Energy and Climate Change Policy

Scope and application

This policy confirms that Sidenor approach to be a part of the global effort to tackle climate change. As significant consumers of both non-renewable and renewable energy, Sidenor is committed to buying and using energy in a responsible, efficient and cost-effective manner with the aim to reduce their carbon footprint. The policy has been developed taking into consideration the interests of key stakeholders of Sidenor, and applies to all employees, officers, directors, contractors, and agents.

This policy is developed to address energy and climate related material negative impacts such as the consumption of non-renewable energy and GHG emissions, as well as material positive impacts such as the provision of key products enabling the energy transition and decarbonization. The policy incorporates technology and legal transition risks, acute and chronic physical climate related risks, as well as opportunities related to products and services.

Sidenor is committed to:

1. Compliance with Climate and Energy Legislation

Sidenor will comply with all applicable energy and carbon-related legislation, including EU climate directives, ESRS standards, and other national and international regulations. The company commit to international climate related frameworks such as the Paris Agreement and Sustainable Development Goals #7 and #13. Sidenor adhere to mandatory reporting frameworks ensuring transparent and accurate disclosure of greenhouse gas (GHG) emissions, energy consumption, and climate-related risks.

2. Continuous Improvement in Energy Efficiency

Sidenor will continuously improve energy efficiency by implementing and maintaining robust energy management. These energy efficiency systems will aim to reduce energy consumption optimize resource use, and integrate renewable energy sources, all while maintaining a safe and comfortable working environment. Regular energy audits will be conducted to ensure improvements and compliance with best practices. <u>The target for energy reduction is 0.5% per ton of total consumption</u>.

3. Evaluation of Investments Based on Energy and Carbon Impact

All new investments in infrastructure, equipment, and production processes (new equipment, refurbishing of existing equipment) will be evaluated based on their energy consumption and carbon footprint. Sidenor will prioritize technologies and practices that contribute to decarbonization and minimize their environmental impact, ensuring that the carbon intensity of new projects aligns with the company's climate goals.

4. Carbon Footprint Reduction Strategy

Sidenor will develop and implement strategies to identify and reduce the direct (Scope 1) and indirect (Scope 2 and Scope 3) carbon emissions associated with their operations. This includes setting targets for GHG reductions and developing decarbonization pathways that support EU and global climate goals. At the same time Sidenor commit to transition to Renewable energy when economically and technologically feasible.

5. Engagement in Value Chain Climate Change Mitigation Initiatives

Sidenor will actively engage with industry-wide initiatives and collaborate with stakeholders across the value chain to reduce carbon emissions. This includes working with suppliers, customers, and partners to create and implement carbon reduction programs, ensuring that efforts to reduce GHG emissions extend beyond direct operations.

6. Climate Change Adaptation

Sidenor commit to perform robust climate and vulnerability risk assessments to identify potential areas of hazard and consequent actions to be followed with specific adaptation solutions.

7. Training and Awareness on Energy Management

Sidenor will ensure that employees receive adequate training and guidance on energy management practices, tailored to their roles and areas of influence. Training and guidance shall promote awareness of energy conservation, carbon footprint reduction, and environmental sustainability throughout the organization.

8. Stakeholder Engagement and Advocacy for Best Practices

Sidenor will engage with public and industry bodies to promote and implement best practices in energy efficiency, carbon reduction, and climate change mitigation. The company will actively participate in industry coalitions, advocating for improved regulations and policies that support sustainable business practices and energy transitions.

9. Regular Monitoring, Reporting, and Continuous Improvement

Formal Review Mechanism: The Energy and Climate Change Policy and the associated Climate Guidelines are subject to a formal and structured review mechanism to ensure their continued relevance, effectiveness, and alignment with regulatory requirements, international standards, and the Company's sustainability strategy.

The review process is conducted at least every **two years**, or more frequently where required due to:

- regulatory changes (e.g. Sustainability, data protection frameworks)
- updates in international standards (e.g. UN, OECD, ESRS)
- identified risks, incidents, or audit findings
- significant organizational or operational changes

The review is coordinated by the **Sustainability function**, in collaboration with key internal stakeholders (Legal, HR, Internal Audit, and Senior Management).

Governance and Accountability

The Company has established a structured governance framework to ensure the effective implementation, oversight, and continuous improvement of its Climate standards and Energy and Climate Change Policy**.**

Overall accountability for Climate conduct lies with **Senior Management**, which is responsible for approving the Energy and Climate Change Policy, ensuring its implementation across all operations, and monitoring performance.

The **Senior Management**, in close collaboration with the **Sustainability, Legal, HR, and Internal Audit departments**, is responsible for:

- overseeing the application of the Energy and Climate Change Policy and Climate Guidelines
- monitoring compliance with Climate and Energy change requirements
- coordinating investigations related to reported climate concerns
- managing the whistleblowing mechanism (Integrity Hotline) and ensuring proper follow-up

Line management is responsible for promoting climate behavior within their teams, ensuring awareness, and enforcing compliance at operational level.

All employees share responsibility for:

- complying with the Energy and Climate Change Policy.
- participating in mandatory climate training
- reporting any suspected violations

Climate concerns can be reported through a formal **whistleblowing mechanism**, which allows confidential and anonymous reporting. All cases are assessed and investigated by authorized and trained personnel, ensuring independence, objectivity, and protection against retaliation.

This governance structure ensures clear accountability, effective oversight, and alignment of climate conduct with the Company's overall governance and sustainability framework.

Distribution and Communication

It falls into the responsibilities of Sidenor's management to communicate the content and the spirit of this document to all personnel, direct and associated, also to stakeholders. This policy is published and posted on the company intranet and websites. The policy will be reviewed annually to ensure compliance with legal requirements and any other relevant updates.