

Double Materiality Insight

Introduction

This Insight aims to provide further information to the Thermocast Risk Management Insight by sharing our analysis of Double Materiality.

Why is Double Materiality a relevant tool?

- Risk Identification: Implementing Double Materiality enabled Thermocast to better identify and understand the financial and non-financial risks associated with its operations.
- Investor attractiveness: Investors, increasingly oriented towards ESG criteria, are interested by companies that demonstrate a clear understanding of the financial and non-financial impacts of their activities.
- Adapting to change: Considering financial and non-financial aspects simultaneously will enable Thermocast to better adapt to the challenges of the steel industry.

Double Materiality

Double Materiality is a concept introduced by the European Commission in the document Guidelines on non-financial reporting and provides for the identification of material topics or information that must be included in sustainability reporting.

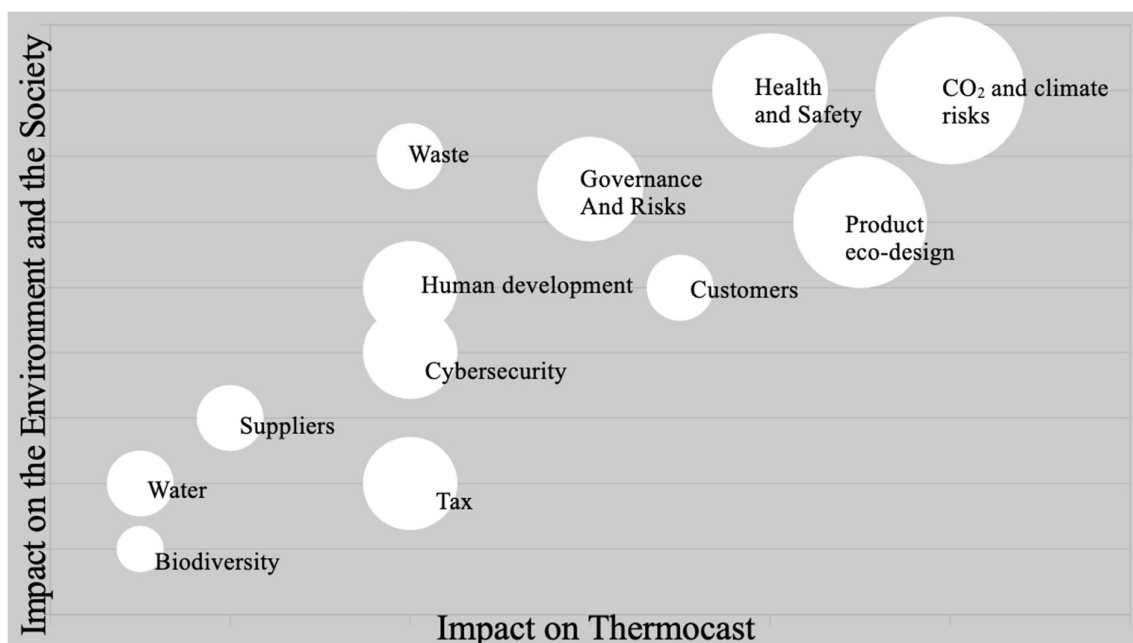
The Double Materiality is a useful tool for mapping financial and non-financial (ESG) risks associated with Thermocast activities and is based on the dual perspective:

- The “Inside-Out” perspective involves stakeholders sharing sustainability issues that are relevant to them, both financial and non-financial;
- The “Outside-In” external perspective which involves the company’s self-assessment to identify how certain external material issues can have a financial impact on the company.

Result

The image below represents the Double Materiality, realized by Thermocast for the first time in 2025 and aligned with the impacts of the steel sector.

- The X-axis represents the impact on Thermocast;
- The Y-axis represents the impact on the environment and society;

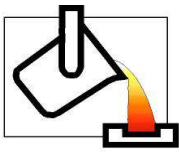


- The size of the bubbles represents the economic magnitude to reduce the impact

For each material topic, Thermocast has developed an Insight with 2030 Targets and the trend of ESG performance over four years.

Process

1. We listed all ESG topics
2. We interviewed three categories of stakeholders: Management, Customers (requests received so far from key customers) and an external Sustainability Advisor;



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3. We assigned each topic a value that summarizes its impact (from 1 "not very important" to 10 "very important") based on:
 - SEVERITY: How severe is the impact?
 - PROBABILITY: How likely is it that the impact will occur and how often?
 - IRREMEDIABILITY: how difficult it is to counteract the negative impact, restore the original state or improve it?
 - EFFECTIVE LEVERAGE: How high is the influence of Thermocast on the impact?
 - COST: How much does it cost Thermocast to reduce the impact?
3. We mapped the different impacts with their weights on a Cartesian graph.

This materiality analysis has been approved by the Board of Directors, verified by third parties and will be updated every three years.

Caravaggio, April 2025