Regulation of the "ESG" Sustainability Committee
Franchini Acciai S.p.A.

*****

Article 1
Preamble

This regulation (the "Regulation"), approved by the Board of Directors of Franchini Acciai S.p.A. on October 24, 2024, governs the establishment, operation, and functions of the committee responsible for supporting the Board of Directors and the Responsible Manager in the formulation of environmental, social, and governance ("ESG") policies and strategies, monitoring ESG issues, assessing sustainability performance, defining metrics and objectives, preparing the ESG report, and making recommendations to the Board of Directors of Franchini Acciai S.p.A.

Article 2
Composition

1. The Committee was established by a resolution of the Company's Board of Directors in accordance with the Company's Articles of Association, consistent with the provisions of the Code of Ethics, approved on July 29, 2020 (the "Code").
2. The Committee is composed of no fewer than three members. At least one member must have adequate knowledge, skills, and experience in the field of social and environmental sustainability.
3. Directors accept membership of the Committee only when they believe they can devote the necessary time to carry out their duties diligently.
4. The Committee will have a Chairman, elected by the Board of Directors. The Chairman will be responsible for coordinating and planning the activities of the Committee and leading its meetings, liaising with the Responsible Manager.
5. The term of office will be determined from time to time by the Board of Directors, or, in the absence of such determination, will coincide with the term of office of the Board of Directors. If the Board of Directors is prematurely terminated for any reason, the Committee will cease to exist as of the date of approval of the current year's financial statements.
6. In the event that, for any reason, one or more members of the Committee cease their position, the Board of Directors will proceed to replace them in accordance with the provisions of the preceding paragraphs.

7. The Board of Directors may at any time revoke the members and the Chairman of the Committee, without them having any right or claim regarding the revocation.

Article 3
Meetings and Resolutions

1. The Committee's meetings are convened by the Chairman or the Responsible Manager, periodically and as necessary to carry out its activities, and in any case at least once a year, at the location indicated in the notice of meeting sent to all members of the Committee.
2. The notice of the meeting is sent by email or equivalent means, provided there is proof of receipt, at least three working days before the meeting date, and must specify the location, date, time of the meeting, the agenda, and participation methods.
3. In cases of necessity and urgency, the notice can be sent at least twenty-four hours before the scheduled meeting time, following the same procedures outlined above.
4. A copy of the notice is also sent to the Board of Directors, the Board of Statutory Auditors, the CEO, and the Supervisory Board (if not a member of the Committee).
5. The Committee may validly deliberate even without a formal notice, provided all members are present.
6. The Chairman, also upon request from other Committee members, may invite the Chairman of the Board of Directors, the CEO (if not a Committee member), other directors, and, after informing the CEO, company executives and representatives of relevant business functions within the company or group. The Chairman may also invite additional individuals, including external parties, whose presence is deemed necessary to provide relevant insights on one or more agenda items. The Chairman of the Board of Statutory Auditors, or another designated member, may participate in the Committee's work.
7. In such cases, the invited parties are made aware of the notice of meeting and any relevant documents, to the extent necessary for their effective participation.
8. The Committee's meetings may be held by audio or video conference, provided that all participants can be identified by the Chairman, follow the discussion, participate in real-time deliberations on the meeting's agenda, and vote simultaneously, with the ability to receive, transmit, and review documents in real time, and that the minutes-taker can adequately perceive the events to be recorded.
9. Meetings are chaired by the Chairman, or in their absence or impediment, by the most senior member.

10. The Committee may validly deliberate with the presence of the majority of its members in office, and with the approval of the majority of those attending. In case of a tie, the proposal that receives the Chairman's vote will be considered approved.

Article 4
Duties and Functions

1. In carrying out its duties, the Committee has the right to access the Company's information and offices as necessary to perform its tasks.
2. The Committee may rely on independent consultants to gather necessary information. It is the Committee's responsibility to verify in advance that the external consultant does not find themselves in situations that could compromise their independence, especially considering any services they may provide to the human resources department, directors, or executives with strategic responsibilities within the Company.
3. The Company will provide the Committee with sufficient financial resources to carry out its functions, within the limits of the budget approved by the Board of Directors.
4. No compensation is provided for participation in the Committee unless otherwise determined by the Board of Directors. However, reasonable and documented expenses incurred in the performance of the duties will be reimbursed.
5. The Committee assists the Board of Directors in achieving the goal of creating long-term value for the benefit of shareholders, taking into account the interests of other relevant stakeholders, as stated in the Code of Ethics.
6. The Committee performs preparatory, advisory, and consultative activities whenever the Board of Directors must make evaluations or decisions involving sustainability-related matters in the Company's operations or its interaction with stakeholders, including through the integration of sustainability issues into the Company's business strategies.
7. Specifically, the Committee is entrusted with the following tasks:
    - To assume a proactive, advisory, and supervisory role on all ESG matters.
    - To monitor, by receiving periodic updates from ESG functions, the implementation of policies and guidelines set by the Board of Directors on ESG matters.
    - To issue opinions, also upon specific request, to the Responsible Manager and the Board of Directors on the definition and updating of the Group's sustainability policy, also in view of its formal approval by the Board of Directors, and to examine decisions and projects presented or proposed to the Board of Directors with sustainability implications.

- To assess the objectives and purposes of ESG-related managerial initiatives and report to the Board of Directors on those deemed most effective and consistent with the Company's broader strategies, monitoring their implementation over time.
- To propose desired development actions in compliance with key regulatory trends in ESG, providing recommendations to the Board of Directors on the matter.
- To assess the completeness and reliability of the procedures related to the preparation of the Sustainability Report, coordinating with the Responsible Manager, while maintaining the latter's competence regarding annual reporting.
- To periodically update the Board of Directors on relevant ESG matters and emerging issues.
- To assess the adequacy of the Company's sustainability policies in light of its strategic directions, monitoring international best practices and the Company's market positioning on sustainability issues.
- To monitor the development and implementation of the Company's ESG objectives, track progress in achieving those objectives, and provide advice on necessary actions to meet them.
- To monitor and report to the Board of Directors on external ESG trends and key factors influencing the Company's ESG policies, strategies, and objectives.
- To manage and review the identification and prioritization of the Company's ESG double materiality issues.
- To examine annual reports, material ESG disclosures, and other sustainability-related information and make recommendations to the Board of Directors for approval.
- To collaborate with the Responsible Manager in the preparation and review of ESG disclosures to be included in the Sustainability Report, as required by Italian Legislative Decree No. 125/2024.
- To establish working subgroups on specific topics.

The Regulation must be made available to the members of the Board of Directors and the Board of Statutory Auditors at the Company's registered office and at the location where the Committee is convened, and will be published on the Company's website (?).

The Committee periodically reviews the adequacy of this Regulation and submits any modifications or additions for examination by the Board of Directors.

Any amendments to this Regulation must be adopted by a resolution of the Board of Directors.

The Chairman of the Board of Directors may make formal amendments to this Regulation, after appropriate evaluation by the Committee, to comply with legal or regulatory provisions, Board of Directors resolutions, or in response to organizational changes within the Company, informing the Board of Directors accordingly.

This Regulation, as per the resolution of the Board of Directors dated October 24, 2024, enters into force on October 24, 2024.