for the Sofinter Group, as outlined in its Sustainability Strategy, with the goal of continuously strengthening and developing its Human Capital.

In recent years, the labor market has undergone significant transformation due to global economic and energy challenges, the evolution of traditional work models, rapid digitalization, and technological innovation. These shifts have led to a growing demand among professionals for improved working conditions and greater alignment with their career aspirations—reflecting a broader desire for change.

This context has sometimes resulted in unexpected turnover trends, which the Group has proactively addressed to safeguard key competencies and preserve organizational knowledge.

In 2024, the Group recorded a negative turnover rate of 11.9%, less than 14.3% of year 2023, while the positive turnover rate stood at 4.7%, slightly down from 6.8% the previous year.

During the same period new employees were hired, and several positions were filled through internal mobility.

All new hires and employees transitioning to new roles participated in a structured onboarding program designed to build or reinforce knowledge of the Group's business, products, internal procedures, management systems, and sustainability practices.

The onboarding process is closely monitored by both direct supervisors and the Human Resources team, ensuring continuous support and guidance throughout the integration journey.

As of December 31, 2024, the Group's workforce in its Italian locations covered by this report—totaled 494 employees. In terms of professional categories, 54% were Employees, 28% were Blue-Collar Workers, 12% were Middle Managers, and 6% were Executives.

## human rights

The Sofinter Group places the protection and promotion of human rights at the core of its values and operations. This commitment extends to all stakeholders—employees, suppliers, partners, and communities—and is reflected in the Group's global presence and sustainability strategy.

The Group is guided by the principles of the Universal Declaration of Human Rights and aligns its actions with the UN Guiding Principles on Business and Human Rights (UNGP), which define:

- the State's duty to protect human rights;
- the corporate responsibility to respect human rights;
- the obligation to provide access to remedy in case of violations.

In line with these principles, the Sofinter Group avoids engaging with any entities that:

- fail to comply with applicable laws and regulations;
- are involved in or support criminal or terrorist organizations;
- violate labor rights or employ workers under irregular or exploitative conditions.

As part of its due diligence processes, the Group conducts careful assessments of activities, projects, and partnerships—especially in countries where legal protections for human rights, labor conditions, health and safety, gender equality, and vulnerable populations are weak or lacking. Beyond compliance, the Group is committed to proactively promoting ethical practices throughout its value chain. This includes regular audits, sustainability performance evaluations of suppliers, and the integration of social criteria into procurement and partnership decisions.

In 2024 no human rights violations were detected and/or reported in Sofinter Group organization and in the entire value chain.

Recognizing the complexity of operating in a global and diverse value chain, the Group is preparing to implement an internal verification system focused on social responsibility and human rights. This initiative will align with the evolving European Union guidelines on corporate due diligence, ensuring continuous monitoring and accountability across all levels of the organization and its extended network.



## health and safety

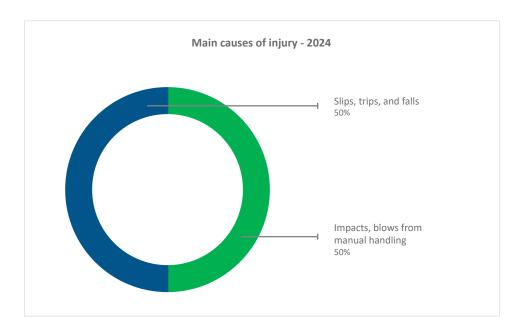
The Sofinter Group has always been strongly committed to ensuring a healthy and safe working environment, promoting a culture of risk prevention and continuous improvement. This commitment is guided by international best practices and standards, including those outlined by the International Labour Organization (ILO) and the World Health Organization (WHO), as well as by the principles of ISO 45001, the globally recognized standard for occupational health and safety management systems.

Over time, methodologies, procedures, and control systems have been developed and implemented across offices, workshops, plants, and construction sites to improve the management of health and safety for employees, collaborators, and all individuals working with the Group.

Currently, the entire organization of Sofinter S.p.A., including all its divisions and operational sites (offices, workshops, and construction sites), as well as Europower S.p.A., is ISO 45001 certified. AC Boilers S.p.A. is also ISO 45001 certified for activities carried out at offices and construction sites, both in Italy and abroad.

Furthermore, ITEA S.p.A. is currently undergoing the full implementation of the ISO 45001 management system, with the goal of achieving certification in the near future.

Systematic hazard identification and risk assessment in all workplaces are among the Group's main prevention tools, along with the elimination of risks during the design phase of work processes and plant engineering. These measures aim to protect not only employees and collaborators but also third-party workers, clients, and end-users.



In 2024, the Group's injury frequency rate, calculated per million hours worked, was 2.92, showing a sharp decrease compared to 13.56 in 2023. This significant improvement represents a major success for the Group's ongoing safety and prevention efforts.

The average frequency rate over the previous three-year period was 8.56, highlighting the remarkable progress achieved in 2024.

Similarly, the injury severity rate, calculated per thousand hours worked, decreased from 0.46 in 2023 to 0.30 in 2024. The three-year average severity rate prior to 2024 was 0.27, confirming a positive and consistent trend in reducing the impact of workplace incidents.

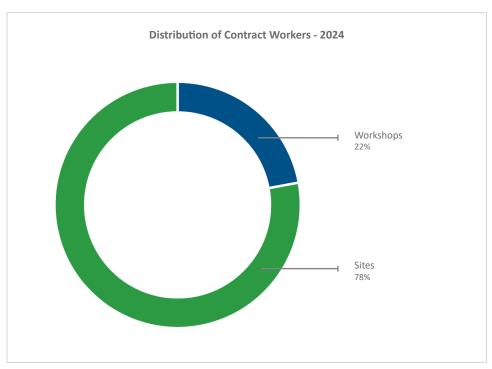
## health and safety

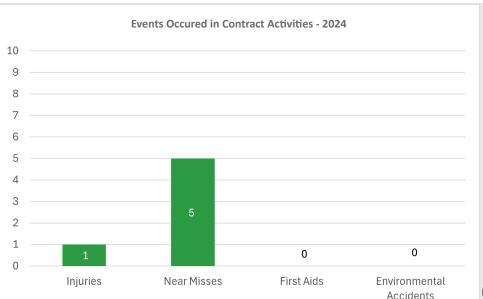
There were no work-related fatalities among employees, temporary workers, or contractors in 2024, continuing the positive trend already recorded in 2023. In 2024, there was only one commuting-related accident, in line with the five-year average, confirming the Group's consistent performance in managing and mitigating risks associated with home-to-work travel. All reported data have been normalized by excluding the contribution of CCA data from previous periods, ensuring greater consistency and statistical comparability.

For each recorded incident or injury, the Group conducts a thorough root cause analysis, aimed at identifying contributing factors and implementing targeted corrective and preventive actions. This structured approach ensures that lessons learned are systematically applied to prevent recurrence and to continuously strengthen the Group's safety culture.

All companies of the Sofinter Group remain strongly committed to engaging their Value Chain on health and safety issues through:

- A structured Pre-Qualification System, which verifies compliance with le gal requirements, the robustness of the Health and Safety organizational structure, the presence of procedures and certifications, and the absence of serious injuries or occupational diseases;
- The inclusion of contractual clauses regarding risk assessment, prevention of injuries and occupational diseases, and the application of disciplinary measures towards non-compliant suppliers;
- The execution of audits and both documentary and on-site inspections, particularly for contractors operating in the Group's construction sites and workshops;
- The definition of reporting systems and continuous monitoring of injury rates, occupational diseases, accidents, and near-misses involving contrac tors at the Group's construction sites and workshops.





## health and safety

In 2024, the Health and Safety performance of 42 contracting companies operating in Italian workshops, construction sites in Italy and abroad, and head offices was closely monitored. These companies employed a total of 1,615 workers (1,258 on construction sites and 357 in workshops and offices), for an overall 260,319 hours worked. Against almost 260,319 hours worked, during the course of year 2024, there was a unique accident at a construction site in France.

The overall frequency index of contractor accidents, per million hours worked, was 3.84, while the severity index, per thousand hours worked, was 0.054, much lower than those calculated in 2023, respectively equal to 5.23 and 0.16.

These indices are also in line with those related to the occurrences of personnel with direct employment contracts of the Group's companies, although the goal is the reduction to zero, with the total elimination of any harmful event.





## health and safety

The Group firmly believes in the process of developing a safety culture, perceived as a fundamental value and the foundation of everyday work. For this reason, especially for roles exposed to higher risk in workshops, construction sites, and plants, it commits to spreading this value through moments of discussion and sharing with all workers.

The use of Tool-Box meetings is one of the main tools that the companies of the Group employ for this purpose during regular work activities: they are quick, effective, and experienced directly in the work environment, related to specific themes or risks, before starting new activities, in small or large groups, to review issues, and to verify the effectiveness of processes.

Another element of success is the capitalization of systems and tools adopted by major Italian and international clients, which allow for the internalization and improvement of processes for detecting near misses, observing behaviors, valuing good practices, and monitoring performance and effectiveness of the actions taken.



## human capital

The history of the Sofinter Group has evolved in parallel with its organizational structure, thanks to the contribution of individuals who, by being part of the corporate environment, have actively supported the achievement of key strategic goals—both for the business and for society at large.

The skills and capabilities of these individuals are essential to maintaining the Group's high-quality standards and enhancing its performance, by nurturing talent and leveraging the experience of its most qualified professionals.

#### Training and Skills Development

Continuous training is a cornerstone for consolidating and developing new competencies within companies. At Sofinter Group, training is provided at all levels and for all roles, at various stages of employees' careers. It is supported by increasingly advanced tools that help integrate learning into daily work activities in a natural and effective way.

In recent years, the Group has promoted the use of both internal and external digital tools—such as webinars, e-learning, and online workshops—to make learning more agile and efficient, while reducing the need for travel. The development of video courses, distributed via the company's intranet platform, has been another success factor. These courses, created by internal departments with the support of the IT team, focus on regulatory topics, corporate procedures, and technological advancements.

A key aspect of the training process is the accurate assessment of training needs: understanding what is needed, by whom, and when. Many of these needs have emerged from skills assessments and direct requests from managers and leadership, resulting in technical and managerial training programs for workshop operators, site supervisors, and technical staff at headquarters.

The Group's main training areas include:

- HSE (Health, Safety, and Environment): mandatory and specialized courses on employee safety, certified management systems, safe use of machinery, new operational procedures, field toolboxes, and, more recently, employee well-being.
- Management: training to enhance organizational and managerial performance, work planning, project management, logistics, and the quality of processes and products.
- Technical: courses for workshop operators (welding, machine ope ration, handling, equipment use) and for engineers and supervisors (design, production and construction checks, detailed mechanics, etc.).
- Regulatory: updates on binding legislation and corporate governance (privacy, compliance programs, anti-corruption, etc.).
- IT: training to improve basic and advanced skills on company-provi ded tools, software for designers, ERP systems, cybersecurity, IT is sue prevention, and new IT procedures.

#### Skills and Performance Evaluation

For nearly a decade, the Group has implemented a structured process for evaluating technical and managerial skills. This is done through digital systems, combined with discussions between managers and employees; in addition evaluations are conducted through traditional interviews with management.

## human capital

The goal is to assess the maturity level of human resources and the extent to which key competencies are covered, ensuring effective task execution, achievement of business goals, and personal and professional growth. Since 2022, Sofinter and AC Boilers have adopted a new digital Performance Appraisal System to better manage and track performance data, generate advanced reports at individual, team, and company levels, and align with the Group's organizational evolution.

Starting in 2025, two new projects - implemented in collaboration with Trade Unions - have been launched and will be reported in the near future. The first project focuses on mapping and enhancing employees' cross-functional competencies, while the second targets the evaluation of technical skills.

The cross-functional competencies project aims to identify and promote soft skills such as communication, problem solving, leadership, and teamwork, which are essential for collaboration, effectiveness, and professional growth across the Group.

The initiative is structured in several phases:

- Group discussions to introduce the project and its objectives, both at the company and individual level;
- Administration of two questionnaires to gather data on current soft skills;
- Data analysis to identify strengths and areas for improvement, both collectively and individually;
- Feedback delivery, including a general report for the company and a personalized report for each participant, highlighting development opportunities;

• Competency gap identification, followed by tailored training plans aligned with shared personal and organizational goals.

The technical skills evaluation process involved a complete revision of the company's job descriptions, in line with ongoing organizational changes. Managers then carried out the competency assessments, while the People and Culture function will be responsible for harmonizing and interpreting the results.



## diversity and inclusion

#### Gender Equality Committee

On September 30, 2024, the Board of Directors of Sofinter officially approved the establishment of a Gender Equality Committee, reflecting the Group's commitment to promoting gender balance across its diverse professional activities. The Committee meets on a quarterly basis and was created to analyze current dynamics, raise awareness, and develop a structured approach to address the needs and expectations of women within the organization.

During recent meetings, the Committee has discussed key medium- and long-term priorities, including participation in initiatives dedicated to women, continuity in training and awareness programs focused on female health prevention, gender equality in salary management and recruitment, and the creation of a dedicated email channel to collect proposals and ideas aimed at promoting gender equality.

These efforts are part of Sofinter's broader mission to foster a more inclusive and equitable workplace.

#### **Gender Equality Events**

On May 11, 2025, SofinterGroup proudly took part in the Strawoman Humanitas event in Milan, a non-competitive run and walk dedicated to women but open to all who support wellness, inclusion, and solidarity.

Held in Piazza Gino Valle, Strawoman is Italy's largest female-focused gathering, combining sport, music, and social engagement.

Thanks to the Gender Committee of our Group, we involved about twenty employees with the aim of being present at the event and creating a moment of sharing and support for issues related to gender equality, inclusivity, and wellbeing.

Founded in 2011, the Strawoman event has reached its 15th edition in collaboration with Humanitas Medical Care, which is strongly committed to research on female diseases and to stopping violence against women.

Sofinter Group's participation reflects its commitment to social responsibility and the empowerment of women through community-driven initiatives.



## social support

#### Beekeping Women training

In the first months of 2025 Sofinter Group, in partnership with EcoVadis, supported LAAFI for training Senegalese rural women in beekeeping. The Burkina Bees project "Solidarity Beekeeping" aims to train women farmers in 3 regions of Burkina Faso to the profession of beekeeper, thus contributing to their economic emancipation.

Each beneficiary will eventually be able to manage up to 10 hives, each of which produces an average of 25 kg of honey per year with a purchase price set in advance that guarantees of about 1500 FCFA per kg (almost 2.5 € per kg). The project therefore allows the beneficiaries to carry out a remunerative activity and thus to diversify and increase the income of rural families.

For more information and to support the project:

https://www.laafi.com/apiculture

To buy honey:

https://www.laafi.com/vente-de-miel





## Società

## social support

#### Guaranteed Mobility for Disabled and Elderly people

The Macchi Division of Sofinter, through PMG, a Benefit Corporation for Positive Impact, supports the Project for Guaranteed Mobility for disabled children, young people with disabilities, elderly people living alone, and people with disabilities in the Municipality of Fagnano Olona.

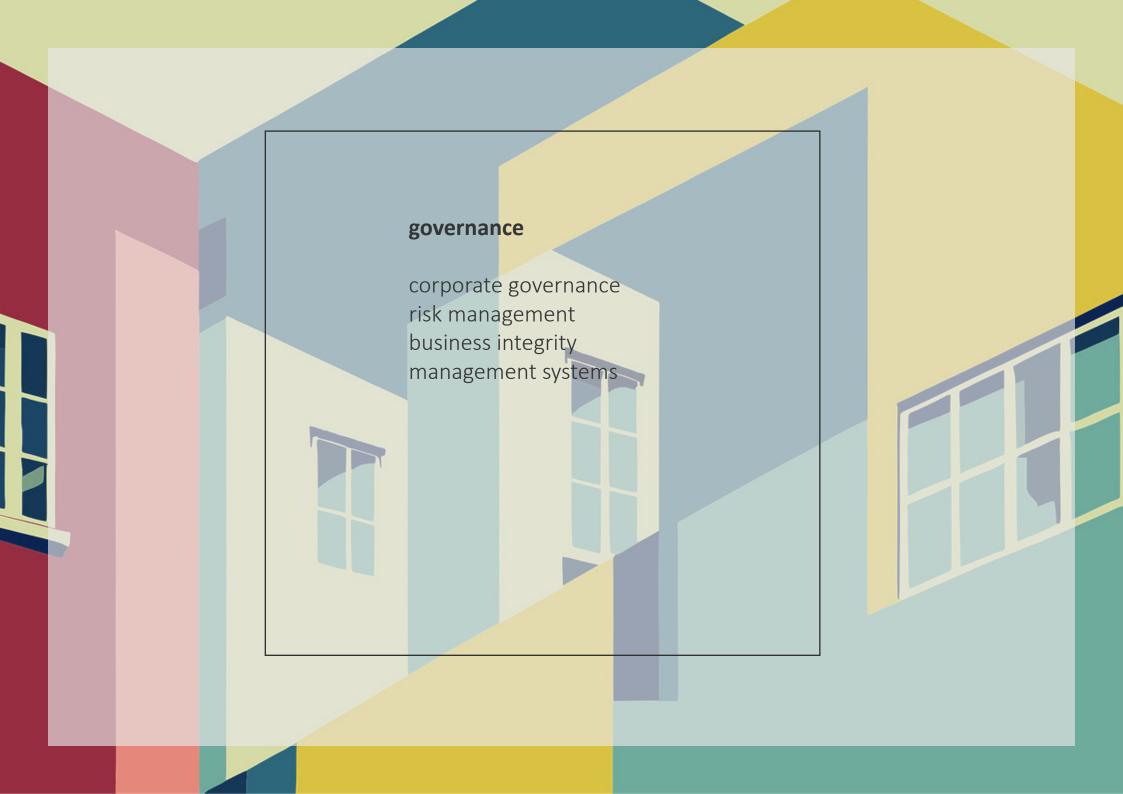
This two-year initiative ensures free, safe, and personalized transportation for those in need, with 30 trained volunteers providing not just rides but full accompaniment to hospitals, therapy centers, and schools.

The service operates Monday to Friday, delivering an average of 770 services per year—290 for elderly citizens and 400 for people with disabilities—covering destinations across Varese province and even Milan.

Thanks to this project, individuals without family support can access essential medical care, education, and social inclusion opportunities. The program is made possible through the commitment of local businesses and community solidarity, demonstrating the power of shared responsibility in creating social value.







#### corporate governance

The Corporate Governance System (CGS) of the Sofinter Group companies complies with civil law regulations, the self-regulation principles set by the responsible Authorities, and international best practices. Reputation is a value of fundamental importance for the Group. To this end, it is necessary that in the administration, in the interest of the Shareholders, employees, collaborators, and all those who enter into business relationships and/or come into contact with the Group, the principles of corporate governance most suitable to ensure the best realization of the Group's activities are observed, in compliance with the rules of good corporate governance and the provisions of the Code of Ethics.

The administration and control model of all the Legal Entities of the Sofinter Group is the traditional one, which includes the presence of the shareholders' meeting, the Board of Directors, the Board of Statutory Auditors and the Auditing Firm. The corporate bodies are appointed by the shareholders' meeting and remain in office for up to a maximum of 3 fiscal years. The representation of independent directors and the role they exercise within the respective Boards of Directors of the Group's companies constitute suitable safeguards to ensure an adequate balancing of the interests of all shareholder components, as well as a guarantee of a significant degree of debate in

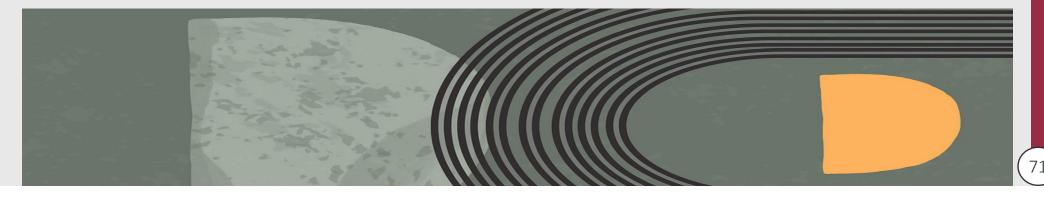
Sofinter Group has also established an Internal Control and Risk Management System structured on the basis of recognized international standards, such as the "CoSO Report – Internal Control Integrated Framework".

The Control System complies with the main regulations and guidelines in the field of Corporate Governance, including Italian Legislative Decree 231/2001 – Administrative Responsibility of Entities.

Within the scope of their functions and competencies, the Executives of the Group participate in the creation and implementation of an effective corporate control system and involve their subordinates in this process. Similarly, the Group's employees are required, within their competence:

- to define and ensure the correct functioning of the control system;
- to responsibly safeguard the company's assets, whether material or immaterial, instrumental to the activity carried out, and not to make improper use of them.

The Group's Internal Audit Department and the appointed Auditing Firm have free access to data, documentation, and any information useful for carrying out internal control and audit activities.



### risk management

The integrated Risk Management system of the Sofinter Group is aimed at protecting and increasing the value of the Company for the benefit of its stakeholders, supporting its objectives through the establishment of a methodological framework that allows for a consistent and controlled execution of every future activity, the improvement of the decision-making process, planning, and prioritization through a comprehensive and structured understanding of the activity itself. Particularly, the purpose of risk mapping is to design an integrated model of risk-opportunity control inspired by international standards of Enterprise Risk Management (ERM), with the definition of a global corporate risk model and risk assessment methodologies aimed at identifying the company's priority risks, assessing the potential of major adverse events, and implementing the most appropriate actions to mitigate them. This model aims to involve not only the top corporate levels, known as "apical," with a "Top Down" approach but also the managers of the main sensitive processes in place through a "Bottom up" activity.

This approach includes all areas of risk that are potentially significant for each of the companies in the Group and are represented in the "Group Risk Map" that collects the 4 macro-categories of risks, of both endogenous and exogenous nature, characterizing the business models of the Sofinter Group entities:

- Strategic risks, risks arising from internal and external factors to the Group's companies, such as potential changes in the market context, the inability to generate future cash flows;
- Operational risks, risks inherent in the operational part of business processes that determine the inability to create value, compromising the continuity of the business;
- Compliance risks refer to the dangers associated with the failure to adhere to laws, regulations, and rules which can lead to the imposition of sanctions, fines, revocation of licenses, and in the most severe cases, the suspension of operations.

- Financial/reporting risks are those that affect the reliability of financial balances and the representation of business performance. The management and monitoring of such risks are an integral part of the Group's business operational model. The main safeguards implemented in relation to the identified risks, particularly with reference to the sustainability issues most relevant to the Sofinter Group, relate to organizational and control models as well as policies developed by the Group, including:
- the adoption of an Ethical Code, Anti-Corruption Manual, and Export Control System Manual, valid for all companies within the Group;
- the adoption by Sofinter S.p.A. and its main Italian subsidiaries of the Organization, Management, and Control Model pursuant to Italian Legislative Decree 231/2001;
- the adoption of specific policies on quality, safety, and the environment;
- the implementation process of specific certified management systems or systems to be certified as better illustrated in the following paragraphs, as well as the progressive implementation of initiatives aimed at improving the quality and reliability of products from a customer satisfaction perspective; - constant monitoring of health and safety conditions at work, any non-compliance also in environmental, social, and labor matters, and the main impacts generated or suffered in connection with the Group's activities. In relation to the potential risks associated with the responsible management of the supply chain, each company has established its own supplier qualification procedures which contain specific provisions concerning ethical aspects, quality, health and safety, and environmental protection. Further integrative information regarding the policies, procedures, operational instructions, and specific initiatives adopted by the Group in the field of sustainability, useful for mitigating the related risks, are developed in the subsequent paragraphs of this document. As for the economic and financial risks, please refer to what is described in the Group's Consolidated Financial Statements.

### business integrity

The business activities are carried out in line with what is established by the Sofinter Group's Code of Ethics, in order to ensure full compliance with the regulations in force at the national and international levels. This document represents the ethical principles such as values, commitments, ethical responsibilities, business conduct, and behaviors to be maintained in the conduct of business and corporate activities undertaken by the various companies of the Group. Moreover, it regulates and governs the rights and duties that the Sofinter Group expressly assumes towards the stakeholders with whom it interacts.

The parent company Sofinter S.p.A. and the main controlled Italian companies (AC Boilers S.p.A., Europower S.p.A., and Itea S.p.A.) have adopted their own Model of Organization, Management, and Control pursuant to Italian Legislative Decree 231/2001 in order to prevent, as much as possible, the commission of crimes listed in the same Decree.

To actively promote ethics and business integrity, the most involved subjects and the "apical" subjects carry out training activities on the themes related to Italian Legislative Decree 231/2001 and, more generally, on compliance issues. To strengthen the commitment against corrupt conduct, in accordance with the Code of Ethics, the Sofinter Group has also adopted an Anti-Corruption Manual, in order to allow the carrying out of corporate activities in a lawful and ethical manner.

The document, disseminated to all companies of the Group, has made the application of the principles and rules of conduct binding for the reasonable prevention of active or passive corruption crimes, whether direct or indirect, towards third parties (public and private) both national and foreign.

In particular, the document defines the rules of conduct to be observed in relation to various activities and cases, including the management of gifts, presents and representation expenses, payments, reimbursements or advances of travel costs, provision of contributions, use of commercial intermediaries, establishment of joint ventures, acquisitions, prohibition of granting incentives, expenses for personnel security, preservation of company documents, and management of conflicts of interest.

As evidence of the commitment made in the fight against corruption and other crimes listed in Italian Legislative Decree 231/2001, in addition to what has been described above, the Group's companies have equipped themselves with specific control protocols and operational procedures aimed at defining the behavioral rules to safeguard against the risk of active and passive corruption, money laundering, corporate crimes, health and safety in the workplace, computer crimes, etc.

The set of manuals, codes, models, procedures, and operational instructions that ensure the compliance of corporate activities with organizational provisions and regulations are included in the Sofinter Group's Corporate Compliance Program, which has the broader goal of preventing the risks of non-compliance of corporate activities with the set of current corporate norms and regulations.

To safeguard against the aforementioned risks, the companies within the Group undergo periodic audit rotations by the Group's Internal Audit Department aimed at carrying out specific tests and controls. The Group's Code of Ethics, together with their respective Organization, Management, and Control Models pursuant to Italian Legislative Decree 231/01, and the Anti-Corruption Manual are also published on the respective websites of the Group's companies.

### business integrity

#### Whistleblowing

The Sofinter Group is committed to the constant updating and improvement of the Corporate Compliance Program, an internal governance system adopted to prevent the commission of offenses, while ensuring a safe and respectful work environment.

For this reason, the Corporate Compliance Program has been supplemented with a new procedure for reporting irregularities, called "Whistleblowing", intended to describe and regulate the reporting system providing adequate indications to any whistleblowers for making a report – in compliance with Italian Legislative Decree 24/2023 – and outlining the related management process.

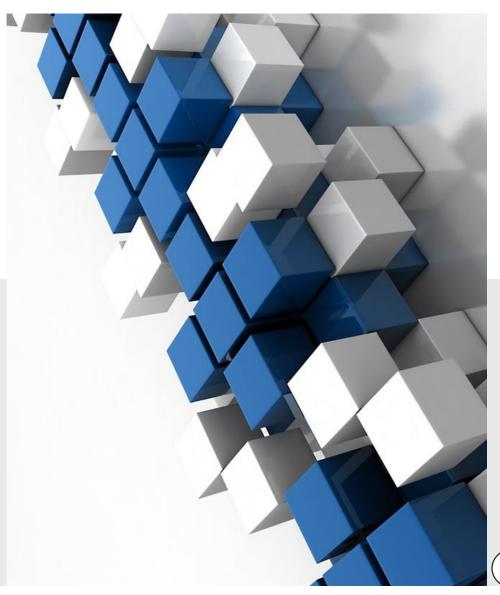
The Whistleblowing Procedure adopted by the Company applies to all executives, employees, collaborators of the Group, as well as all third parties (e.g., contractors, suppliers, and consultants) who interact with it in any way. In the reporting system, you can quickly and easily report concerns about actual or suspected misconduct that may have a negative impact on our company or on the well-being of people, using the online channel available at the following link https://sofinter.integrityline.com/

As an alternative to the online platform, it is possible to: (i) send report in written form, by correspondence addressed to the Whistleblowing Officer (function entrusted to the Head of the Sofinter Group Internal Auditor) or (ii) request a direct meeting with the Whistleblowing Officer.

The identity of the Whistleblower is exempt from the application of Article 15, paragraph 1, letter g of the GDPR and cannot be revealed throughout the procedure, except to the person involved in the report.

The Whistleblower may also make external report, through one of the channels provided by ANAC — National Anti-Corruption Authority - which ensure, even through the use of encryption tools, the confidentiality of the identity of the whistleblower, the reported party, as well as the

content of the report and its related documentation.



#### management systems

The Management Systems, designed and implemented in accordance with international ISO standards, represent the foundational structure of the organization, governance, and the engine of continuous improvement of the Sofinter Group in relation to Environmental, Health and Safety, Energy, Social Responsibility themes.

The Group's Integrated Policy for Environment, Health and Safety, which also includes aspects related to Corporate Social Responsibility, respect for Human Rights, and Anti-Corruption principles, expresses the main concept of the company's Sustainable Development.

In addition to the Quality Management System in accordance with ISO 9001 standard, all companies of the Sofinter Group possess or are structuring:

- Environmental Management System in compliance with ISO 14001 standard;
- Worker Health and Safety Management System in compliance with ISO 45001 standard;

Additionally, Social Responsibility Management Systems are being designed in compliance with the ISO 26000 standard, and Energy Management Systems in accordance with the ISO 50001 standard.

The complete implementation and subsequent certification by an Independent Third Party of the Management Systems represent one of the main sustainability goals that the Group has set for the near future.







sustainability rating
key performance indicators
methodological notes
GRI Content Index

### sustainability rating

To strengthen the reliability and transparency of ESG assessments, it is essential for companies to adopt recognized reporting standards. These frameworks help ensure clear communication of performance and enable the alignment of environmental, social, and governance objectives with measurable, quantifiable indicators.

In recent years, Sofinter and AC Boilers have assessed their ESG performance through EcoVadis as well as Open-es, global rating platforms that evaluate sustainability across environmental, social, and governance dimensions, and more recently, the responsible management of the supply chain.

Leveraging this structured rating systems has enabled both companies to:

- Under go performance evaluations based on internationally recogni zed methodologies tailored to their industry, country, and company size;
- Gain insights into their sustainability scores, identifying strengths and areas for improvement, and benchmarking against peers in the sector;
- Monitor progress over time through quantitative indicators and im plement corrective actions where needed;
- Engage with external stakeholders—including customers and busi ness partners—and encourage suppliers to enhance their ESG per formance.

Originally initiated as part of the value chain of major players in the international Energy and Oil & Gas sectors, this journey has evolved into a strategic internal challenge aimed at improving sustainability outcomes both within the organization and externally.



In terms of 2024 performance,

#### Sofinter:

- was awarded the Silver Medal by EcoVadis, achieving an overall ra ting of Good performance, and ranking among the top 25% of com panies evaluated globally;
- reached a 9/12 Open-es level, with a 80/100 overall scoring on ESG themes.

#### AC Boilers:

- maintained the Ecovadis Silver Medal 2023 also on part of 2024
- maintained a 8/12 Open-es level, with a 75/100 overall scoring also on part of 2024.

TOPIC	PERFORMANCE INDICATORS  KPI	BASELINE	2021	2022	2023	2024	TARGET
	Total quantity of waste produced [ton]	2.534	2.327	2.298	719	680	
	Quantity of ordinary waste produced	686	932	740	719	680	
	Quantity of hazardous waste [ton]	94	55	29	25	14	
	Percentage of recycled/recovered waste	96,6%	98%	98,4%	93,9%	99,0%	>95%
	Percentage of waste incinerated with energy recovery	3,3%	2,0%	1,6%	6,1%	0,01%	<5%
WASTE	Percentage of waste incinerated without energy recovery	0%	0,1%	0%	0%	0%	0%
	Percentage of waste sent to landfill	0%	0%	0%	0%	0%	0%
<u>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>	Total quantity of packaging [ton]	116	106	151	110	164	
	Percentage of packaging on total waste	4,6%	3,3%	6,6%	15,3%	24,1%	
	Percentage of packaging on ordinary waste	16,8%	11,4%	20,5%	15,3%	24,1%	
	Percentage of plastic and mixed packaging	62,1%	66,3%	60,4%	64,8%	49,2%	<=60%
	Percentage of wood packaging	32,5%	30,8%	35,2%	27,1%	40,5%	
	Percentage of other packaging	5,4%	2,9%	4,4%	8,0%	10,3%	

TOPIC	PERFORMANCE INDICATORS  KPI	BASELINE	2021	2022	2023	2024	TARGET
EMISSIONS	Total particulate emissions in Workshops [Kg]  Particulate emission factors in Workshops [Kg/h]	2.249 0,0072	n.d. n.d.	1.374 0,0051	1.418 0,0051	79 0,0010	 
WATER	Total volume of water used [m³]  Total volume of water used in Offices [m³]  Total volume of water used in Workshops [m³]	27.391 1.658 25.733	22.755 2.067 20.688	19.550 2.733 16.817	13.438 2.778 10.660	14.690 2.447 12.243	- 30% by 2025 reached in 2023 
CLIMATE & ENERGY	Total volume of stormwater treated in Workshops [m³]  Scope 1- GHG [ton CO2eq]  Scope 2- GHG [ton CO2eq]	1.291 1.983	953 1.354	96.378 762 1.314	1.100 1.289	17.380 628 959	 
	Scope 1 + 2- GHG [ton CO2eq]  Scope 3 Upstream- GHG [ton CO2eq]  Total GHG emissions- Scope 1 + 2 + 3 [ton CO2eq]	3.274 1.064 4.338	2.307 1.007 3.314	2.076 1.024 3.100	2.389 1.013 3.402	1.587 810 2.397	-50% by 2025 reached in 2024 carbon neutral by 2050
	Total Natural Gas consumed [Sm³]	260.331	274.786	262.681	378.509	240.283	

TOPIC	PERFORMANCE INDICATORS KPI	BASELINE	2021	2022	2023	2024	TARGET
CLIMATE & ENERGY	Total electricity consumption [MWh]  Total electricity from renewable sources [MWh]	5.857 1.378	4.001	3.880	3.810	2.500	 
	Electricity from renewable sources [%]	24%	34%	34%	34%	42%	>50% by 2026
HUMAN	Number of Group employees  Number of employees in the Executive category	647	611 44	575 43	532	494 29	
CAPITAL	Number of employees in the Manager category	77	74	65	58	58	
	Number of employees in the Staff category	347	336	313	290	268	
	Number of employees in the Worker category	177	157	154	144	139	
	Negative turnover rate	6,7	12,6	15,5	14,3	11,9	
	Positive turnover rate	10.4	7	9,7	6,8	4,7	

TOPIC	PERFORMANCE INDICATORS  KPI	BASELINE	2021	2022	2023	2024	TARGET
RESOURCE	Average number of training hours (full-time equivalent, excluding apprentices)	4	25	10	44	-	
ENHANCEMENT	Average number of training hours (full-time equivalent, including apprentices)	17,5	45,5	29	78	-	
	Number of employees evaluated for technical- managerial skills	371		367	332	-	
	Percentage of employees evaluated for technical- managerial skills	77%		85%	56%	-	>90% by 2025
HEALTH	Frequency Index of Group employees' injuries (per 1 million hours worked)	6,26	9,86	9,54	13,56	2,92	0
& SAFETY	Severity Index of Group employees' injuries (per thousand hours worked)	0,30	0,31	0,20	0,46	0,30	0
	Number of fatal injuries among Group employees	0	0	0	0	0	0
	Number of commuting injuries (home-work route) among Group employees	0	0	0	1	1	0
	Number of reported occupational diseases for Group employees	0	0	0	0	0	0

TOPIC	PERFORMANCE INDICATORS KPI	BASELINE	2021	2022	2023	2024	TARGET
HEALTH							
& SAFETY	Number of reported occupational diseases for former Group employees	1	1	2	4	2	
	Average number of training hours on health and safety topics (total employee workforce)	1,5	3	3,5	3	9,2	
	Percentage of female employees in the Group	15%	16%	17%	17%	18%	25% in 2025
DIVERSITY INCLUSION	Percentage of female Managers and Executives	1,7%	1,8%	1,8%	1,6%	1,6%	
	Average age of Group employees	45,2	45,7	46,2	46,2	47,6	
	Percentage of employees by age group						
CONTRACTOR SPIECES	- under 30 years	7%	8%	8%	8%	7%	
	- between 30 and 40 years	23%	22%	21%	20%	17%	
	- between 40 and 50 years	40%	37%	35%	34%	30%	
	- between 50 and 60 years	24%	27%	28%	32%	37%	
	- over 60 years	7%	6%	7%	6%	9%	
	Number of nationalities among Group employees	11	11	7	19	17	

TOPIC	PERFORMANCE INDICATORS KPI	BASELINE	2021	2022	2023	2024	TARGET
	Percentage of Group companies certified ISO 45001	20%	20%	60%	60%	60%	100% by 2026
MANAGEMENT SYSTEMS	Percentage of workshops certified ISO 45001	0%	0%	75%	75%	75%	100% by 2026
	Percentage of construction sites certified ISO 45001	33,3%	33,3%	100%	100%	100%	
	Percentage of Group companies certified ISO 14001	20%	20%	60%	60%	60%	100% by 2026
<u> </u>	Percentage of workshops certified ISO 14001	25%	25%	100%	100%	100%	
	Percentage of construction sites certified ISO 14001	33,3%	33,3%	100%	100%	100%	
CORPORATE GOVERNANCE	Number of audits related to risk and compliance topics	9	11	8	5	5	7 by 2025
	Training activities on risk and compliance topics	0	1	1	0	0	1 by 2025
	Group Risk Map update activities	1	0	1	0	0	on going
	Average number of training hours on Corporate Governance topics (total employee workforce)	0,5	1,5	2	0	0	0,5 by 2025
BUSINESS INTEGRITY	Number of remediations/recommendations received	21	23	11	24	23	
### ### ##############################	Percentage of remediations/recommendations addressed and managed by the Group	100%	91,4%	73%	83,3%	30%	80%

TOPIC	PERFORMANCE INDICATORS  KPI	BASELINE	2021	2022	2023	2024	TARGET
	Percentage of strategic suppliers involved in the evaluation of sustainability performance			100%	100%	100%	
SUPPLY CHAIN	Percentage of suppliers with Health and Safety management policies and systems			81,6%	97,8%	97,8%	100% by 2026
SUSTAINABILITY	Percentage of suppliers with formalized policies for managing Human Rights and child labor risk			85,3%	83,7%	83,7%	100% by 2026
2	Percentage of suppliers developing Circular Economy				64,1%	64,1%	>70% by 2026
	Percentage of suppliers with policies and systems for preventing illegal activities				83,7%	83,7%	>90% by 2026
	Percentage of suppliers with policies and objectives for reducing Greenhouse Gases			58,8%	50%	50%	>75% by 2026

### methodological notes

This document constitutes the third sustainability report of the Sofinter Group and has been internally drafted by the Group Sustainability Department, with the contribution of the Communication function and the involvement of all the interested corporate departments.

The report has been prepared according to the "Sustainability Reporting Standards" of the Global Reporting Initiative (GRI) updated in January 2023. All data and information presented in this document, which will be updated and revised, if necessary, in future publications, have been derived from the certified Management Systems of the Group and from the Governance and Compliance System.

The Sustainability Board of the Group's companies, in agreement with the Board of Directors of the parent company Sofinter S.p.A., will evaluate the possibility of submitting the Sustainability performance reported in the report to complete external assurance.

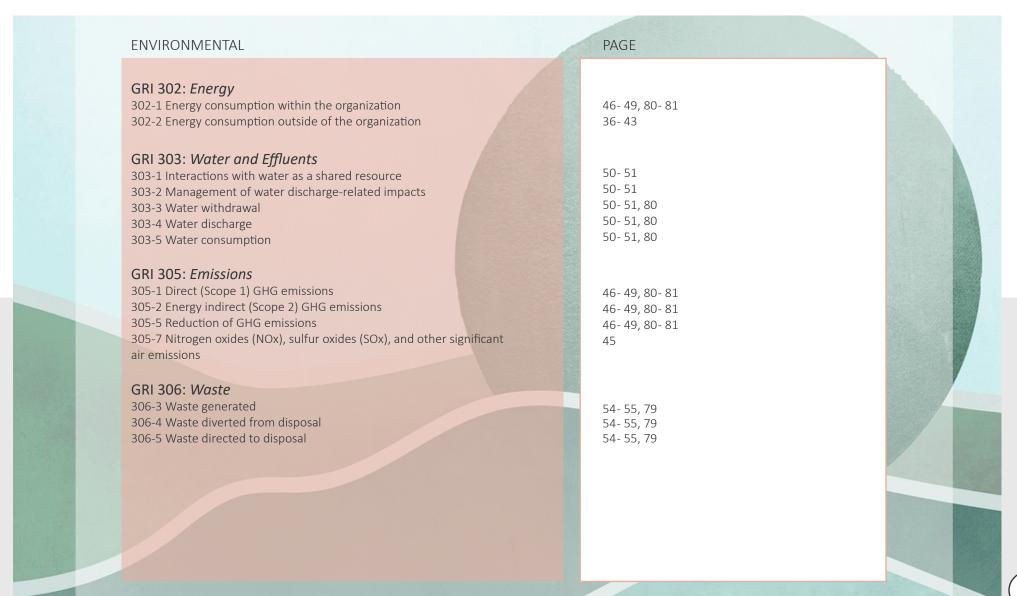
#### **Reporting Principles**

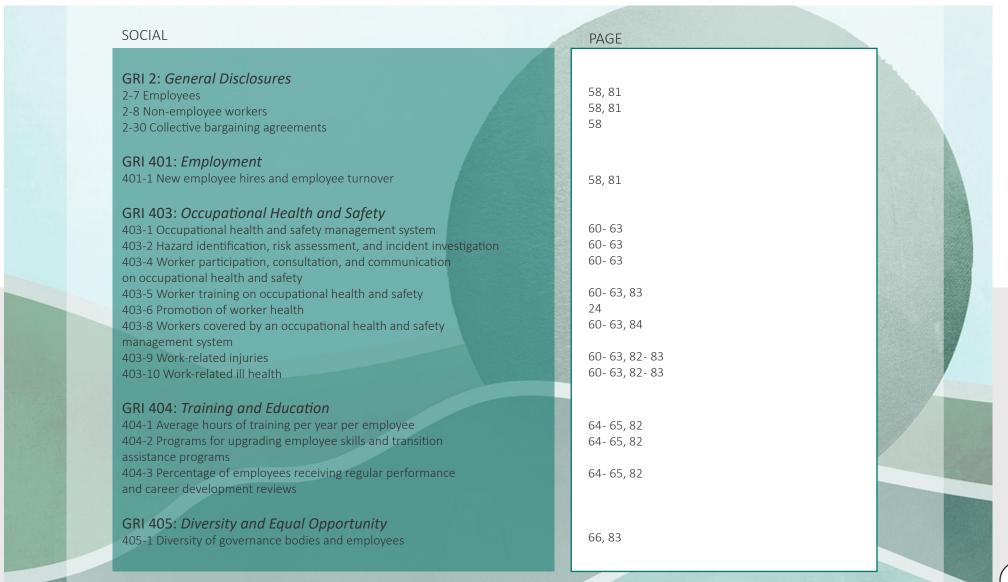
This report has been drafted by applying the reporting principles provided by the GRI standards (Global Reporting Initiative- updated January 2023):

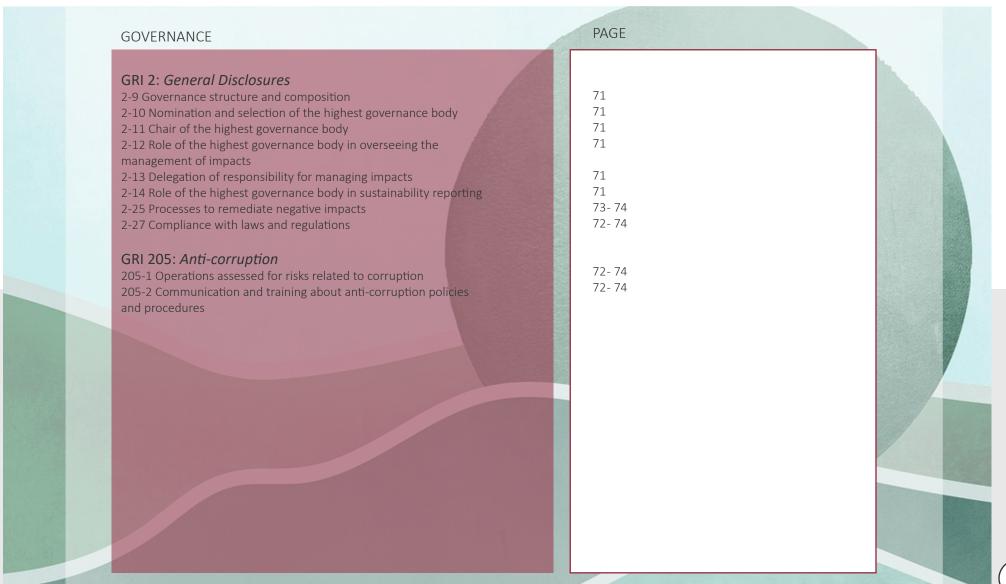
- Accuracy: the data reported are extracted from the Management and Go vernance systems of the Sofinter Group, from consolidated balance she ets and reports that have been verified by third parties;
- Balance: the overall balance reports both positive and negative perfor mances and harmoniously addresses all the sustainability issues of the Sofinter Group;

- Clarity: the structure of the report allows adequate reading and under standing by stakeholders, in addition to the final methodological notes related to GRI reporting;
- Comparability: the KPIs and data are presented in such a way that they can be compared over time and with other sustainability reports;
- Completeness: all the material topics of the Sofinter Group are addressed, as well as the issues prescribed by the GRI standards, for the reporting period of 2024, with comparison versus the years 2020-2023;
- Sustainability Context: the report considers the broadest possible context of sustainable development, within the scope of reporting (Italian sites);
- Timeliness: the 2024 sustainability report is the third one produced by the Sofinter Group and refers to the performances of the year 2024 compared with the four-year period 2020-2023. The drafting of subsequent reports is planned on an annual basis, within the first semester of the year following the last one considered;
- Verifiability: data, indicators, documents, and information sources have been presented and organized to facilitate verification by third parties as much as possible.

SUSTAINABLE STRATEGY	PAGE	
GRI 2: General Disclosures		
2-1 Organizational details	11- 19	
2-2 Entities included in the sustainability reporting	12- 17, 19	
2-3 Reporting period, frequency, and contact point	10, 86, 92	
2-4 Restatements of information	86	
2-5 External assurance	86	
2-6 Activities, value chain, and other business relationships 2-9 Governance structure and composition	13- 17, 22- 23, 20- 24 7	
2-10 Nomination and selection of the highest governance body 2-14 Role of the highest governance body in sustainability reporting	7 7	
2-22 Statement on sustainable development strategy	8-9	
2-23 Policy commitments	2-3, 8-9	
2-29 Approach to stakeholder engagement	20, 27	
2 23 Approduct to Stakeholder eligagement	20, 27	
GRI 3: Material Topics		
3-1 Process to determine material topics	25- 29	
3-2 List of material topics	25- 29	
3-3 Management of material topics	28- 33	
o o management or material topics	20 33	
GRI 308: Supplier Environmental Assessment		
308-2 Negative environmental impacts in the supply chain	22- 23, 85	
and actions taken		
GRI 413: Local Communities		
413-1 Operations with local community engagement, impact	24, 67- 68	
assessments, and development programs		
		The second second
GRI 414: Supplier Social Assessment		
414-2 Negative social impacts in the supply chain and actions	22- 23, 85	
taken		











#### **Third Sustainability Report**

#### **Publication**

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#### **Editing**

Sustainability Corporate, in collaboration with the Communication Department

#### **Thanks**

Corporate Management
People&Culture
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