2024 TCFD REPORT

OUR CLINIATE-RESILIENT FUTURE

RAMSPARENCY RISKS GOAL, SUSTAINABILITY CHALLENGES NVIRONIMENT OPPORTUNITIES HISSION



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September 2024

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INTRODUCTION TO MAIRE'S FIRST TCFD REPORT

For MAIRE, this first report based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) is a significant step toward greater transparency and disclosure of our commitment and of the resilience of our business model as we seek to tackle climate change.

The report provides a detailed overview of the climate-related risks and opportunities affecting our business. It describes how various climate change scenarios could impact our business and outlines our strategy to mitigate the potential effects of those scenarios. This document represents our desire to provide our stakeholders with a clear and comprehensive view of the ways in which MAIRE is addressing climate challenges through a model that integrates climate-related considerations into medium to long-term business strategy and decision-making.

The objective we have set ourselves is to transparently demonstrate not only our awareness of climate risks - sharing the results of dedicated analyses - but more importantly our ability to adapt and move forward in a rapidly changing environment. Our intention is to highlight our ongoing work to make our business model increasingly resilient, while also putting ourselves in a position to seize and promote emerging opportunities related to the transition to a low-carbon economy.

This TCFD report illustrates MAIRE's commitment to combatting climate change and the path we have undertaken to do so, confirming our sense of responsibility to provide a sustainable future and create long-term value for all our stakeholders.

VISION AND COMMITMENT: CHAIRPERSON & CHIEF EXECUTIVE OFFICER'S MESSAGE



MAIRE's unshakable commitment to developing rapid and effective responses to climate change guides our sustainable growth.

FABRIZIO DI AMATO Chairman and Majority Shareholder MAIRE



MAIRE is determined to transform climate change challenges into concrete opportunities for growth and innovation.

ALESSANDRO BERNINI Chief Executive Officer MAIRE

Dear Stakeholders

It is with great satisfaction that I present MAIRE's first TCFD report, a public disclosure document containing market-critical information. It is the result of in-depth analysis that we have carried out with particular care and dedication to transparency in our dealings with you. The report embodies not just the MAIRE Group's strategy, but also my vision for our sustainable future.

Since 2018, the MAIRE Group has sought to consolidate its position as a leader in engineering and technological development by strengthening its role as a strategic enabler of the energy transition. This evolution is more than simply a strategic choice: it is also a deeply personal mission for me and one that guides our every decision.

This new phase of development in the MAIRE Group's business model is and will continue to be instrumental in ensuring that our company strengthens its leading position in the industry. working to mitigate climate change

and support the global transition towards low-emission processes and materials.

To achieve this objective, MAIRE takes tangible action every day, working with a long-term vision, investing to develop the skills and technologies required to keep pace with growing market demands, and increasingly fostering integration between sustainability and the business activities that form MAIRE's robust foundations.

Meanwhile, the various areas in which MAIRE's strategy find concrete application afford the Group high levels of resilience in the face of the uncertainties arising from the challenges of transition. This sustainable, long-standing business model, coupled with an unwavering focus on the growth and development of our employees' critical skills, puts us in a strong position to embrace future challenges.

The Group's commitment to tackling and managing climate change is also clear in the effectiveness of our responses to the consequences of

extreme weather events, our focus on employee safety, and the support MAIRE provides to other actors in the value chain, driving the change towards a sustainable business. I am certain that our proactive and innovative approach will enable us not only to adapt to change, but to actively shape the future of our industry.

MAIRE's unshakable commitment to developing rapid and effective responses to the issues that climate change entails is the distinctive and essential feature that will guide the Group to new, ever more ambitious horizons of sustainable growth.

Dear Stakeholders.

The Group's significant influence in driving the energy transition makes a focus on climate change even more crucial, given the close interrelation between these two elements. The unprecedented change we are experiencing has only just begun and will affect our business for many years to come.

The technological development in which Maire is today involved is providing significant impetus in the changing energy and industrial landscape.

Fully aware of the uncertainties that such a change presents, in 2024 the Group carried out an in-depth assessment process, in line with the recommendations of the TCFD. This examined two different aspects: the consequences of extreme climate phenomena and the risks and opportunities generated by the transition to a low-emission economy. This strategic initiative was carried out in line with the Group's ERM activities, and the objective is to update and refine it each year.

The results of the analysis reflect the Group's overall resilience, a characteristic that is deeply rooted in MAIRE's identity and on that we already knew well. Now, however, it has been confirmed by a thorough analysis that meets international standards.

MAIRE demonstrates a notable ability to cope with extreme weather events, thanks to a robust mitigation system that significantly - if not entirely - contains economic impacts.

The Group's distinctive strength lies not just in minimizing risks, but also in maximizing business opportunities related to the energy transition. This is made possible by our 10-year strategic plan, which brings two cores (STS and IE&CS) together into a single entity, enabling the development of cutting-edge and distinctive proprietary technologies and the ability to serve traditional customers, attract new ones, and expand our sphere of influence.

MAIRE is developing a broad portfolio of sustainable industrial solutions. which is set to be expanded signifi-

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cantly in the near future. The company continues to invest in enhancing its expertise, acquiring strategic skills and technologies and establishing key relationships and partnerships.

Climate change poses significant current and future challenges: MAIRE. however, is determined to transform these challenges into concrete opportunities for growth and innovation. This determination comes from the Group's long-held position as a promoter of the energy transition, which is in turn the result of a flexible business model that offers a wide range of sustainable technologies.

I am confident that this thorough, transparent disclosure will give our stakeholders a clear and detailed view of our commitment and strategy in the face of climate change. Our hope is that this information not only demonstrates the MAIRE Group's vision and solid foundations, but that it also forms the basis of constructive dialogue and ever-closer cooperation with all of you as we move towards a sustainable future

SUSTAINABILITY FOR MAIRE

Inspired by the United Nations SDGs, our sustainability strategy comprises five clusters to create sustainable value for our stakeholders, with a focus

opment and operations of the entire Group, ensuring that the principles of sustainability, with a specific focus on reducing emissions and adopting re-



MAIRE positions itself as a promoter of a new sustainable paradigm throughout the entire value chain, from suppliers to the countries in which it operates. The introduction of a portfolio of enabling technology solutions for clients and supplier selection that is increasingly based on ESG criteria go hand in hand with a constant and growing focus on the protection and

safety of our workers, the protection of human rights, and the growth of In Country Value indicators.

AN INNOVATIVE, **RESILIENT BUSINESS STRATEGY** IN A CHANGING CLIMATE

6 KEY PRIORITY TARGETS FOR 2024



Reducing our carbon footprint with the highest commitment to Scope 1, 2 and 3 emissions, in line with market and carbon neutrality commitments to 2029 Scope 1-2 and 2050 Scope 3, through office and construction site initiatives and in collaboration with key suppliers



Accompany business growth with the development of HSE-oriented human capital, rich in diversity and multiculturalism and a driver of change, through flourishing and intensive training programmes



Enhancing our positive economic and social impact and shared value on the communities of the regions through sustainable supply chain, human rights focus, In-Country Value, Corporate Social Responsibility and Fondazione MAIRE activities

Improve our impact as enablers of the energy transition by expanding our portfolio of solutions for decarbonisation, circularity and environmental impact reduction by developing a methodology for calculating Scope 4 (avoided) emissions

Improving our impact on innovation by expanding our portfolio of patents, proprietary technologies and digital solutions, in collaboration with the innovation ecosystem



Enhance the impact of our transformative power by sharing the vision of our sustainability strategy within the Group in every business, project, region and supply chain

MAIRE's solutions for the Energy Transition

In a rapidly changing global marketplace, the MAIRE Group has adopted a strategy that supplements the provision of increasingly sustainable technologies and processes with the ability to carry out Projects industrially, enabling it to respond more effectively to client needs and the challenges posed by the energy transition. MAIRE's "green acceleration" strategy began in 2018 with the launch of a new business unit through a dedicated vehicle called "NEXTCHEM". It concluded in 2022 with a reorganization of the activities carried out by

> **SUSTAINABLE TECHNOLOGY** SOLUTIONS

AIRE Sustainable Technology Solution

We offer Sustainable **Technology Solutions to fully ENABLE** energy transition.

Innovative and sustainable processes, optimizing conventional ones and creating new processes from non-fossil feedstock.

the two synergistic and complementary business units STS (Sustainable Technology Solutions) and IE&CS (Integrated Engineering & Construction Solutions), which are the organizational foundations for optimizing and centralizing skills and resources.

STS (SUSTAINABLE **TECHNOLOGY SOLUTIONS**)

The STS business unit headed by NEXTCHEM reflects the Group's commitment to innovation and environmental sustainability. STS focuses on the development and introduction of advanced technological solutions, seeking to reduce the environmental impact of industrial activities and promote the use of renewable energy. This division sees NEXTCHEM position itself as a leader in sustainable tech-

PROJECT DEVELOPMENT

nologies, offering its clients products and services that combine performance, energy efficiency, and environmental friendliness with economic sustainability.

IE&CS (INTEGRATED ENGINEERING & CONSTRUCTION SOLUTIONS)

The objective of the IE&CS business unit is to offer TECNIMONT's traditional expertise in engineering, procurement and construction. This enables the optimization of internal processes, improvements in operational efficiency and guarantees high quality and safety in concrete Project execution. IE&CS offers and implements integrated and turnkey solutions, fully meeting the needs of an increasingly competitive and technologically advanced market.

INTEGRATED E&C SOLUTIONS

MAIRE Integrated E&C Solutions

> We MAKE energy transition happen through our Integrated **E&C** Solutions.

We bring into reality complex plants and frontier projects designed to provide access to the latest technologies.



SUPPORTING INVESTORS IN TRANSITION PROJECTS

Support for the energy transition is provided by the PROJECT DEVELOP-MENT function, which assists clients in the early stages of the investment process. This function leverages MET DEVELOPMENT's advanced technical and financial expertise to support projects and coordinate the entire process with various financial, institutional, and technical stakeholders.

INTEGRATED AND TECHNOLOGICAL SOLUTIONS

MAIRE offers solutions for large, complex plants, adopting the latest technologies. The company's international network of engineering hubs means it can provide a wide range of integrated services. Sustainable technology solutions are designed to enable innovative and sustainable processes, developing solutions for decarbonization and the energy transition.

The Group's expertise ranges from fertilizers, hydrogen and carbon capture to fuels, chemicals and polymers, offering technology and process solutions, basic designs, equipment and proprietary catalysts.

MAIRE's strategy and resilience in the Energy Transition

MAIRE's energy transition strategy is robust and flexible, integrating technological innovation, environmental and economic sustainability and a strong operational base in traditional sectors. MAIRE seeks to complement the transformation of existing industrial processes through waste recycling, carbon capture, and the use of renewable and electric energy with acceleration toward sustainability by adopting processes based on renewable and circular materials to create a zero-emission future for industry. Providing advanced technologies and the ability to devise, design and deploy small- and large-scale projects are key to facing the challenges of the energy transition and contributing significantly to global sustainability.

MAIRE's approach features synergistic collaboration between the IE&CS and STS business units to promote and develop projects that are industri-

MAIRE'S STRATEGY FOR CLIMATE CHANGE RESILIENCE (\bigcirc)

Against this backdrop, MAIRE's strategy for climate change resilience is based on several pillars:



ally, economically, and environmentally sustainable, leveraging the technical, commercial, financial, and legal expertise that the Group possesses. This integrated approach makes the Group a key player in the search for a more sustainable and low-carbon energy future, demonstrating a business model that is resilient in the face of

mental challenges.

+260ڵ licensed urea plants and around 180 operational ammonia and urea plants +290

installed polyethylene and polypropylene plants

climate change and emerging environ-

+250

hydrogen production and sulfur recovery projects

FERTILIZERS

MAIRE boasts one of the world's most advanced and efficient portfolios of proprietary technologies for the production of various nitrogen fertilizers, from urea to nitrates. The synergy between the STS and IE&CS business units ensures that innovative technologies to provide state-of-the-art facilities are adopted. These include the construction of new ammonia and urea production plants and the modernization of existing ones.



FRINZERS

S & CHENICAL PRODUCTS

FUELS & CHEMICAL PRODUCTS

FUELS

MAIRE has been a global leader in the implementation of fuel and chemical plants since the 1970s, carrying out numerous large-scale projects. In recent years, the company has developed technologies and projects to produce biofuels and SAF (Sustainable Aviation Fuel), along with low-carbon and waste recycling-derived synthesis gases for methanol, ethanol and e-fuel, drawing on its extensive experience.

OUR CLIMATE-RESILIENT FUTURE

CIRCULAR **HYDROGEN** & CARBON

The company facilitates industrial decarbonization through CO_o capture, use and exploitation and the deployment of technologies to produce low-carbon and green hydrogen. Bringing its historical experience in E&C to bear, MAIRE supports the growth of green hydrogen and circular carbon economies.

POLYMERS

MAIRE has for a number of years offered sustainable polymer technology solutions, including those derived from mechanical and chemical recycling of plastics and biodegradable and compostable polymers. OUR GOVERNANCE TO RESPOND TO THE CLIMATE CHALLENGE

1.1 GUIDING SUSTAINABILITY: LEADERSHIP IN ACTION

MAIRE's governance system is based on a traditional model that includes the Shareholders' Meeting, the Board of Directors, and the Board of Statutory Auditors and is geared toward the pursuit of sustainable success for the company, while also considering climate resilience. The Board of Directors plays a key role in defining and monitoring sustainability strategy, integrating climate considerations into corporate strategy and assessing their impact on long-term business prospects.

Board meetings include sessions dedicated to examining future energy scenarios and assessing their impact on MAIRE's activities. These meetings are critical in shaping the company's long-term plans, ensuring alignment with global energy transition trends. The objective is to create long-term value for shareholders, considering the interests of relevant stakeholders at a time when climate issues are becoming increasingly important. The corporate governance system is considered an essential tool in effectively developing and managing sustainability issues. in accordance with the Sustainability Plan developed by the Group Sustainability function and with the guidance of the Internal Sustainability Committee, which is chaired by the Chief Executive Officer.

A key element of MAIRE's decision-making process is the systematic assessment of business risks, including in terms of climate and sustainability. The Board therefore periodically reviews the results of the analyses conducted on risks and ensures the integration of the related mitigation strategies into the overall corporate risk management system.

In this context. MAIRE's Control, Risk and Sustainability Committee, established in accordance with Borsa Italiana S.p.A.'s Corporate Governance Code, supports the Board of Directors in risk management, including in terms of climate and sustainability risks.

Its main climate-related responsibilities include, in the wider Sustainability context, establishing guidelines to identify, measure and monitor the relative risks, periodically assessing the adequacy of the internal control system for such, and overseeing the company's disclosure in this area. The Committee also examines sustainability issues relating to the company's business, including interactions with stakeholders regarding environmental issues, and reviews in advance the Sustainability Report (which includes climate aspects), drawing up an opinion for its approval by the Board of Directors.

The Committee also advises on the company's sustainability-related positioning, including in terms of climate change, helping to integrate these aspects into the overall corporate strategy and risk management processes. During the year, the Committee monitored the risk management activities carried out, including in terms of climate risks, and supports the Board in assessing the effectiveness of the risk management system.

To prepare for the introduction of the Corporate Sustainability Reporting Directive (CSRD) from 2024, through its Sustainability Reporting function, MAIRE is conducting a multidisciplinary assessment to ensure that its governance aligns with the EU's new climate and sustainability regulatory requirements. As a EURONEXT-listed company since 2007, MAIRE is also subject to strict obligations of transparency and governance, which reinforce its commitment to responsible risk management, including in terms of climate.

MAIRE's management and coordination activities over several strategically important Group subsidiaries ensure a coherent and integrated approach to managing risks and opportunities - including in terms of climate - on a Group-wide basis. This governance architecture ensures also that climate considerations contribute to the decision-making processes at MAIRE, to strategic planning to day-to-day operations, promoting a corporate culture that puts also climate resilience and, more generally, sustainability at the heart of its business model.

SHAREHOLDERS' MEETING

Adopts resolutions on matters specified by law, such as the approval of the budget, appointment of the Board of Directors, the Board of Statutory Auditors, the Auditing Company, and amendments to the Articles of Association of the Company.

| BOARD OF STATUTORY | BOARD OF DIRECTORS | APPOI AUDIT |
|--|---|--|
| It monitors the compliance with the law and the Company's By-laws, the principles of good administration and the suitability of the organizational, administrative and accounting structure. | It leads the pursuing of the sustainable success of the Company and the Group. For this purpose, it defines the strategies, monitoring their implementation, and the corporate governance system, while promoting dialogue with shareholders and relevant stakeholders. | It has an opin statem the pro- compa the co the op the ac |
| CONTROL RISK AND | REMUNERATION | RELAT |
| It assists the Board of Directors in assessing the suitability of the internal control and risk management system including the risks relevant for the sphere of sustainability. | It formulates proposals regarding the remuneration of the Directors, including thoseholding special offices, and the executives of the Group. | It carri reserve CONS Regula procece Compa |

 Management bodies
 Control bodies
 Management and Control bodies
 Supervisory bodies

OINTED

as a mandate to form opinion on the financial tements and to verify proper keeping of the mpany accounts and correct reporting of operating events in accounting records.

DESIGNATED AUDITOR

It is responsible for verifying compliance with the "Non-Financial Statement" pursuant to Legislative Decree 254/2016.

ATED-PARTY /IMITTEE

arries out those tasks erved to it by the NSOB Related Parties gulation and the related ocedure adopted by the mpany.

231 SUPERVISORY BODY

It carries out activities on the operation, observance and updating of the "Model 231" and on the implementation, within the Company, of the provisions of the Legislative Decree 231/2001.

1.2 **ACHIEVING OUR CLIMATE GOALS:** THE ROLE OF MANAGEMENT

The Chief Executive Officer plays a key role in managing risks, including in terms of climate, and guiding the Group's energy transition. The responsibilities include, among others, the role include integrating climate considerations into business strategies, overseeing the development of decarbonization-oriented business plans and introducing an effective risk management system, including in terms of climate and sustainability. The Chief Executive Officer also oversees the development of initiatives to mitigate the Group's environmental

impacts and to make the most of opportunities related to the transition to a low-emission economy. The former also ensures regular reporting to the Board of Directors on sustainability, including climate-related, performance and initiatives, helping position the Group as a responsible player in the global climate challenge.

The Internal Sustainability Committee, a strategic advisory body serving MAIRE S.p.A.'s Chief Executive Officer, comprises the heads of the entire first line of the Chief Executive Officer's hierarchy, including, with responsibilities also for the management of climate-related issues, the CFO and the functions of Group Institutional Relations, Communication & Sustainability: Group Corporate Affairs, Governance. Ethics & Compliance: Group Risk Management, Special Initiatives and Regions Coordination; Group Research & Innovation Development; Corporate and Business Strategy: Group HSE&SA and Project Quality.



1.3 **ALIGNING PERFORMANCE** AND SUSTAINABILITY: **CLIMATE-ORIENTED INCENTIVES**

MAIRE's 2024 Remuneration Policy confirms the increasing centrality of sustainability issues. This centrality is reflected not only in the principles and values that underlie it, but also in the existence of specific ESG performance indicators, including those related to climate issues, in the incentive systems adopted, which are closely linked to the Group's Sustainability Strategy. In addition to confirming the introduction to all approved incentive plans (whether of an equity and monetary nature) of at least one ESG indicator among the evaluation parameters, the LTI 2024-2026 Plan approved by the Shareholders' Meeting of April 17, 2024 sees the weighting of the ESG objective increased to 20%, twice the level of previous plans.

This is in line

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indications of

the Corporate

Governance

Committee.

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+20%Ô weighting of the ESG obiective

This plan, which is for the Chief Executive Officer and General Manager of MAIRE and selected Senior Executives at Group companies, seeks to improve key resource retention and to recognize the achievement of the objectives to create sustainable value for shareholders and stakeholders in the long term, in line with the strategic indications contained in the Group's Business Plan. As noted above, the plan includes not only economic-financial indicators, but also sustainability targets, which account

for 20% of the total. These targets include indicators on CO₂ emissions, the injury frequency index (LTIFR), the portfolio of technologies for the energy transition and circular economy, and procurement from ESG-compliant suppliers.

Considering the growing attention paid to sustainability issues by the various stakeholders and the increasing importance of these issues in achieving strategic business objectives, since the 2022 financial year, a non-financial corporate target has been included in the short-term incentive plans of the Chief Executive Officer and General Manager and the Senior Executives. This is strictly related to ESG issues and has a weighting of 10%. This target was made concrete in financial years 2023 and 2024 as the Group invested in reducing its emissions impact. Non-financial aspects continued to be added to short-term incentive plans in 2024 with the introduction of a corporate objective across all Group entities into the MBO system for key project figures and departmental structures. This also relates to reducing emissions impact and has a weighting of 10%.

Finally, since 2023, assessment parameters linked to the Group's Sustainability Strategy (e.g., reduction of the carbon footprint) have also been included in the General Share Plan approved by the Shareholders' Meeting for the three-year period 2023-2025 and targeting all employees.

The Shareholders' Meeting of April 30, 2020 also approved the NextChem

Tech (later NEXTCHEM) Investment Plan for the period 2020-2024. This sought to support the existing Green Acceleration strategic path, which is designed to create a portfolio of technologies to best respond to the new requirements imposed by the revolution underway in the energy and chemical industry. Against this backdrop, the plan's main focus is business and development initiatives at the subsidiary NEXTCHEM. It is for the Chief Executive Officer and General Manager of MAIRE, selected Senior Executives, and key Group staff that are deemed to contribute significantly to the company's success. This instrument is based on investment models that are typical of venture capital and private equity initiatives.

For further information on the MAIRE Group's Remuneration Policy, see the provisions contained in the "Report on the 2024 Remuneration Policy and fees paid", published on MAIRE's corporate website, and the 2023 Sustainability Report.

ANALYSIS AND DISCLOSURE OF CLIMATE RISKS AND OPORTUNITIES



2

2.1 **OUR RISK MANAGEMENT**

MAIRE has adopted a well-structured internal control and risk management system, which covers the identification, measurement, management and monitoring of the main risks that may affect the Company and its subsidiaries. In 2023, it introduced an integrated risk management model based on several processes that monitor and assess the risk/opportunity impacts of both current activities and those set out in the strategic plan.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

MAIRE's internal control and risk management system is designed to ensure that all relevant risks, including those relating to sustainability and climate change, are identified and managed correctly. This system is periodically assessed to ensure its effectiveness and adequacy in relation to the characteristics of the company and the

risk profile assumed. The new risk management model is based on four different risk management processes that are integrated with each other and which are overseen by a single department. These processes are Enterprise Risk Management (ERM), Proiect Risk Management (PRM), Regional Opportunity & Risk Management (RORM) and Insurance Management (INS).



Of these risk management processes, the Enterprise Risk Management (ERM) and Project Risk Management (PRM) processes are most significant in analyzing physical impact risks and transition risks due to climate

change, while the Insurance Management process works to mitigate exposure to physical impacts.

The Group's Enterprise Risk Management (ERM) process is based on the model of the CoSo ERM Framework and complies with ISO 31000:2018 standards and principles. This standard is intended, through a continuous and circular process, to identify, assess, mitigate and continuously monitor every risk that may threaten the achievement of corporate objectives. ERM consists of the following activities:

- → Risk identification: the first step in the risk management process is to identify the potential risks which could adversely affect the company. This includes operational, financial, strategic, legal and compliance risks and those related to sustainability and climate change.
- → **Risk assessment**: once identified. risks are assessed in terms of the probability they could occurrence and their potential impact. This assessment process means that risks can be prioritized and resources be focused on the most critical areas.
- → Risk Management: risk management involves adopting strategies and action to mitigate the risks identified. Such strategies may include taking preventive measures, planning emergency responses and investing in sustainable technologies and practices to reduce exposure to risk.
- → Monitoring and Reporting: the company constantly monitors risks and the effectiveness of the measures adopted to manage them. Regular monitoring and transparent reporting ensure that risks are proactively managed and mitigation strategies are appropriate and effective.

Project Risk Management (PRM), on the other hand, is the consolidated risk management process that the Group has adopts and applies to non-proprietary physical assets - the Projects throughout their entire lifecycle, i.e., from the commercial and acquisition phase to full completion and delivery to the client. PRM is based on a quantitative risk ap-

proach that uses a statistical simulation based on the Monte Carlo method. This is applied to each individual Project in the portfolio and supports the Project Manager's decision-making process by constantly monitoring financial forecasts regarding job order profitability. considering the occurrence of risks and opportunities during execution. These risks also include physical impacts on construction sites. materials and workers potentially exposed to extreme weather events.

To support this decision-making process and the management of these risks, a Risk Manager is assigned to the Project Director to oversee the Project Risk Management process.

Recognizing the importance of managing climate risks, the company has begun a program to incorporate these considerations into its integrated risk management system. Climate risks include both physical risks (e.g. extreme weather events) and transition risks (e.g., regulatory and market changes relating to decarbonization).

- → Climate scenario analyses: MAIRE uses a scenario-based approach to assess the potential impacts of climate change on its business operations, enabling it to anticipate future challenges and plan accordingly.
- → Mitigation and adaptation: Climate risk mitigation strategies include measures to reduce CO₂ emissions and improve energy efficiency. Adaptation strategies include emergency response planning and resilient infrastructure design.

All integrated risk management processes include qualitative-quantitative assessments linked to risk scenarios with short- and medium- to long-term horizons.

Risk mapping in the ERM process takes into account climatic phenomena and their impacts on various business functions, just as the PRM process involves regular Risk Review Meetings to identify and assess potential climate risks.

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Within the risk mapping for each Project, these are classified into relevant categories such as "Physical and Site" and "HSE", which may include risks related to extreme weather conditions or long-term climate change.

For each climate risk identified, a quantitative gross risk analysis is performed, which assesses the likelihood of occurrence and the potential impact on project cost, schedule and quality. A control strategy is then defined, which may include measures to mitigate, transfer or accept the risk.

Control strategy effectiveness is then assessed using a residual risk analysis. This iterative process ensures that climate risks are dynamically and proactively managed throughout the project lifecycle, rendering the Project resilient against the challenges posed by climate change.

Finally, the Insurance Management process checks that the construction policies for material damage of each individual Project include weather coverage guarantees to mitigate related risks for the duration of the construction, whether the policy is taken out by the Client or directly by MAIRE. This process is carried out by a specific team in constant collaboration with the Project Management and is fully integrated into the Group's risk management model.

2

2.2 PHYSICAL RISKS RELATED **TO CLIMATE CHANGE**

The above methodologies were used to evaluate the MAIRE Group's exposure to Climate Risk, with the results detailed in this chapter.

Given the increasing variability in climate phenomena over time and the resulting socioeconomic changes, the analysis considered several potential future scenarios, in line with the CSRD recommendations. MAIRE's strategic planning goals, and the predictive data sources used:

- \rightarrow a short-term scenario, coinciding with the budget year
- \rightarrow a medium-term scenario. from 2025 to 2030:
- \rightarrow a long-term scenario. from 2030 to 2050.

Methodology

The analysis of physical risks, focusing on extreme climate events with potential economic impacts on assets of interest to the Group, considered all maior natural climate-related events and a broad spectrum of assets of interest to the Group, selected based on specific relevance criteria.

SHORT-TERM ANALYSIS

The analysis covered all proprietary assets and nearly all active Projects, selected based on project type. All EPC and EPCM projects were included, as they involve construction activities susceptible to climate events, with Projects ranging from initial construction phases to the handover

of the plant to the client. Whenever possible, the scope of analysis also included nearby satellite construction sites and the activities of subcontractors within the site area. The scope covered all major global re-

gions where the Group operates, providing a thorough level of geographic analysis. The analysis considered

all extreme weather events listed in the EU taxonomy and relevant to the geographical areas included in the scope, specifically: river and coastal flooding, hurricanes, cyclones or tornadoes, hailstorms, landslides, fires, windstorms, water stress, heat waves and cold spells. It assessed the actual impact of these events on each asset.

The applied methodology ensures highly accurate climate analysis by carefully selecting data sources and reliable impact assessments, and is organized into three consecutive steps:

Exposure to climate risk:

The potential theoretical exposure to each listed climate event was assessed for each site within the scope of analysis, based on historical and forecast data from open sources. The selected data was chosen for its quality, availability, and geographical relevance;

Estimated economic impact:

An economic impact estimate was associated with each site based on the exposure analysis, considering Property Damage and Business Interruption (where applicable). These estimates were discussed and refined through direct collaboration with those running each site (Project Managers and Site Managers), identifying any physical and/ or structural measures to mitigate the impact of each event;

Residual economic impact:

The presence of intangible mitigation factors, such as insurance coverage and/or contractual clauses, was considered. These could potentially relieve the MAIRE Group either fully or partially from bearing the costs associated with the identified risks.

The findings were represented using the ERM probability and economic impact scale, integrating them with the MAIRE Group's existing risk management model

MEDIUM-/LONG-TERM ANALYSIS -SCENARIO ANALYSIS

The scenario analysis for physical risks was conducted by applying the Representative Concentration Pathways (RCP) to two time frames (2030 and 2050). RCPs are specific climate scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC) that describe global greenhouse gas concentration trends.

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Α

Three different 3 scenarios considered: different sions scenarios (RCP 1.9), aligned with considered

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the goals of the Paris Agreement (2015), an intermediate scenario (RCP 4.5), closer to current trends, and a high emissions scenario (RCP 8.5) based on a heavy global reliance on fossil fuels.

The analysis then explored the RCP 8.5 scenario in greater detail, as it represents a significant increase in temperatures, indicating a greater potential for variability in long-term climate exposure. As a result, this scenario may help the company identify potential priorities in terms of risk response planning and business decisions over the coming decades.

MAIRE conducts its activities at project sites and is therefore only







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responsible until the completion of Engineering, Procurement, and Construction (EPC) activities, typically lasting no more than five years. Given these business characteristics, long-term results for physical risks are represented by country or geographic area to illustrate the possible future exposure of regions where the MAIRE Group is currently active or will be in the future.

This provides useful information when planning mitigation actions and monitoring future projects.

Results

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The natural events to which the analyzed sites are most exposed are water stress, heat waves, and hailstorms. In addition, flooding (including due to severe and sudden thunderstorms), hailstorms, and tornadoes or windstorms emerged as particularly relevant to the Group's activities.

However, in the short term, the analysis confirmed that the Group's operations are generally resilient to climate events. The residual economic impact across all analyzed sites was found to be very low or negligible, thanks to the effectiveness of site-specific mitigation measures and the protection offered by local occupational safety regulations, contractual clauses, and insurance coverage implemented by the Group. As a result, the Group's response to climate change risks is deemed sufficient to address and mitigate the potential consequences of extreme natural events to which its proprietary or operated sites are exposed.

Long-term analyses of physical risks under the RCP 8.5 scenario found that there is a general trend of increased climate exposure compared to the short term. In several cases, this includes a significant intensification of some extreme climate events in the geographic areas where the Group currently operates.

The results show a significant global increase in two categories of extreme climate phenomena: Higher temperature peaks and extreme precipitation, with the latter contributing to more intense flooding events compared to the short term.

Greater variability is expected in Europe, where an increase in various extreme phenomena, specifically tornadoes and hailstorms, is expected. This increase in frequency and severity has already been observed in the region in recent years. To deal with this future scenario, both the MAIRE Group and institutions are adopting appropriate safety and mitigation measures to improve their resilience and limit the impacts of these events on business operations and workers' health.

In the Middle East, where temperatures are historically very high, the most notable increases involve extreme rainfall and hailstorms, which have rarely affected the area in the past but have become more noticeable in recent years.

RESIDUAL ECONOMIC IMPACT OF PHYSICAL RISKS LINKED TO CLIMATE CHANGE AT EACH SITE IN THE ANALYSIS SCOPE (SHORT TERM)





Negligible

Medium 5-10%

OUR CLIMATE-RESILIENT FUTURE 23





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TRANSITION RISKS/ **OPPORTUNITIES RELATED** TO CLIMATE CHANGE

Methodology

The analysis of transition risks and opportunities - defined as the positive or negative consequences of the global shift towards a low-carbon economy on the execution of the business strategy - was conducted considering the activities across all business areas of the MAIRE Group.

Special attention was paid to the differences between the STS and IE&CS business units, given their unique characteristics and development drivers.

These differences can make the units counter-cyclical while also allowing them to offset each other in response to socio-economic changes. Risk and opportunity events were divided into four categories, in line with the TCFD guidelines: i) Policy and Legal, ii) Technology, iii) Market, and iv) Reputation.

The methodology involved the simultaneous analysis of both risks and opportunities presented by the energy transition and the socio-economic effects on the MAIRE Group. It also focused on the positive aspects of this evolution in terms of reputation, operations, and business development, in line with

the MAIRE Group's strategic direction. In the initial phase, the risk and opportunity issues arising from the transition to a low-carbon economy were identified.

This process sought to pinpoint the most relevant development drivers for MAIRE's operating context and trusted forecasts on their potential evolution.

The analysis was conducted in collaboration with company management and involved examining internal sources, including the Group's business and strategic plan, sustainability strategy, and industry research.

This was followed by a second phase involving a qualitative and quantitative assessment of the severity of the identified risks and opportunities, carried out with the full involvement of company management.

The results were presented using the ERM probability scale and various impact dimensions, with a specific focus on economic and reputation impacts, in line with the risk management model currently in place within the MAIRE Group.

SHORT-/MEDIUM-TERM ANALYSIS

Potential short- to medium-term developments (2024-2030) related to climate change in the sector where the Group operates were considered, including:

→ policy and legal:

The progressive introduction of policies to promote the adoption of low-environmental-impact technologies, with specific attention paid to the European Union;

→ technoloav:

The progressive development and deployment of technologies linked to a low carbon footprint, along with more sophisticated tools for monitoring and evaluating the environmental impacts of companies;

→ market:

The progressive increase in demand for low-impact products and services, coupled with a gradual intensification of adverse climate events. affecting the insurance and securitv sectors:

reputation:

The growing awareness and concern of stakeholders regarding climate change topics.

LONG-TERM ANALYSIS -SCENARIO ANALYSIS

The scenario analysis was conducted by applying the Representative Concentration Pathways (RCP) (described in the section on physical risks above) and the Shared Socioeconomic Pathways (SSP) provided by the IPCC.

These pathways outline future alternatives in terms of economic, demographic, and general political trends, and are complemented by energy scenarios and models from the International Energy Agency (IEA), which describe how the energy sector and related businesses might evolve across various global temperature rise scenarios.

Three different scenarios were considered in the analysis of transition opportunities and risks, representing varying degrees of transition towards a low-carbon economy.

These three scenarios result from a combination of inputs provided by several leading international organizations (IPCC and IEA) and tailored to the specific characteristics of MAIRE's business:

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SCENARIOS CONSIDERED IN THE ANALYSIS OF TRANSITION OPPORTUNITIES AND RISKS

RCP 1.9 - "TAKING THE GREEN ROAD"

Represents a global pathway aligned with the Paris Agreement's goal of limiting global warming to below 1.5°C. In this scenario, CO₂ emissions decrease rapidly, reaching net zero around 2050 thanks to global cooperation and various low-emission technologies and strategies. By 2100, global warming stabilizes at around 1.4°C above pre-industrial levels. The energy sector undergoes a rapid transformation, accompanied by growth in the global population and economy. Consumption habits shift towards low-emission growth with reduced resource and energy usage.

RCP 4.5 - "MIDDLE OF THE ROAD"

Envisions the continuation of current policies and actions without major changes, delaying the achievement of the Paris Agreement's global climate goals.

In this scenario, CO₂ emissions remain at current levels until 2050, then decrease but do not reach net zero by 2100. Temperatures rise up to 2.7°C above pre-industrial levels. Socioeconomic development follows historical trends without significant changes, with moderation global population growth. Progress towards sustainability is steady but slow, despite efforts by global and national bodies to meet long-term climate targets within the scheduled time frame.

RCP 8.5 - "FOSSIL-FUELED DEVELOPMENT"

Assumes minimal progress in the current political landscape and a general lack of interest in achieving the announced energy and climate goals, which will therefore not be met. In this scenario, CO_o emissions approximately double by 2050, and by 2100, the global average temperature increases by 4.4°C above pre-industrial levels. The drive in economic and social development is accompanied by the extensive exploitation of fossil fuel resources, with consumption increasingly shifting towards high-energy lifestyles worldwide. This results in rapid global population growth, reaching a peak and starting to decline towards the end of the twenty-first century.

Through a thorough review of internal sources and literature, the expected developments in the sectors most relevant to the MAIRE Group were described for each scenario, highlighting the key drivers:

BEST LL SCENARIO

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TAKING THE GREEN ROAD

Potential impacts for our sector

- Climate scenarios considered:
- \rightarrow IEA Net-Zero Emissions by 2050
- \rightarrow SSP1
- → RCP 1.9

Description:

Net CO_2 emissions will reduce to zero by 2050, temperatures will stabilize at around 1.4°C compared to pre-industrial levels by the end of the century Significant economic-demographic variability, with consumption habits shifting towards reducing emissions

current levels, with temperatures rising up to 2.7°C

gradual (and slow) progress towards sustainability

Moderate economic and demographic growth,

- $\rightarrow\,$ Introduction of new regulations to achieve net-zero emissions by 2050
- → Significant expansion of the business scope covered by the ETS framework, leading companies to focus on compliance with this framework
- → Requirement for all large global companies to disclose information about action taken to combat climate change
- → Widespread adoption of digital tools to measure and communicate environmental impact and progress towards sustainability targets
- \rightarrow Rapid development of a wide range of low-emission technologies
- → Strong growth in demand for low-impact products due to a green transition already in advanced stages
- → Stabilization of the impacts of extreme weather events on working conditions and the insurance sector
- → Increased focus from major stakeholders on topics linked to climate change



MIDDLE OF THE ROAD Potential impacts for our sector Climate scenarios considered: Introduction of new regulations to reduce emissions, not suffi-IEA Announced Pledges Scenario cient to meet the climate neutrality target by 2050 SSP2 Progressive expansion of high-emission businesses included in RCP 4.5 the carbon pricing framework, with moderate efforts by companies to comply with it Obligation for large companies in most sectors to disclose information related to climate change mitigation, with a specific focus on the European level Progressive adoption of digital tools to measure and disclose environmental impact and progress towards sustainability targets **Description:** By 2050, CO₂ emissions will be comparable to

- → Partial acceleration in the development of a portfolio of low-emission technologies
- → Increase in the negative impacts of extreme weather events on working conditions and the insurance sector
- Moderate increase in demand for low-impact products resulting from a developing green transition, alongside traditional business demands
- → Moderate focus from major shareholders on challenges related to climate change

| ARIO | Potential i |
|---|--|
| Climate scenarios considered: → IEA Stated Policies Scenario → SSP5 → RCP 8.5 Description: Doubling of CO ₂ emissions between the present day | → No new → Stable lack of → Disclos the dis → Poor ad toward → Slow ar → Signific |
| and 2050, with temperatures rising up to 4.4°C (by 2100) above pre-industrial levels. Socioeconomic development reliant on fossil resources, energy-intensive lifestyles, with a population peak followed by a decline by the end of the century | events sector → Limited and un → A lack climate |

Alongside physical risks, the timeline considered for long-term analysis extends to 2050.

Results

The results of the analysis reveal that the overall exposure to transition risks from climate change in the short and medium term is low. This demonstrates a general resilience to changes in the market and regulatory landscape, thanks to the strategic choices made by the Group and the diversification of its technology and service portfolio.

Specifically, the most relevant risks identified include potential delays in developing market-leading technological solutions for the energy transition within the STS business unit, and difficulties sourcing qualified labor due to a shortage of specific skills needed for the transition. These factors could partially hinder the Group's growth and standing in the sector.

On the other hand, analyzing the opportunities highlighted MAIRE's potential for significant growth, particularly with regard to technologies and services with a low environmental impact, complemented by the Group's historically robust standing in the traditional energy sector. Adopting new sustainable solutions to support the energy transition could provide the Group with substantial competitive advantages and improve its reputation and identity. This will have a positive impact on its relationship with investors and key stakeholders.

This analysis was also evaluated in the long term through scenario analysis, highlighting how the severity of risks and opportunities might evolve under different scenarios. Generally speaking, in the Best scenario, the significant disruption caused by a radical transition would lead to moderately negative impacts for MAIRE, particularly in terms of adapting to regulatory changes and reputation-based issues. At the same time, these impacts are amply offset by the business opportunities created by the transition, which are largely considered relevant or very relevant, especially driven by the central role played by growth in the STS business area. The significance of these phenomena diminishes somewhat in the medium scenario, where MAIRE's strategic plans align with the shifting economic and regulatory landscape, resulting in generally moderate-to-low impacts from the associated risks and opportunities. In the Worst scenario, most of the

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above pre-industrial levels.

pacts for our sector

- w regulations introduced to reduce emissions
- application of the carbon pricing framework, resulting in a f attention from companies
- sure of climate change mitigation actions is optional and at scretion of individual companies
- adoption of digital tools to measure and disclose progress ds sustainability targets
- and partial development of low-emission technologies
- cant increase in the negative impacts of extreme weather s on working conditions and a major increase in insurance costs
- d growth in demand for low-impact products due to a slow neven green transition
- of focus from major shareholders on challenges related to e change, relegated to niche phenomena

identified risk factors are of limited relevance, given the assumption of a very slow transition. In this scenario, the only significant risks relate to the Late Transition for STS, mitigated by the greater presence of traditional projects and the rise in raw material prices.

When it comes to opportunities, we note that the Group's strategy and planned investments for the medium and long term, along with the distinction between traditional and energy transition businesses, are key to driving and enhancing MAIRE's projected growth. Analyses indicate that new regulations promoting low-emission energy sources and the increase in demand for more sustainable solutions would notably benefit the Group by improving its market standing, boosting revenue, and enhancing its reputation. On the other hand, in the Worst scenario, the potential for these opportunities would be more limited, but compensated by a greater emphasis on traditional EPC business activities.

Below is a summary of the evaluation of transition risks and opportunities for the short-to-medium term, in addition to the three long-term scenarios. $(\bigcirc$



(*) Refer to the table on the following pages for the descriptions of risks and opportunities.

2050

SECTOR TRENDS



TAKING THE GREEN ROAD RCP 1.9 -SSP -NZE

- \rightarrow New regulations
- \rightarrow ETS extension
- → Mandatory reporting
- \rightarrow Increasing market demand
- \rightarrow Stakeholders priority
- \rightarrow Low-emission technologies



MIDDLE OF THE ROAD

- Slow regulations
- Mandatory reporting
- Tech development acceleration
- Extreme events
- Attention of main stakeholders



FOSSIL-FUELED DEVELOPMENT RCP 8.5 - SSP5 - STEPS

- → Voluntary reporting
- \rightarrow Slow tech development
- \rightarrow High increase of extreme natural events
- Harsh working conditions \rightarrow



| TCFD CATEGORY | RISKS | IN THE MEDIUM/ LONG TERM (2024-2030) | BEST SCENARIO (2050) | MEDIUM SCENARIO (2050) | WORST SCENARIO (2050) | OPPORTUNITIES | IN THE MEDIUM/LONG TERM (2024- 2030) | BEST SCENARIO (2050) | MEDIUM SCENARIO (2050) | WORST SCENARIO (2050) |
|-----------------------|---|---|----------------------------|------------------------------|-----------------------------|---|---|-------------------------|------------------------------|-----------------------------|
| | PL1 - New / Tightening environmental regulations on energy efficiency and climate change and/or carbon taxes | Low | Medium | Low | Low | PL9 - Introduction of regulations on low carbon products and services, accelerating the deployment of green solutions | Low | High | High | Medium |
| | PL2 - Climate change regulations on existing products and services | | | | Low | PL10 - Climate change regulations on existing | Medium | Medium | Medium | Medium |
| | PL3 - Potential changes/delay in regulations for lower emission alternative sources of energy | | | | Medium | products and service pushing market demand | | | | |
| | PL4 – Higher costs to import in EU due to CBAM extension | | | | | PL11 - Regulatory push on low-emission energy | | | | |
| Policy/ Regulatory | PL5 – Suppliers / Contractors / Transportations' misalignment on environmental and climate risk topics | | | | | sources and increased demand on revamping and low-carbon emission | Low | Very High | High | Medium |
| | PL6 - Reductions in GHG allowances and the growing prices of Guarantees of Origin | | | | | | | | | |
| | PL7 - Legal disputes and reputational damages caused by non-compliance with climate-related regulations | | High | Medium | Very Low | PL12 - Strategic partnerships with suppliers / contractors / transportations fully aligned on environmental topics | Low | Low | Low | Low |
| | PL8 - Contractual clauses with clients related to sanctions on clients' projects not aligned with decarbonization targets | | Medium | Low | Very Low | | | | | |
| | T1 - Lack of internal procedures / systems to retrieve and elaborate reliable data for tracking performance | Low | Medium | Low | Very Low | T7 - Selling to third-parties tools developed in- house | Low | Medium | Low | Very Low |
| | T2 - Unavailability of professionals with specific expertise / technical skills for green transition | Medium | High | Medium | Very Low | T8 – Acquisition/development of new specific sustainability competences | Medium | High | Medium | Very Low |
| | T3 - Criticalities in reskilling internal workforce towards new business opportunities | | Very Low | Very Low | Very Low | T9 - Internal development of new sustainability | | | | |
| rechnological | T4 - Difficulties in implementing an efficient organizational plan to develop innovative sustainable technologies | | Medium | Medium | Very Low | skills/competences | Medium | Low | Medium | Low |
| | T5 - Delays or higher-than-expected costs in developing technological solutions with low emission impacts | Medium | High | Medium | Low | T10 - Early development of technological solutions | 1 Bala | | N de allunas | |
| | T6 - Increased costs and delayed time for construction due to heightened Health & Safety risk | | | Medium | High | to reduce emission impacts | High | High | Medium | Low |
| | M1 - Greater demand for sustainable solutions leading to higher capital expenditures and investments | Low | Medium | Low | Low | M7 - Greater demand for low carbon and circular | Low | High | Medium | Medium |
| | M2 - Low market interest in energy transition and decarbonization products | | | | | products/services | | | | |
| MARKET | M3 - Inability to offer low-carbon products/ services | | | | Low | | | | | |
| | M4 - Increasing market volatility and cost of raw materials and commodities / utilities / logistic | | | | Medium | M8 – Offering of low-carbon products/services | Low | Medium | Medium | Medium |
| | M5 - Limited availability and/or scalability of suppliers offering advanced "green" services/products | | | | | anticipating / outperforming peers' alternatives | | | | |
| | M6 - Increased insurance costs due to higher exposure to physical risks | Very Low | Very Low | Low | Low | | | | | |
| | R1 - Delays or failures to meet the Group's stated sustainability targets on climate change | | Medium | Low | | R5 - Adequate communication of sustainability | Medium | Medium | Low | Very Low |
| REPUTATION | R2 - Climate strategy and communication do not keep up with stakeholders' expectations | p with stakeholders' expectations | targets to stakeholders | | | | | | | |
| | R3 - Third parties' difficulty in keeping up with the Group's sustainability requirements and values | | Low | Low | Very Low | R6 - Implementation of virtuous low-carbon projects | Medium | Medium | Low | Low |
| | R4 - Misinterpretation of acquired projects as misaligned with the company's transition strategy | | High | Medium | Low | aligned with Maire's transition strategy | | | | |

OUR CLIMATE RESILIENCE IN ACTION

3.1 **ENABLING CLIMATE RESILIENCE: OUR MISSION**

As we guide our clients through the energy transition, we are committed to transforming traditional practices with a view to fostering climate resilience. This transformation process involves shifting from conventional processes to more eco-friendly practices, such as recycling waste, adopting the best available technologies to reduce CO, emissions and using renewable energy sources

Our goal is to improve process efficiency over the long term while promoting a sustainable approach by accelerating initiatives for adopting renewable materials and circular economy principles.

Our strategy relies on fruitful collaboration between different business areas. In this way, we strive to balance the need for innovation and sustainability with an industrial approach, engaging in continuous dialogue with our clients to ensure every step aligns with their needs and the environmental demands of today. MAIRE is a strategic enabler of the energy transition, offering cutting-edge technology solutions that allow its clients to significantly reduce their impact on the climate. Our ongoing commitment to innovation and the creation of environmentally friendly solutions not only strengthens our market standing, but also plays a crucial role in achieving global decarbonization and sustainability targets. Our value proposition extends beyond individual clients, supporting the development of a more resilient and sustainable industrial ecosystem:

Transformation of Industrial Processes

We provide cutting-edge technologies that transform traditional processes into sustainable pathways. This includes solutions for recycling waste, carbon capture, and the use of renewable energy, enabling the entire sector to move towards low-environmental-impact practices.

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Our value proposition

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System-Level Resource Optimization

We promote a circular economy approach that optimizes the use of resources both at the individual company level and across the entire industrial system, enhancing the efficiency and resilience of the sector as a whole.

Creation of New Market Opportunities

Our technologies pave the way for new market segments and eco-friendly products, creating growth and diversification opportunities for the entire industrial sector.

Collaborative Innovation

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We facilitate collaboration between various stakeholders along the industrial supply chain, promoting the exchange of knowledge and best practices. This collaborative approach accelerates innovation and the adoption of sustainable solutions throughout the sector.

Our approach seeks to transform cliinnovation and growth for the entire mate challenges into opportunities for industrial ecosystem, steering a collec-

tive transition towards a more sustainable and climate-resilient future

Inter-Sector Partnerships

industrial ecosystem.

sustainable practices.

We provide tools and technologies that enable companies to assess and mitigate the impacts of climate change

on their operations. When applied on a large scale, this

approach increases the overall resilience of the sector in

Large-Scale Climate Risk Mitigation

the face of climate challenges.

We promote and co-develop projects that

industrial sustainability. This collaborative

approach creates a positive chain effect.

Ability to Adapt to Regulatory Changes

Our solutions help the entire sector anticipate

and quickly adapt to environmental regulatory

changes, reducing the risks of non-compliance and promoting a smooth transition to more

enhancing the resilience of the entire

combine environmental, economic, and

3.2 WE TURN OBSTACLES INTO **OPPORTUNITIES: MINIMIZING RISKS** AND MAXIMIZING OPPORTUNITIES

MAIRE's commitment to addressing the challenges posed by climate change in the coming years is evident from its Climate Change Risk Management analysis, which highlights the extensive and effective actions taken by the Group to mitigate associated risks, while also seizing opportunities to foster business growth and reduce global environmental impact.

MAIRE's diversified medium- and long-term strategy – which combines substantial investments in low-carbon technologies through the STS business unit with a strong commitment to traditional sectors - enables the company to tackle climate challenges

with greater resilience, positioning itself as a key player in the global energy transition.

MAIRE's commitment to mitigating climate risks is reflected in its initiatives to reduce carbon emissions and develop sustainable technological solutions. The Group is actively working to integrate sustainability practices into its operations and product offerings, positioning itself as a technology enabler of the global energy transition. MAIRE delivers innovative solutions that support decarbonization and energy efficiency, further strengthening its market leadership.



In addition, MAIRE's proactive approach to developing specialized sustainability skills by participating in dedicated projects with local authorities and key industry peers allows the Group to maintain its competitive edge and positively influence the global energy sector.

Finally, the company has launched several commercial initiatives and conducted taxonomy training programs for its sister companies. These measures demonstrate MAIRE's proactive commitment to driving the transition to a low-carbon economy, both within the company and across the wider ecosystem in which it operates.

Risks & Opportunities Category

POLICY & LEGAL 1

- > R: Introduction of new/stricter regulations to combat climate change, resulting in non-compliance by the Group or sanctions applied to projects involving the Group that are not aligned with new decarbonization targets
- \rightarrow **R:** Possible delays in complying with legal requirements on the use of low-emission alternatives
- > **O:** Regulatory push to promote the development and adoption of low-emission energy sources, services, and products
- O: Strategic partnerships with third parties aligned with the Group's objectives/standards and regulatory requirements

TECHNOLOGICAL

- > R: Lack of adequate internal systems for processing reliable data to monitor and externally report on climate change performance
- **R:** Difficulty finding the necessary expertise to match MAIRE's technological development ambitions and adopting an effective organizational model, thereby hindering the STS business's development of low-emission technological solutions
- R: Increasing frequency of extreme weather events (e.g., rising temperatures) in historically less exposed areas, impacting operations and safety for specific projects
- O: Sale of internally developed monitoring tools to third parties to track the Group's performance in addressing climate change
- O: Acquisition of new skills through the recruitment of new external talent and/or training programs to develop the skills of the Group's workforce

→ Progressive investment strategy to introduce sustainable technological solutions as outlined in the business plan

Actions

- Robust governance, compliance, and contract management system to monitor, prevent, or proactively address potential issues
- → Strength of the Group's medium- and long-term strategy, which includes multi-directional investments focusing on both the efficiency and decarbonization of traditional processes and the development of new green and circular technologies and projects
- → Internal development of high-quality product and services that meet the Group's needs and current and future market demands
- → Research and development of disruptive and distinctive technologies
- → Acquisition of pre-developed technologies through M&As
- Investments in recruiting and internal training programs focused on skills related to the ecological transition
- → Investments in research centers to develop new technological solutions (e.g., Green Innovation District)
- Collaboration among peers on skill development projects (e.g., ROAD Project)
- Adoption of a centralized management system for research and development activities
- → Adoption of physical safeguards, contractual clauses, and insurance coverage to mitigate the impacts of climate phenomena on proprietary structures and construction sites
- → Alignment with the most up-to-date health and safety measures (e.g., those concerning rising temperatures) to protect workers' health

\$ MARKET

- > R: Increased costs and investments required to develop products and services due to the rapid rise in market demand for eco-friendly products and the increased volatility of raw material prices
- O: Development of low-carbon and eco-friendly products/ services that meet market expectations, which are particularly sensitive to climate change mitigation efforts

- \rightarrow R: Challenges in meeting stakeholder expectations due to stricter climate change objectives
- **R:** Misinterpretation by external stakeholders of the role played by certain Group projects in relation to its publicized transition-enabling strategy
- > O: Effective communication of climate change targets that align with market expectations to stakeholders
- > O: Positive image boost for the Group thanks to the launch of products aligned with its role as a transition enabler, in line with its transition strategy

- → Timely technology development strategy to ensure the scalability of low-carbon solutions for the market
- → In-house development of environmentally friendly technologies
- Robust governance and contract management system to monitor and proactively manage potential cost increases
- Diversified business strategy to guarantee the Group's resilience against potential market disruptions
- → Effective communication of declared objectives to stakeholders
- \rightarrow Investment plan to position the Group as a strategic enabler of the energy transition
- Decarbonization projects for Oil & Gas plants where the Group operates

3.3 **REDUCING OUR EMISSIONS: TOWARDS CARBON NEUTRALITY**

MAIRE views the management of GHG emissions as a crucial element for mitigating climate risks and improving business resilience. This approach serves multiple purposes, including aligning with the market's stricter sustainability and carbon footprint expectations, improving operational efficiency, and reducing energy costs. In addition, it represents a fundamental pillar of the



Our MET Zero Task Force developed a decarbonization plan with ambitious goals:



reduction in Scope 1 and 2 emissions by 2025 (compared to the 2018 baseline year)

for Scope 3 by 2050

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company's transparency policy with regard to stakeholders, contributing to the company's competitive standing while improving ESG ratings.

Carbon neutrality

for Scope 1 and 2 by 2029



SCOPE 3 INTENSITY RATIO [tCO,/k€]





Scope 1 emissions include all direct GHG emissions from sources that are owned or controlled by the company. These include emissions from the use of fossil fuels by our operational plants and equipment. The main sources of these emissions are fuel combustion (using diesel, petrol, and natural gas in company vehicles and generators) and industrial processes (emissions from production processes at our plants).

Scope 2 emissions cover indirect GHG emissions from the energy purchased and consumed by the company, including emissions related to the production of electricity, heating, and cooling that we buy from external suppliers.

Scope 3 emissions include all indirect emissions occurring throughout an organization's value chain. These emissions include upstream and down-

stream activities such as transportation and distribution, business travel, the use of sold products, and product endof-life. For MAIRE, Scope 3 emissions include the categories most relevant to the Group's business, namely "Purchased Goods & Services" (accounting for more than 95% of emissions), "Upstream Transportation", "Waste generated in Operations", "Business Travel" and "Employee Commuting".

The emission calculation methodology MAIRE uses is aligned with the main international standards for calculating atmospheric emissions.

For further details on methodology, reference should be made to the 2023 Sustainability Report.



To enhance climate resiliency and achieve these goals, MAIRE has adopted a series of targeted initiatives both in its offices and on construction sites.

In the workplace, the company has introduced advanced energy monitoring systems and IoT solutions, focusing on efficiency and the purchase of certified renewable energy.

The roll-out of remote working has helped reduce traffic-related emissions. A specific plan was developed for the Milan office, with the ambitious goal of reducing emissions by 50% by 2025.

On construction sites, MAIRE is taking a multidimensional approach to reduce its environmental impact. In 2023, the company established its first photovoltaic plant to supply temporary construction facilities in Saudi Arabia, marking a significant step forward in the use of renewable energy on site. At the same time, other photovoltaic parks are being developed at additional sites, and where possible, MAIRE is pursuing connections to the local power grid and general energy efficiency measures. Staff training plays a crucial role in this strategy, promoting beneficial behaviors and greater environmental awareness.

Regarding Scope 3 Emissions, MAIRE is adopting a collaborative approach with suppliers and stakeholders along the value chain. The goal is to help them define methodologies for measuring their product carbon footprint and identifying solutions to improve efficiency and reduce emissions. The introduction of an intensity indicator on added value represents a significant step in this direction, in line with the latest SBTi guidelines.

Looking ahead, MAIRE is developing a proprietary methodology to measure avoided emissions (Scope 4), due to be adopted in 2025.

This innovative initiative seeks to quantify the positive contribution made by the company's energy efficiency technologies and climate change mitigation solutions, further strengthening MAIRE's standing as a sustainability leader.



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MAIRE's global approach to climate resilience is supported by an ISO 14001-certified environmental management system, enabling both the comprehensive assessment and management of the impact of its business operations. The system covers various aspects, from energy consumption to atmospheric emissions and water resource management, contributing to the company's overall resilience in facing climate challenges.

For more details, please refer to the "Path to Carbon Neutrality - Net Zero Task Force" section of the 2023 Sustainability Report.



2023 Sustainability



3.4 SAFEGUARDING OUR CORE **OPERATIONS: THE CHALLENGE OF EXTREME HEAT**

The MAIRE Group is recognized by the market as a best practitioner in managing its employees' health and safety. Extreme weather events can pose significant acute and chronic risks to workers' health and safety.

Given the increasing frequency and intensity of these events, the company is adopting specific mitigation and adaptation strategies.

Heat waves, in particular, pose a significant threat to the health and well-being of employees, especially those working on outdoor sites. These extreme conditions not only jeopardize workers' health but can also negatively impact productivity and operational safety.

With the goal of protecting our most valuable asset - people - the following sections provide an in-depth overview of the company's approach to risk assessment, emergency response protocols for climate events, and the innovative solutions adopted to create a more resilient, safe, and sustainable work environment in the face of the growing challenges posed by climate change.

EXTREME EVENTS AND THEIR IMPACT ON HEALTH

The United Nations Intergovernmental Panel on Climate change reported that Earth's temperature increased by 1.1°C in the second decade of the twenty-first century compared to 1850-1900. This change has contributed to the intensification of extreme weather events on a global scale, including tropical storms, heat waves, droughts, wildfires, rising sea levels, and floods.

Projections for 2050 reveal a scenario that requires careful consideration. It is estimated that the effects of climate change could put significant pressure on global health systems, with potential consequences including 14.5 million deaths and economic losses estimated at USD 12.5 trillion. In addition, climate impacts are expected to generate additional costs amounting to USD 1.1 trillion dollars for health systems, putting further strain on already pressured infrastructure and resources.

These figures, drawn from the World Economic Forum's "Quantifying the Impact of Climate Change on Human Health 2024" report, highlight the importance of carefully evaluating mitigation and adaptation strategies. The situation's complexity requires a balanced approach that considers both immediate challenges and long-term opportunities for innovation and sustainable development.

HEAT STRESS AND ITS IMPACTS ON PRODUCTIVITY

Heat waves, marked by prolonged periods of extreme temperatures and humidity, pose a significant economic challenge. Estimates suggest that they could lead to productivity losses amounting to approximately USD 7.1 trillion by 2050.

Heat stress affects some geographic regions more than others. Tropical and subtropical regions tend to be the most affected

According to projections for 2085, if the global average temperature rises by 2.7°C compared to pre-industrial levels, the most significant increases in heat stress in populated areas are expected to occur in Sub-Saharan Africa, Southern India, Northern Australia. and Southeast Asia.

Heat stress affects the body's ability to maintain its normal core temperature. In very hot environments, the most serious risk is heatstroke, which can be fatal without immediate medical intervention. Less severe but still significant conditions impacting work capacity include heat exhaustion and fainting episodes.

The American Conference of Governmental Industrial Hygienists (ACGIH) recommends prohibiting work, both indoors and outdoors, when the body temperature exceeds 38°C.

Physical activity generates body heat that must be dispersed in the environment through sweating and evaporation. Hot or humid environments hinder this process, affecting mental and physical performance.

These findings, taken from reports by the International Labor Organization and World Economic Forum, highlight the need for targeted strategies to manage the impact of heat stress on the workforce and global economy. It is vital to adopt preventive and adaptive measures to safeguard workers' health and maintain sustainable productivity levels in an ever-changing climate

MAIRE'S COMMITMENT. TO WORKERS' HEALTH

In this critical context, MAIRE has developed a comprehensive and proactive approach to safeguard workers' health and safety, including both the company's direct employees and subcontractors working at project sites, which represent the beating heart of our organization.

We have adopted an advanced Weather Monitoring System to measure environmental variables such as temperature, humidity, and air movement, which are useful for calculating the WBGT index and determining the thermal work limit. Based on this data, we establish appropriate work-rest cycles to reduce heat exposure, scheduling regular breaks in cool, shaded rest areas close to the worksite.

We progressively acclimatize new workers over a period of 7-14 days and returning workers over 4 days, gradually increasing their workload. We ensure that fresh water is available within 50 meters of all workstations, encouraging workers to stay hydrated by providing specific recommendations, in addition to drinks and salt supplements in case of more intense sweating.

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treme weather conditions and use a buddy system that ensures workers monitor each other for symptoms of heat stress.

During special periods, such as Ramadan, we take additional measures to ensure fasting workers remain safe, adjusting their schedules and providing more breaks. Finally, we use technical solutions such as ventilation systems, protective screens, and insulation and dehumidification systems to reduce heat exposure.

This multi-pronged approach, carefully outlined in project procedures and operational guidelines, allows us to proactively tackle the challenge of extreme heat, protecting our workers' health while keeping productivity levels high.

We recognize that our staff are our most valuable asset, and their safety is our top priority in the fight against the effects of climate change.

In desert areas, in addition to high temperatures, sandstorms pose significant challenges. Workers are adequately prepared and equipped to protect themselves, particularly from risks associated with power lines and unsecured objects.

Extreme weather events can also lead to the resurgence of infectious diseases, significantly impacting people's health and increasing the incidence of illnesses such as malaria, dengue fever, and cholera.

To mitigate these risks, our company has adopted a robust health management program for employees, especially those on international secondments to high-risk countries.

Ē We organize health courses to prepare ____ workers in health collaboration courses with experts about specific in Travel Medicine and Inhealth risks fectious and in destination Tropical Discountries eases

These courses educate employees about specific health risks in destination countries and essential preventive practices.

41

We organize pre-departure medical consultations to assess employees' health and ensure they are fit for the necessary and recommended vaccinations. Upton their return, a medical check-up is scheduled to promptly diagnose and treat any illnesses contracted while on secondment. We distribute travel kits containing insect repellents, essential medications, and water purification supplies, promoting the adoption of strict hygiene practices and prophylaxis against diseases like malaria.

We ensure that all employees are up to date with the recommended vaccinations for their destination, including vaccinations for hepatitis A and B, typhoid fever, yellow fever, and other endemic diseases.

We provide continuous support while employees are abroad, providing medical consultations in case of emergencies and continuously monitoring the global health situation to ensure our policies and recommendations remain up to date

These strategies not only protect the health of our employees but also help maintain a safe and productive work environment.

At MAIRE, we believe that investing in the health and safety of our workers is not just a moral obligation but also a forward-thinking business strategy. By protecting the heart of our company - our employees - we ensure that we remain resilient and ready to face whatever challenges climate change presents. We will continue to monitor, adapt, and improve our practices to ensure that MAIRE remains a safe and productive workplace, despite the increase in environmental challenges.

METHODOLOGICAL NOTE, METRICS AND PERFORMANCE

This report was prepared using as the basis for information and methodology the most up-to-date information and management tools available at the date of its preparation, i.e., considering significant developments in H1 2024. Specifically, analysis of climate risks and opportunities was carried out by applying renewed metrics in the area of Enterprise Risk Management, as described in the chapter Our Risk Management, and considering the status of projects within the Group's scope at June 30, 2024.

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| | \rightarrow | Sustainability for MAIRE | |
| | \rightarrow | An innovative, resilient business strategy in a changing climate | |
| | \rightarrow | Our governance to respond to the climate challenge | |
| | \rightarrow | Analysis and disclosure of climate risks and opportunities | |
| | \rightarrow | Our climate resilience in action | |
| | | Climate performance monitoring | |

The information in this document is also in line with and complementary to the information provided by the company in the questionnaire for CDP 2024.

The table below details the resources used for the main content of the document:

esource/Reference

- → 2023 Sustainability Report
 → 2024-2033 Business plan
 → 2023 Corporate Governance and Ownership Structure Report
 → 2024 Remuneration Policy and Report
- Half-Year Report at June 30, 2024
- 2023 Annual Financial Report and 2023 Sustainability Report
- 2023 Sustainability Report

METHODOLOGICAL NOTE ON CLIMATE-RELATED R&O ANALYSIS

CLIMATE PERFORMANCE MONITORING: KPIs AND TARGETS

ANALYSIS OF PHYSICAL RISKS AND TRANSITION RISKS/OPPORTUNITIES ASSOCIATED WITH CLIMATE

| Driver | Numerical analysis |
|--|--|
| No. assets in scope of analysis | 35 (6 proprietary assets, 29 project sites) |
| % of total value of proprietary assets | 100% of asset value exposed to climate risks |
| % of total value of project sites | > 94% of the current contract value of project sites not yet delivered to the client |
| No. countries in scope of analysis | 19 (16 EMEA, 1 LATAM, 2 APAC) |
| No. climate scenarios considered | 3 |
| No. physical risks considered | 10 |
| No. of transition risks considered | 24 |
| No. of transition opportunities considered | 12 |

When conducting Climate Change Risk management analysis, the MAIRE Group ensured that coverage of its businesses and the regions in which it operates was comprehensive, including both company-owned sites and project locations.

The Group also sought to create a thorough and comprehensive list of risks and opportunities, in addition to various scenarios that could impact the business environment in the medium to long term.

The thoroughness of the analysis is demonstrated by the extensive range of assets reviewed. A total of 35 assets were evaluated for physical risks, including six project sites, all of the Group's proprietary sites, and 29 project sites across 19 countries. The total value of the project sites analyzed exceeds 94% of the overall value of projects with less than 100% completion, reflecting a comprehensive level of coverage.

The analysis spanned 19 countries, assessing both the immediate and medium-term exposure of sites, in addition to long-term exposure increases. This includes ten sites in Europe, six in the Middle East and Africa, one in Latin America, and two in Asia. For each site, the analysis covered 10 types of events deemed applicable according to the EU Taxonomy: river flooding, coastal flooding, hurricanes/cyclones/tornadoes, landslides, wildfires, windstorms, water stress/drought, heat waves, and cold spells.

The assessment of these topics demonstrated a general resilience to potential disruptions caused by developments related to climate change, thanks in part to the high relevance of opportunities, especially in higher transition scenarios. We use a range of metrics to measure our progress in addressing climate-related risks and opportunities, covering both our direct contribution to climate change and our role as enablers of the energy transition.

| Metric | Performance in 2023 | Target |
|---|---|--|
| No. of patents | 2,253 patents (+212 on 2022) including 52 new patents for the energy transition | 2024: +10% of patents in the area of sustainable solutions |
| Technologies for the energy transition and circular economy | Brought six energy transition technologies to market in 2022-2023 (compared to four new technologies in the Business Plan) | 2025: Expand the portfolio of energy transition and circular economy enabling technologies by at least seve additional technologies compared to 2022 |
| ESG target-related incentives | 10% ESG Objectives in MBO and LTI Plans | 2024: 20% ESG Objectives in MBO and LTI Plans |
| Total training hours | 17 hours per employee of upskilling and reskilling training per employee | 2024: Increased upskilling and reskilling training hours by 15% compared to 2023 |
| Water management/water intensity (work sites) | Water intensity 0.0052 m³/wmh (+15% from 2022) Monitoring water consumption in water-stressed areas | 2024: Creation of a Water Management Task Force and establishment of an action plan to enact initiatives to optimize consumption and maximize recovery |
| Scope 4 emissions | Establishment of an internal task force to develop a Scope 4 methodology | 2024: Publication of a guideline to calculate Scope 4 emissions - Emissions avoided by clients due to MAIRE technologies |
| Supplier ESG screening | 70% of annual spending on ESG-rated suppliers | Expand coverage of ESG-rated suppliers: special emphasis on sustainability issues during annual onboarding and qualification renewal campaigns (Final target 100%) |

To ensure effective management of GHG emissions, MAIRE employs a monitoring system based on key performance indicators (KPIs) and both direct (Scope 1) and indirect (Scope 2 and 3) emissions. Data on emissions are collected and verified according to international standards.

This approach allows us to measure, manage, and reduce our emissions in

a transparent and responsible manner. The indicators we use to monitor GHG emissions form an integral part of our environmental management system, which we regularly monitor and report on.

They allow us to assess our progress against our emission reduction targets. In addition, the data collected provide a solid foundation for developing new initiatives and strategies to continuously improve our environmental performance.

For more details on the results achieved and our GHG emission reduction targets, please refer to the chapter "Reducing Our Emissions: Towards Carbon Neutrality" chapter and the 2023 Sustainability Report.

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