SOCIAL RESPONSIBILITY

PART FOUR

1. EMPLOYEES
1.1 Protection of employment and use of shock absorbers

In the two-year reporting period, because of the crisis in the Italian steel sector and the drop in business demand for finished products, which continues to be below installed capacity, both Feralpi Siderurgica and Acciaierie di Calvisano were forced to revise their business operations and reduce their total workforce accordingly. In addition to the suspension of staff turnover, voluntary non-job preserving shock absorbers have been applied, albeit to a lesser extent, since 2009.

In the same period there was a more frequent use of shock absorbers and contractual provisions remaining from previous years in order to make the necessary workforce adjustments in response to significant market swings, with consequent changes to production planning and workers’ shifts, even for short periods.

In particular, in the last two years the following measures involving Feralpi Siderurgica and Acciaierie di Calvisano have been put in place: ordinary redundancy fund, extraordinary redundancy fund, job security agreement, mobility procedure, increased use of contractual provisions remaining from previous years. In addition, intra-group transfers involving 15 employees seconded from Calvisano in Lonato were agreed with the staff. This measure allowed the Group to tackle the temporary misalignment between the two sites’ workforces, thus avoiding an additional structural personnel surplus at the Calvisano plant.
As regards the 2014-2016 period, in view among other things of the continuing seriousness of the macroeconomic situation in Italy, it is not realistic to expect a turnaround for the steel sector. In this perspective, therefore, the overall number of employees employed by the Lonato site is unlikely to increase, while employment trends in Calvisano will depend in part on the quantity of special steels absorbed by the Caleotto rolling mill. Conversely, employment trends in Riesa have benefited from a more favourable economic situation in Germany and in Eastern European countries, which did not require the adoption of shock absorbers.

Tab. 5 – Workforce and total Group turnover

<table>
<thead>
<tr>
<th>TOTAL WORKFORCE (EMPLOYEES)</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>1,180</td>
<td>1,164</td>
</tr>
<tr>
<td>Women</td>
<td>80</td>
<td>84</td>
</tr>
<tr>
<td>Total</td>
<td>1,260</td>
<td>1,248</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PERSONNEL TURNOVER RATE IN THE PERIOD UNDER EXAM¹ (%)</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Women</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>13</td>
</tr>
</tbody>
</table>

¹ Turnover rate: exits/total workforce*100
1.2. Remuneration of human resources

In 2014, labour remuneration resulted in payment of €49.4 million gross salaries (up 4.1% compared to the previous year).

Feralpi attributes to performance recognition and skills development a strategic value for growth and competitiveness. The performance recognition system is based on requests made by personnel managers, which are then checked for appropriateness by applying a combined analysis of the position held, job title assigned, salary level reached and performance assessment.

Alongside remuneration in the form of salaries and wages, employees enjoy a number of benefits that are part of the so-called corporate welfare. These benefits are provided to all staff regardless of whether they are hired on a permanent or temporary basis, full-time or part-time, although they may vary depending on the collective agreement applied.

Corporate welfare measures vary depending on the country where the Group operates, so as to take into account the collective agreement and the legislation in force. In all adequately large sites, the company offers a canteen service, which workers can use against payment of with a contribution of less than 50% of the costs. Service quality is constantly monitored by a joint committee comprising workers representatives of workers, and which is subject to periodic rating by each worker during the Company Climate Survey.

In addition to compulsory insurance against occupational injuries, the company has entered into a supplementary policy for all personnel with a pool of insurance companies, as a further protection against injuries, disability and death.

For the staff employed in the sites located in the Brescia province, agreements are in place with hospitals for urgent medical examinations and the immediate release of radiology and ophthalmology reports.
1.3. **Work organisation and work environment quality**

To face often unexpected developments in demand, in a highly volatile market, Feralpi has increased work organization flexibility in order to respond promptly to requests. In any case, collective organisational changes are always subject to prior negotiation with the unions, although collective agreements do not provide for a minimum notice period for operational changes concerning suspension of operations, the performance of tasks and the organisation of shifts. The time required to implement organisational changes or transfers to new positions is agreed directly with the employee concerned.

---

1. **Exits/total workforce *100**

---

*Fig. 6 - Personnel turnover rates (%) by geographic area*
The multi-year project to remove all shed roofing made of asbestos-containing materials continued in the 2013-2014 period. After conducting a complete survey of the presence of this material, which only concerns the roofings, a periodic assessment of their state of maintenance using instrumental and qualitative methods, with the assistance of external experts. The results of the assessment conducted in the Lonato and Calvisano sites, applying the procedure prescribed by the Lombardy region, allow for the planning of safe removal works.

Fig. 7 - Severity rate by area and gender

<table>
<thead>
<tr>
<th></th>
<th>MEN</th>
<th>WOMEN</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITALY</td>
<td>155.2</td>
<td>54.4</td>
<td>41.8</td>
</tr>
<tr>
<td>GERMANY</td>
<td>96.5</td>
<td>98.9</td>
<td>90.8</td>
</tr>
</tbody>
</table>

\[ \text{Severity rate} = \frac{\text{number of days lost}}{\text{number of hours worked}} \times 200,000 \]

98.2% of Feralpi personnel are hired on a permanent basis.
1.4. Workers’ health and safety

All Group sites comply with the legislation in force in the various countries concerning the training and operation of health and safety committees. As a result, the Group’s production units in Italy designated one or more worker safety representatives (WSRs), in accordance with article 47 of Italian Legislative Decree no. 81/2008. WRSs are elected or appointed by the workers from among in-company union representatives. Overall, the health and safety committees cover 100% of the workforce, while 93% directly elect their representatives.

The role of safety and health in enterprise bargaining

Second-level bargaining concerning Feralpi Siderurgica S.p.A and Acciaierie di Calvisano S.p.A. provides for the establishment of joint commissions that include the employer’s representative, the Health and Safety Manager (RSPP), the physician and the workers’ safety representative (RLS), as provided for by art. 35 of Italian Legislative Decree No. 81/2008. Periodic meetings are held to assess risks and related prevention and safety measures, adequacy of personal protection equipment, and personnel training and information programmes. The company’s labour agreement also provides for a bonus linked to injury prevention performance and compliance with occupational safety regulations by individual workers.

Tab. 6 - Injury frequency rates’ by region and by gender

<table>
<thead>
<tr>
<th>INJURY RATE</th>
<th>Italy</th>
<th></th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Men</td>
<td>3.82</td>
<td>2.66</td>
<td>3.86</td>
</tr>
<tr>
<td>Women</td>
<td>3.80</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>3.82</td>
<td>2.51</td>
<td>3.63</td>
</tr>
</tbody>
</table>

1 Rate = (number of accidents/no. of hours worked )*200,000
Injuries involving more than 3 days’ absence are considered.
A nurse and the competent physician are present four days a week at the Group’s larger sites and are available on call. At the Feralpi Siderurgica plant in Lonato del Garda, the systematic collection of health surveillance data since 1996 has allowed the monitoring of long-term improvements in the working environment, due to the constant application of the best technologies and the most effective measures for the protection of workers’ health.

Between 1996 and 2013, lead exposure levels of Lonato site workers decreased significantly, with the mean blood lead level dropping from 21 μg/dL to 6 μg/dL (reference value of non-exposed adult population: 0.5-10 μg/dL, IBE ACGIH: 30 μg/dL, action level in accordance with Italian Legislative Decree no. 81/2008: 40 μg/dL, limit value: 60 μg/dL). Between 2001 and 2013 the mean value of the PAH (polycyclic aromatic hydrocarbons) exposure indicator nearly halved, dropping from 0.70 to 0.37 μg/g of creatinine (reference value of non-exposed adult population: 0.03-0.70 μg/g). Spirometry tests, which at the beginning of the period already showed normal values in more than 80% of cases, have further improved in recent years, reaching a percentage of normal values of approximately 95% when last checked.

In 2013, the Group’s Health Service offered cardiac screening to all Feralpi Holding, Feralpi Siderurgica and Acciaierie di Calvisano employees. 231 employees took part in the initiative (182 blue collars and 49 white collars), or 44% of the three sites’ staff. The screening included cardiological examination, basal ECG and echocardiogram for all employees, as well as an exercise electrocardiogram for some selected cases that had significant risk factors for ischemic heart disease.

The electrocardiogram results showed alterations in 20.7% of cases, while echocardiogram abnormalities affect 30.6% of cases. General cardiovascular diseases risk factor (mainly smoking, overweight, sedentary lifestyle and age) were compared against levels of exposure to possible risk factors in the workplace. The study shows that alterations are attributable to non-occupational risk factors, rather than to exposure in the workplace.

In 2014, the Feralpi Group launched the Well-being at work project in collaboration with the Chair of Occupational Medicine at the University of Brescia and the Sirmione Thermal Baths’ Health Service. The aim of the project is to evaluate the efficacy of crenotherapy in the prevention of osteoarticular and musculoskeletal disorders in subjects exposed to excessive burden on the osteoarticular and muscle-tendon system.

Feralpi Siderurgica has renewed the OHSAS 18001 certification, which attests to the voluntary application, beyond compliance with the regulations in force, of a system that ensures effective monitoring of workers’ safety and health.
The WHP programme has been developed within the framework of the European Network for Workplace Health Promotion. In this context, all Group companies operating in Italy have joined the regional Lombardy WHP Network, which aims to promote health in the workplace and is part of a broader local programme promoted by the Lombardy Region. The plan, also announced by the Brescia Industrial Association - Confindustria and supported at the various stages by local health units (ASL), was developed through an integrated series of initiatives to reduce major risk factors for workers’ health, particularly those most related to chronic diseases (heart disease, diabetes, stroke, heart attack), for an overall improvement of the quality of life of those involved.

Initiatives for the promotion of health in general, and specifically of workplace health, bring positive effects to the entire community. Scientific literature shows that investing in these programmes helps to reduce diseases, with positive effects on the reduction of occupational risks, lower absenteeism and greater satisfaction, motivation and productivity.

To launch the project, the employees were administered – with the assistance and coordination of ASLs – an anonymous questionnaire to learn their behaviours with regard to certain risk factors within the 6 identified theme areas (smoking, diet, exercising, road safety and mobility, alcohol and substances, perception of personal and social well-being).
Based on the results of the survey, which involved 84.6% of the Group’s Italian workers, the ASL indicated the theme areas to be addressed in the three-year action plan.

Feralpi’s WHP project action plan:

2014 promotion of correct eating habits, promotion of smoking cessation;

2015 promotion of physical activity, personal and social well-being and work-life balance;

2016 road safety and sustainable mobility, alcohol and substances.

The activities carried out in 2014 included:

a) a project in partnership with the canteen for the development of healthy menus based on the nutritional characteristics of the different foods;

b) a project dedicated to vending machines, in collaboration with company suppliers, which resulted in the inclusion of at least 30% “WHP products” (e.g. yoghurt, fruit, and low-sodium crackers and focaccia with olive oil) in the vending machines and their customisation with messages about proper nutrition;

c) voluntary participation in group treatment meetings;

d) conduct of educational campaigns dedicated to correct eating habits and smoking cessation.
According to the company, some work areas may involve the risk of hearing loss. This risk is effectively managed through the mandatory use of personal protection equipment (ear protectors). No cases of occupational disease were observed in the two-year reporting period. In 2013, Feralpi Siderurgica S.p.A. received an occupational disease claim concerning an employee who worked for the company from 1975 to 1996. The company is not aware of claims relating to physical ailments or diseases from family members of employees, nor from the residents of the areas adjacent to the production sites. Taking into account the results of monitoring regularly conducted on personnel and given that, in the present state of scientific knowledge, risks of this type are not reasonably foreseeable, the Company has put in place any programmes for the control and prevention of these specific circumstances.

Initiatives for the protection of employees’ health and well-being have also been carried out in Riesa, Germany. General manager Frank Jürgen Schaefer said that “employees’ health should be considered not only as a resource, but also and more importantly pursued as good in itself. Therefore, giving everyone the opportunity to take periodic preventive checks during working hours is the right thing to do”.

Health Day, celebrated in Riesa on 1 October 2013, saw the participation of AOK, the largest health insurance company in Saxony, which presented its initiatives in the area of nutrition and health prevention. The company’s safety clothing supplier described the most effective and comfortable ways to wear personal protection equipment. Other presentations focused on diets and menus designed to ensure healthy nutrition through the intake of fruit, vegetables and whole grains with a high fibre and vitamin content. Roughly 150 staff members took part in these events.

On 14 September 2014, Feralpi Stahl in cooperation with the German Accident Prevention Organization, held a one-day event dedicated to the spine, entitled “Think of me, I am your back!” The participating employees were presented behaviours that can prevent spinal pain and suggested exercises to strengthen back muscles. The topics discussed during the educational event were developed by the Wood and Metalworking Industry Authority (BGHM), the AOK PLUS insurance company, the Riesa MEDIC PLUs service and the Elten safety shoes manufacturer. Approximately 180 employees participated in the initiative.
1.5. Personnel training

In the two-year reporting period, training activities were carried out at all major plants to improve personnel skills, with a view to meeting the increasingly higher qualification requirements imposed by business development. The training covered, among other things, one-to-one or group foreign language conversation courses (available in English, German and Italian). Courses were held to strengthen the technical skills of maintenance and production technicians, both on-site and at specialized external entities. Within the framework of lifelong learning programmes, training activities were carried out in support of the protection of employees’ health and safety. A refresher course on product quality as well as information technology courses were held at Feralpi Siderurgica, in conjunction with the upgrade of the corporate IT system, to enhance the staff’s computer skills. This program included basic and advanced courses on the new infrastructure and the most frequently used software, and was designed to progressively involve all users of the company’s IT systems.

At Feralpi Stahl vocational training includes both collective learning and individual training programmes, typically linked to continuing technical and professional education. Courses held at Nuova Defim sites included an intermediate English course for Customer Service and Quality Managers; a metallurgy group course for Technical Directors and Production, Planning and Quality Managers; and safety education refresher courses. As regards executives training, university-level master’s degrees were offered in management control and industrial maintenance.

In 2014, the number of training hours increased by 10.7%.
PART FOUR

Since all the Group’s plants are located in the European Union and subject to strict regulations and stringent institutional controls, Feralpi has deemed it unnecessary to offer training hours specifically devoted to the respect of human rights, in the belief that this aspect is well-established in organisational practices and in the rigorous application of company regulations, as well in the shared corporate culture. However, dedicated human rights training is part of the more general training package for new hires, which presents the Company Code of Ethics and its central role in the Group governance system. With regard to human rights training addressed to security personnel, all Group sites outsource these services to leading specialised companies, which provide their own staff training.

The Feralpi Group believes that the skills and experience of its staff are the company’s most important asset. This is why it is committed to taking all appropriate measures to retain and motivate its employees, encouraging them to invest in their job and to become an active part of the production organisation. However, production needs and technological opportunities may involve measures aimed at ensuring that personnel can be employed for different tasks or even in different locations. In the two-year reporting period, the company did not invest in lifelong learning programmes.

![Fig. 8 - Training hours per capita by geographic area](image-url)
1.6. Gender equality

The steel industry is traditionally characterized by a prevalence of male employment. The gender composition of Feralpi personnel is no exception to this rule, as female employees only account for 6.7% of the total workforce. However, the number of females as a percentage of total employees is slowly but steadily growing. Women are employed mainly in administrative and staff duties.

Fig. 9 - Female employees as a percentage of total Group personnel

As stated in the Company Code of Ethics, Feralpi undertakes to avoid all kinds of discrimination and to establish employee relations based on principles of fairness and equality of treatment. Personnel selection procedures adopt inclusive criteria in line with a gender equal opportunities policy. The company shall ensure that harassing behaviours and comments that may upset a person’s sensitivity are avoided in interpersonal relationships.

Tab. 7 - Use of parental leaves and resumption of work by gender

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitled to parental leave</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Used parental leave</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Work resumptions</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Are working after 12 months of work resumption</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
1.7. Safeguard of protected employee categories

In all the countries where it operates, Feralpi complies with the national legislation on the protection of certain categories of workers with disabilities, with the workplace safety as the only binding condition. Here again, the company’s behaviour is guided by the Code of Ethics, which prohibits any discrimination and differentiated treatments based on any other consideration than merit.

To facilitate disabled people, in the two-year reporting period the company removed any architectural barriers preventing access to spaces open to the public.

1.8. Protection of workers’ rights and labour relations

Feralpi has always fully respected employees’ rights of association and representation, and has established a permanent and constructive dialogue with the labour unions present at the Group’s sites. All personnel working in Italy and in Germany is covered by collective bargaining. During 2014, negotiations were successfully conducted for the renewal of Siderurgica S.p.A.’s company labour agreement, which expired on 31 December 2013. Thanks to second-level bargaining, which involves economic benefits over and above minimum contractual wages, in 2014 newly hired personnel (third level) received a significantly higher remuneration than the minimum wage set out in the national collective bargaining agreement (CCNL).

Internal communication sees a strong involvement of trade union representatives in a number of joint committees, established by law or as a result of free negotiations between the parties: Workers’ Safety Representatives Committee, Environment Committee, Canteen Committee, Social Fund Committee,
Professionalism Committee, Performance Bonus Committee, Contracts and Independent Contractors Committee. In Germany, the Factory Committee represents the workers’ interests, and union representatives’ working groups have been duly informed by the management when managers are not part of such working groups. The new collective agreement, signed with the representatives of the IG Metall trade union, applicable to all employees and not just the unionized ones, was introduced in 2014 in the Germany-based companies. Communications with and direct involvement of trade union representatives took place through monthly meetings with the management, participation in working groups on economic issues concerning the company, matters relating to the return of workers after illness leaves, work environment improvements, the organisation of the Feralpi Cup (football and cycling competitions), and organisation of the Dragon’s Boat sports initiative.

1.9. Employees’ opinions in the Company Climate Survey

The fifth edition of the biennial company climate survey, addressed to all Feralpi employees in Italy and in Germany, was held in March 2015 at the Group’s plants. Overall results show consensus on medium to high levels of job satisfaction at all sites. 79.0% personnel said they were satisfied with their jobs.
The survey showed that Feralpi employees appreciate the policies adopted to protect jobs at the Italian sites, which have been most affected by the crisis in the sector, and strongly believe that employment with the Feralpi Group is safer compared to other companies in the area.

Source: Feralpi climate survey, 2015 edition
Employees’ awareness that the Feralpi Group is better equipped to face the crisis in the sector is on the rise (66.5% said they were convinced of this, from 57.5% in the 2013 survey). There has been a marked improvement in the ratings (from 32.5% in 2013 to 46.4% in 2015), particularly among German employees. In general, 66.5% of respondents (with a peak of 88.9% among Feralpi Siderurgica S.p.A. personnel), faced with the crisis “the company is doing better than other companies of the sector”.

*Fig. 12 - Levels of satisfaction with the company’s services*

- **Canteen**: 20.1% (100%), 8.3% (47.8%), 24.1% (47.8%)
- **Bathrooms**: 24.0% (100%), 24.0% (53.0%), 17.4% (43.3%)
- **Infirmary**: 19.5% (100%), 25.5% (48.8%), 4.5% (43.3%)
- **Training**: 21.4% (100%), 26.9% (40.6%), 11.1% (53.0%)
- **Car parks**: 5.4% (100%), 19.8% (53.0%), 21.8% (43.3%)
- **Refreshment areas**: 8.4% (100%), 22.6% (47.5%), 15.5% (20.1%)
- **Changing rooms**: 24.1% (100%), 47.5% (53.0%), 20.1% (8.3%)

*Source: Feralpi climate survey, 2015 edition*
2. Shareholders

Feralpi shareholders are the members of the entrepreneurial families who gathered around the founder Carlo Nicola Pasini in the 1960s. The company is managed in part by the successors of the founding families and in part by an external management team.

When control passed into the hands of the next generation, the owners confirmed the historical strategy based on constant capitalisation of the Company in a long-term perspective. Control by a concentrated group of shareholders, characterised by long-term stability and willingness to invest even during negative market cycles, has always allowed the Group to respond to the cyclical nature of the industry and is a guarantee of solidity in the face of the current prolonged economic crisis in Europe.

At 31 December 2014 the approved share capital of Feralpi Holding is € 55 million, of which € 50 million fully paid up and divided into 5 million shares with a nominal value of € 10.00 each. The remaining € 5 million consists of convertible bonds entirely held by shareholders.

The shares are stably divided among 14 shareholders including natural as well as legal persons. In the course of the 2013-2014 period there were no changes in the shareholder composition. The members of the holding company’s Board of Directors belong to the controlling families, except for one independent director. As to gender composition, the holding company’s Board of Directors includes two female members. The directors’ independence requirements are laid down in article 4.1 of the Code of Ethics, which states: “Non-executive directors are considered independent only if: 1. they do not entertain and have not entertained in the last two years relationships of a financial nature with Feralpi Group companies; 2. they do not hold company shares in a large enough number to influence their decision; 3. they are not related by blood or marriage with those who are in any of the conditions described above.”

In the last three years there have been no dividend distributions to shareholders.

Tab. 8 - Changes in the Group’s shareholders’ equity, consolidated profits and distributed profits

<table>
<thead>
<tr>
<th>€ MILLION</th>
<th>SHAREHOLDERS’ EQUITY</th>
<th>PROFIT/LOSS</th>
<th>DISTRIBUTED PROFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>377.85</td>
<td>21.16</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>364.00</td>
<td>-12.05</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>363.01</td>
<td>-0.58</td>
<td>0</td>
</tr>
</tbody>
</table>
3. Customers
3.1. Product range and customers

Because of its hardness, strength, ductility and toughness, steel has been used in all its varieties since antiquity for a wide range of applications. It contributed to human progress and played a major role in the industrial revolution. Today, steel is an essential material for the comfort of our everyday life and, despite the invention of new alternative materials, continues to be popular for its cost-effectiveness, and to an increasing extent for its full recyclability over time.

Feralpi traditionally produces high-quality construction steel and has recently expanded its production range to special steels for the metalworking industry.

The company’s development has been accompanied by progressive product diversification, notably through the acquisition of activities downstream of production. This diversification allows Feralpi to optimise upstream production stages and to offer customers an increasingly broad array of products. The acquisition of phases downstream of the production chain and the relative verticalisation of activities has also allowed the Group to move closer to end-users.

Today, Feralpi’s production offers an impressively large assortment of products:

- Billets:
  billets are semi-finished products which the Feralpi Group transforms into rebar, coils or wire rod. High-quality steel billets are used for rolling or forging various types of semi-finished products or special pre-finished parts intended for use in a number of industries including mechanical, oil and gas, electrical and electronic, automotive and transports, appliances, furniture, energy, security systems and more.
Billets produced by the Feralpi Group by type of steel:
- reinforced concrete steels according to major international standards
- non-alloy steels for structural uses (carbon steels)
- quenched and tempered steel
- spring steels
- screw steels
- forging steels
- casehardening steel
- surface hardening steels
- hot work creep resistant steels
- low alloy steels

- Rebar and stretched coils: finished product for reinforced concrete. High ductility characteristics make it particularly suited for construction, even in seismic areas. This product is sold to distributors, located at precast manufacturers, and processing centres that provide services to construction companies.

- Coils and stretched coils: product obtained from cold working of hot rolled coils. It meets higher requirements in terms of weight, development length, workability and safety; along with hot rolled coils and bars it is intended for use by transformation centres providing services to construction companies and for direct use by the latter.

- Wire rod: Semi-finished product transformed into ribbed drawn wire, employed mainly in the construction sector, or into smooth drawn wire for use in agriculture and the mechanical industry.

- Cold drawn wire: used directly in stirrup benders and straighteners or for the production of electrowelded mesh and lattice girder.

- Standard or cut to size black welded wire mesh: finished product used for paving and for prefabricated structures.

- Lattice girders and spacers: finished products for small and medium sized steel structures constituting the metal component of clay floor slabs or creating space between different frameworks.
• Welded mesh fence: used for the safety of construction sites, sports events and exhibitions or installations of various kinds.

• High-tech industrial and residential fencing and sports facilities fencing.

• Anti-crack welded mesh and special mesh used in construction rehabilitation works.

• Galvanised steel grids for construction: vertical and horizontal grid panels, fence linings and welded mesh.
Feralpi serves four categories of customers:

- companies that process the billets for industrial purposes typical of the mechanical sector;
- construction companies and precast manufacturers that directly reuse products intended for buildings and infrastructures;
- processing or shaping centres, which transform bars and coils into products to be supplied to construction sites;
- distributors, who mainly purchase rebar and welded mesh and resell them to small and medium-sized end users.

Over the last two years, a persistently weak market in Italy has led to significant changes in the composition and geographical distribution of the customer portfolio. In Germany, the market remained strong and showed substantial continuity with the previous year. Additionally, 2014 has also saw a growth in demand for construction mesh, due to a temporary upturn in the public and private building sector.

In Italy, the lower demand for rebar was partly offset by rising demand for coils and welded mesh, and to a greater extent by increased sales in North Africa, which confirmed the upward trend that has characterised the last few years. Acquisitions of equity investments in downstream entities also contributed to a positive performance by ensuring greater stability in orders. This was the rationale behind the acquisition of equity investments in key customers like Presider, a Piedmont company specialised in the supply, processing and installation of iron for reinforced concrete, and Metallurgica Piemontese Lavorazioni, which supplies and processes girders and other long sections for the construction industry.
3.2. Quality objectives

The Group has always regarded the achievement of high quality product levels as a decisive factor on the market. This belief was not only confirmed but strengthened during the management of the long and difficult period that characterised the years following 2008. The pursuit of quality is, in turn, based on the attention focused on the customer, which is periodically monitored with a three-yearly survey targeted at our most important customers.

The Customer Satisfaction survey
The levels of customer satisfaction, established by the periodic survey carried out in late 2014, confirmed a decent level of overall satisfaction with the domestic and international market, and particular satisfaction for the “respect for the specifications” of the products and for the pre- and post-sales communications and assistance service.

With the development of special steel at the Calvisano plant, product quality has taken on even greater strategic relevance as it represents a condition for operating on the market in a very competitive sector, but one that also has greater value added. Mechanically-constructed quality or special steel is produced according to the product specifications requested by the customer. The penetration of the Feralpi Group in this market segment has resulted in an ad hoc training programme for the steelworks personnel.

The opening of the North African markets has resulted in improvements in product quality also as regards the traditional production of steel for use in construction. More specifically, Feralpi seeks to supplement the product with services and for the Algerian market the quality has been refined to guarantee particularly narrow size tolerance margins.

In Italy, as well as the quality certification, there are numerous market requests for assurances regarding the minimum content of recycled steel and the procurement of raw materials from a distance of no further than 350 km away.

It is this focus on this wide range of quality aspects that underpins the Feralpi Group’s success in penetrating new markets. During the two-year period under examination two important pieces of product quality certification were attained:

- ICMQ ECO voluntary sustainable product certification, awarded to companies that certify the performance and environmental sustainability characteristics of their products, such as the presence of recycled materials and the emission of harmful substances for people and the environment during the production process;
• certificate of conformity of the Feralpi quality system with the requirements of regulation CE 333/2011, which establishes the criteria that make it possible to no longer consider scrap metal as waste once it has been treated by the plant’s apparatus (crushers and shears). The applied and certified system makes it possible to guarantee the complete transparency of scrap management processes, guaranteeing its traceability and quality.

Since 2010 Feralpi Siderurgica and ESF have participated in the SustSteel project promoted by Eurofer, the European Confederation of Iron and Steel Industry, a series of European companies that are able to demonstrate the monitoring of environmental, product and workplace health and safety performances. The process of monitoring the parameters is entrusted to a third-party company, Bureau Veritas, while the coordination process is the remit of the ESSCPC, the Eurofer Sustainability for Steel Construction Products Committee.

Feralpi products are certified as sustainable and respectful of the environment and the health and safety of workers.

In accordance with legislation, each product is associated with a label bearing an ID which is connected with information relating to size and weight, the production process, the barcode, the main quality characteristics, as per the regulations, and the logos of the certificates of the standard institutions.
The company has the UNI EN 10204:2005 test certificate for the various types of products and a qualification certificate which provide indications on the specifics of the product’s compliance in terms of both chemical-physical and regulatory aspects. Feralpi also brands its products as a guarantee of their origin. The company also pays constant attention to the correct preparation and packaging of the product. The aim is to meet safe handling and unpacking requirements at the customer site. For this reason, deliveries are also accompanied by specific indications and legal references for the safe use of the product.

As regards the small proportion of products used directly by the end customer, like the production of gates at subsidiary Nuova Defim, all sold products, CE UNI EN 13241-1 certified, are accompanied by an installation, user and maintenance booklet which illustrates the procedures relating to the entire life cycle of the product, through to its demolition and disposal. The booklet also contains safety regulations, a usage risk assessment and ways of preventing risks. In the period accounted for, no cases of non-compliance as regards health and safety issues in the use of the products were reported to the company. In the same period, the company was not penalised for any non-compliance with regulations regarding the use of products and their labelling and the supply of information. Neither did it receive any documented complaints regarding the loss of information on customers or the violation of their privacy.

3.3. Participation in sector events

In the two-year period under examination, Feralpi once again participated in Made in Steel, the important international trade fair held in Fieramilano City on 3-5 April 2013. Every year this important event welcomes the biggest manufacturers in the sector. Feralpi also kept up to speed with the important North African market, participating with its own stand at the two editions of the Salon International du Bâtiment des matériaux de construction et des travaux publics, held in Algiers on 4-8 May 2013 and 4-8 May 2014.
4. Suppliers

The Feralpi Group’s activities mainly take place during the preliminary phase of the construction product supply chain. The upstream phases primarily concern three flows stemming, respectively, from the collection and marketing of scrap iron, from energy sources and from ancillary materials produced by iron and steel processing. In 2014 the Feralpi Group paid its suppliers €851.8 million (+ 4.1% compared with 2013). Its most important suppliers remain the companies that collect and market scrap. In the 2014 financial year, 67.8% of overall manufacturing costs were absorbed by the value of the scrap.

In 2014 Feralpi paid for €851.8 million worth of supplies.

The energy sources, the majority of which non-renewable, are available on the domestic and international free market, characterised by important players, some of whom adopted a CSR strategy some time ago and, like Feralpi, are therefore interested in reducing the environmental impact of their manufacturing processes. The systematic upgrading of the plants, a strategic company decision, also gives technology suppliers a particularly relevant role. Consolidated technology partnership relations have been developed in this field.

With the development of special steels, the company has also partially repositioned itself in a different, longer and more structured value chain that belongs to the industry of products used in mechanics.
4.1. Suppliers and quality

Feralpi adopts stringent selection and verification criteria as regards the quality of its suppliers, which centre on the checking of their technical and professional requisites, the correctness of their contributions, and the application of applicable legislation for the respect and the health and safety of supplier company personnel. All suppliers must be familiar with the Feralpi Code of Ethics, with which they are presented. In the selection and retention of its suppliers Feralpi therefore takes into account respect for corporate, fiscal, environmental, tax, union and worker health and safety regulations, and identifies key CSR aspects in the sector of the procurement of ferrous scrap. For this reason all incoming material is systematically controlled at the entrance gates, which identify any eventual radioactive anomalies. The presence of radioactive material may be a cause of serious danger right along the supply chain. Non-compliant material is 100% rejected.
In 2014 a draft questionnaire on the spread of good sustainability practices was produced to send to the company’s main suppliers. The questionnaire seeks to monitor the adoption of sustainability policies and is split into four sections: governance and accounting, quality management, environmental management, personnel management and human rights. The survey is expected to be completed by the end of 2015.

Feralpi has launched a training programme aimed at external supplier companies regarding safety and regulatory environmental compliance parameters based on the GRI indicators, version G4. The programme is due to launch in 2015.

### Tab. 9 - Corporate social responsibility of some of Feralpi’s main suppliers

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>TYPE OF SUPPLY</th>
<th>CODE OF CONDUCT</th>
<th>SUSTAINABILITY ACCOUNTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENI</td>
<td>Natural gas</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>AIR Liquide</td>
<td>Industrial gases</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Terna</td>
<td>Electricity</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>ABB</td>
<td>Technologies</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

#### 4.2. Scrap suppliers

Unlike the German market, which meets the scrap supply requirements of Feralpi Stahl and on which large and well-established companies operate, the scrap market in Italy is characterised by a greater presence of microbusinesses and the less efficient traceability of the origins of the scrap.

Feralpi has evaluated the risks that the company’s reputation may be subject to by a supply chain that is not sufficiently transparent and has decided to adopt a series of measures to help streamline the sector. More specifically, Feralpi has continued to interface with the
main suppliers in the sector with the aim of illustrating the principles of environmental and social sustainability, an integral part of the commitments that suppliers must undertake. In 2014 Feralpi also promoted an initiative to foster the creation of important stakeholders in the scrap supply chain. This operation involved other important industrial partners in the sector and led to the creation of the Media Steel company dedicated to the marketing of scrap.

**Media Steel S.r.l.,** a company owned by Feralpi Siderurgica S.p.A. with Duferco Italia Holding S.p.A., is a consultancy firm that markets ferrous scrap in Italy, provides consultancy for the evaluation and enhancement of materials, and complies with the principles of environmental and social sustainability. For this reason it launched the procedure for the application of the organisational model established by law 231/2001, in the name of transparent and responsible governance.

**4.3. Energy suppliers**

Feralpi’s energy costs have fallen significantly in the last few financial periods mainly thanks to the reduction of its electricity bill and also, to a lesser degree, to the results of its consistently pursued energy saving measures. Feralpi adopts strategies for the selection of suppliers on the free energy market with the goal of fully exploiting international opportunities and limiting the penalising conditions of the Italian market, which remains by far the most expensive in Europe (in Germany, for example, a discount was applied to the cost of the MWh in 2014, which remains around 40% lower than it does in Italy). Feralpi has renewed its interruptible contract with Terna for the Lonato and Calvisano plants and participates in the Interconnector project to obtain direct procurement from European countries where energy costs are lower.

**4.4. Contractors working at the plants**

Feralpi uses external contractors for ordinary and extraordinary maintenance, for the upgrading of plants and for the commissioning and handling of materials. In all cases in which external personnel have access to the company premises, Feralpi adopts particularly strict control procedures that involve the monthly delivery, on the part of the contractor, of documentation regarding the calculation of social security contributions and their regular payment, a declaration of respect for the sector’s national collective labour agreement, certification relating to the number of hours worked, and a guarantee that no minors are employed.

**4.5. Partnerships with suppliers**

In recent financial periods Feralpi has made important technology investments that have led to significant partnerships with system suppliers. In fact, the relationships with companies that supply technologically advanced equipment result in the development of co-design and partnership agreements in which the Feralpi technical experts work with the technical staff of the suppliers to create the most suitable solutions for the specific systems. The innovative nature of this collaboration leads to the sharing of knowhow which is developed for the benefit of both parties.
5. **Public Authorities**

The Feralpi Group has structured relationships with the Public Authorities at all levels, in all of the countries in which it operates. These relationships are based on the principles of transparency, honesty, loyalty and respect, as established by the Company Code of Ethics, recently updated to include the measures and conduct designed to prevent the crimes outlined in the recent anti-corruption legislation. With the introduction in Italy of the crimes pursuant to art. 319 quater of the Criminal Code, the directors of Feralpi Holding and of Feralpi Siderurgica, and the sole director of Acciaierie di Cavisano, approved the revision of the organisational model on 31 March 2014 with the aim of implementing the necessary measures for preventing these types of crimes.

During the two-year period accounted for, the company was not aware of any facts or complaints regarding corrupt behaviour in the relationships between employees or collaborators and the Public Authorities.

---

**Regulatory costs**

The public, local, national and European authorities play an important role as reference stakeholders because they contribute at various levels to generating the so-called regulatory costs, i.e. the costs that businesses have to bear to respect industry legislation. Given the importance of these costs for the countries of the EU, where businesses have to bear particularly high costs to guarantee the protection of shareholders, consumers, competitors, the environment and workers, the European Commission has commissioned a study to estimate these costs, generated by European legislation, and to assess their impact on the immediate profitability of businesses, and therefore their overall competitiveness.

As regards the steel industry, eight areas were examined: general policies, the regulation of the market, climate change, competition, energy, environment, marketing and the service life of the product. The results underline how in the case of the steel industry, regulatory costs represent 20-30% of EBITDA. However, as the sector is characterised by strong procyclical trends, during periods of crisis regulatory costs exceed the company EBITDA on average, as was the case in 2009 for example.

(taken from Steel Action Plan by the European Commission, Brussels document of 24 June 2014)

---

5.1. **The European Union**

The Feralpi Group’s production activities take place in five European countries and Europe is also the main market for its products. The European Union is therefore an important stakeholder that influences its activities in direct and indirect ways through industry regulations, imposing constraints and opportunities on the market. The influence of the European Commission mainly regards anti-trust legislation, the limitation of state aid and European requirements in terms of the protection of the environment, subsequently transposed in national laws.
5.2. States

In 2014, the Group companies contributed 22.3% of the overall consolidated net value added they generated to the states in which they operate, the equivalent of around € 17.6 million. This overall figure is formed by summing the € 13.5 million of social security contributions made with the € 4.1 million of taxes paid. In the previous year the same percentage was 26.8%.

In the two-year period under examination, the Group companies benefitted from public funding for training and, more especially, from the advantages stemming from the application of shock absorbers, which made it possible to supplement temporarily reduced salaries. More specifically, subsidiary Feralpi Stahl received co-financing of € 578,164 in 2013 and € 550,127 in 2014 from the German Ministry of the Environment to fund the research project “An innovative combination of processes for reducing environmental impact in a large steelworks with annexed hot rolling mill”.

5.3. Local authorities

As part of the Group’s relations with the local authorities, the participation of its companies in the WHP project promoted by the Region of Lombardy is an example of positive collaboration between the company and the local public authorities in the pursuit of goals of social relevance. As illustrated in the specific section dedicated to relations with personnel, this initiative saw Feralpi adhere to the WHP Manual drafted by the Region of Lombardy and involved the collaboration of the Feralpi Siderurgica company doctor and the Local Health Authorities of Brescia and Como for the administration, in two phases, of individual questionnaires on health risk factors.

5.4. Public supervisory bodies

In accordance with the laws in force, the stakeholders responsible for monitoring the environmental impact of the Group’s plants have established a consolidated partnership with Feralpi, explicitly regarded as an active, honest and reliable entity. More specifically, these stakeholders are the Dresden Regional Environment Office, which monitors the plants in Germany, and ARPA of the Province of Brescia and the Region of Lombardy for the plants in Italy. These bodies are systematically involved in the projects and innovative proposals undertaken by the company to protect and respect the surrounding territory.
6. The local communities

Feralpi has always traditionally been very attentive to the quality of its relationship with the community and has developed stable channels of dialogue and interaction on the main themes of the environment, employment, and professional training. The systematic analysis of the economic conditions of the territory, which takes place through the survey into the satisfaction levels of employee families and their perception of the main social problems in the area, forms part of the company’s focus on the local communities.

According to the findings of the fifth edition of the company climate survey, carried out in March 2015, for the first time since the economic crisis of 2008 there are signs of improvement in the conditions subjectively perceived. The number of families finding it possible to save increased, there was a reduction in the percentage of respondents that defined their family’s economic condition as “modest”, and there was a rise in the percentage of those who said they could find work easily in the local area.

Through the periodic company climate survey, Feralpi is able to monitor the perception of local social problems.
Through the opinions of employees it was possible to identify the perceived level of seriousness of the problems in the area and the specific local issues of relevance. The periodic monitoring of these issues enables the company, in turn, to establish its priority action areas when it comes to the local communities.

Source: Feralpi climate survey, 2015 edition
6.1. Local community support

Of all the stakeholders to whom the Group companies pay particular attention, the communities in the areas in which they are located are given primary importance. This is why, also in the 2013-2014 two-year period and in line with previous years, numerous activities were carried out with the aim of promoting the cultural aspects of the individual areas with particular focus on the typical aspects of the industrial culture of which Feralpi wishes to act as the mouthpiece. The activities were structured on a one-to-one basis and were also shaped by the requests expressed directly or indirectly by the community, by people, and by local authorities and bodies, with whom Feralpi instilled a dialogue that took account of their specific needs.

The company’s support for culture took the form of numerous initiatives. To contribute to the conservation of the local architectural heritage, Feralpi Siderurgica supported the historic restoration of the bell tower of San Antonio Abate church in Lonato del Garda by helping to strengthen it. To contribute to the growth of artistic culture, Feralpi Siderurgica sponsored the “Moretto, Savoldo, Romanino, Ceruti” exhibition held in Brescia in March 2014 which, for the first time, brought together 100 masterpieces from private collections dating from the 15th to the 18th centuries.

Promoting culture also means familiarising the young with their local area. This explains Acciaierie di Calvisano’s support, in both 2013 and 2014, of the “Che storia” initiative, a historic walk held in Brescia aimed at primary and lower secondary school pupils from Calvisano and its hamlets, Isorella and Viadana, together with their families. The initiative gave the children the chance to discover the history of the Lombard city, from Roman times through to the Renaissance and not forgetting medieval Brescia, by visiting monuments, squares and buildings. Feralpi Siderurgica and Acciaierie di Calvisano are members of Ramet, a consortium for

Tab.10 – Investment in the community

<table>
<thead>
<tr>
<th>(THOUSANDS OF €)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports sponsorships</td>
<td>1,453</td>
<td>1,577</td>
<td>1,798</td>
</tr>
<tr>
<td>Charity</td>
<td>227</td>
<td>139</td>
<td>132</td>
</tr>
<tr>
<td>Total investment</td>
<td>1,680</td>
<td>1,716</td>
<td>1,930</td>
</tr>
</tbody>
</table>

Progetto Scuole - Istituto Comprensivo Ugo da Como, Lonato del Garda (BS)
environmental research into metallurgy founded by Associazione Industriale Bresciana, and support its initiatives aimed at promoting the industrial culture also towards younger sections of society. In order to involve the students and clearly and directly illustrate what industry in the third millennium means, Feralpi Siderurgica and Acciaierie di Calvisano joined the Ramet project, opening their doors (on 29 April and 8 May 2014 respectively) to a number of high school and professional school classes. It was a unique opportunity to interact with the students around topical issues such as the sustainability of industry, the positive function of recycling materials due to the use of scrap as a raw material, and the use of the best available technologies for environmental improvement.

In another initiative to promote culture, combined with a highly technical training activity, Feralpi Siderurgica supported the 35th national conference of the AIM, the Italian Metallurgy Association, of which the company is a member. The partnership with AIM also translated into support for various theory training activities with visits to the production plants. These included the “Plastic deformation of steel” course (Feralpi Siderurgica, 20 March 2013) and the “Smelting machine” course (Feralpi Siderurgica, 5 June 2014).

Training, once again of a technical nature, was also one of the assets for the Nuova Defim subsidiary which organised, in November 2013 and April 2014, two meetings with the entire Italian and international workforce to improve the technical-metallurgy culture surrounding the solutions proposed to the market by the company, also seeking to leverage on the concept of “team spirit” borrowed from the sporting arena.

For the companies of the Feralpi Group, the focus on the community and its needs meant contributing to the development of many initiatives launched in the municipalities in which they operate with gifts and donations. For example, in May 2014, Acciaierie di Calvisano made its contribution to the “Children’s locomotive” project promoted by the Circolo Acli of Calvisano in collaboration with the comprehensive school and other local associations to create a space, set up in the rooms of the train station, in which the children could do their summer homework and, at the same time, take part in creative workshops and recreational and expressive activities.

In 2013, Nuova Defim actively supported the initiative promoted by Consorzio Como Turistica and Amici di Como (of which Nuova Defim forms part), supplying the initial and final parts of the walkway along the lakeside at Como with a specially designed parapet for the project. In 2014 it also provided electrowelded mesh enclosures as a replacement for the wooden fences positioned along the lakeside in Como. Thanks to their transparent nature, these once again enabled the public to enjoy a good view of the lake. In both 2013 and 2014, meanwhile, Nuova Defim supplied free mobile enclosures as part of its contribution to the organisation of the “Città dei Balocchi” event held in Como at Christmas, a major festival for the city and the local area dedicated to children and their families and designed to offer both educational and recreational activities.

Feralpi and Nuova Defim will be contributing to the creation of “The Life Electric”, a monument by architect Daniel Libeskin dedicated to Alessandro Volta, which will be erected in the middle of the first basin of Lake Como.
The Group companies also supported cultural projects outside Italy such as the 8th Italian Language in the World Week that was held in Algiers from 20 to 26 October 2013 and organised by the Italian Cultural Institute in Algiers. In 2014 in the same North African city, Feralpi Algérie contributed to the “Italian Architecture” show held on 1-20 December in the Palais de la Culture Moufdi Zakaria.

For Feralpi sport means the ability to transmit the values of commitment and respect to the younger generations. In fact, sport represented another important chapter also in 2013-2014 thanks mainly to the sponsorship of Feralpisalò, a club that competes at Lega Pro level, Virtus Feralpi Lonato and the Feralpi Cycling Team. In 2014 Feralpi financed the complete renovation of the press office, the secretary’s office and the changing rooms of the Lino Turina stadium in Salò.

Thanks to its incredible passion for sport and its social commitment, it wanted to redevelop the facilities, enabling the community to access, in a short period of time, a top-quality venue that can also be used by other sports associations in the area. Feralpi believes that sport is the ideal channel for transmitting the values of commitment, cooperation, respect for rules and healthy competition through initiatives and events. Feralpi supported the project “Sometimes a click is not enough. Protecting yourself from cyberbullying” organised by Feralpisalò with the youth teams of the Leoni del Garda, supported by the “Per una vita migliore” association and the Brescia police headquarters. The project involved five meetings for training educators, i.e. coaches and parents, and youngsters so that they are well aware of the world they explore and its inherent risks.
Feralpi also supported the “Schools Project” initiative developed by Feralpisolò in association with a number of comprehensive schools in the province of Brescia and with the support of other local sports clubs such as “Canottieri Garda”, “Rugby Calvisano” and “Atletica Robur Barbarano”. The aim of the initiative is to teach sporting values to children through various activities organised under the motto “Sport, not just football”. Combining its focus on the area it serves and its support for sporting activities, Feralpi Siderurgica organised the Memorial event for the 90th anniversary of the Virtus Feralpi Lonato football club, honouring a footballing tradition whose deep roots in the lakeside municipality go back almost a century. Virtus Feralpi Lonato have borne the Feralpi logo and colours since 1974. Held on 1 June 2014 on the new pitch in via Roma in Lonato del Garda, the event was preceded by a series of youth tournaments with teams from all over the province in order to remember the glory years, the names, the dizzy heights (the last appearance in Serie D from 2007 to 2009 before the merger with Salò) and the great players that have worn famous shirts without ever cutting their ties with Lonato.
The festival comprised seven days of football and concluded with the “Mario Gambaretti” memorial dedicated to the Juniors category. The initiative was also a chance to encourage the community and fans to contribute to the reconstruction of the history of football in Lonato with the recovery of material and historic photographs in order to document the club’s long footballing history.

Another passion with deep roots in the area is cycling. In fact, Feralpi has continued to support the Feralpi Monteclarensense Cycling Team (formed on 7 March 2013 from the merger between the Feralpi Cycling Team and ASD Monteclarensense) with special focus on the younger age groups in order to teach them the basics, the rules and, above all, the necessary lifestyle required to practice such a demanding and traditional sport. Of particular interest each year is the Trofeo Feralpi which, once again in 2013 and 2014, proved to be one of the most important of the season among the Juniors.

On 13 November 2014 the Feralpi Monteclarensense Cycling Team was awarded the prestigious “Cycling Real Time Award” for organising one of the most important races in the Junior category, the Trofeo Feralpi - Memorial Carlo Pasini.

In June 2014 an initiative was organised that saw several Feralpi Siderurgica employees cover the 1000 km that separate the Lonato del Garda plant from the ESF Elbe-Stahlwerke Feralpi plant in Riesa, Saxony entirely by bicycle. Passing through Bolzano, Innsbruck, Munich, Regensburg and Weiden, the journey also sought to symbolically strengthen the union of the German and Italian cultures, which share a strong industrial and iron and steel identity and tradition in particular.
As well as cycling and football, Acciaierie di Calvisano supported rugby and volleyball clubs through its sponsorship of Rugby Calvisano and the PiùVolley Amateur Sports Association. On behalf of the community and also for its social value, Acciaierie di Calvisano also supported local football by sponsoring AC Calvina Sport.

Subsidiary Nuova Defim also contributed to supporting the activities of sports clubs sponsoring, in particular, ASD Pontelambrese, a Como-based football club with a large fanbase, for the 2013-2014 and 2014-2015 seasons. In addition, in 2013 it was involved in the Como Nuoto project, supporting this sports association with the aim of promoting swimming among the young, giving everyone the concrete possibility of practising this sport, providing lessons to younger children and supporting competitive swimmers in a relaxed and healthy atmosphere.
In its relations with the city of Riesa, Feralpi Stahl developed a series of initiatives in the educational, sporting, cultural and artistic spheres. Feralpi supports two local private crèches, one Lutheran and the other Catholic, and cooperates with two other primary schools and three secondary schools in Riesa and the district of Meissen for the development of training projects that supplement the standard curriculum.

In the sporting arena, Feralpi Stahl regularly supports the activities of local youth associations such as the aerobic gymnastics association, the Cheerleader group, Dragon Boat, the local youth football team, and the rowing, rugby, swimming and volleyball associations. Since 2011 Feralpi has been the main sponsor of Fussballakademie, the youth football training centre.

In the social sphere, Feralpi supports the Sprungbrett initiative, which helps the most disadvantaged children in the Gr district, which is located close to the plant.

In terms of culture, the company has supported two concerts a year by the Elbland Philharmonie orchestra and the Riesa band. Since 2013 Feralpi has supported the International Schostakowitsch Tage Goerisch Festival, which promotes the music of the most important Russian musician of the 20th century. More specifically, in 2013 Feralpi sponsored the Rapsody in School project, which took musicians and actors to the region’s schools so pupils could appreciate and get to know more about classical music.

Together with the Italian Culture Institute of Berlin (Italienisches Kultuinstitut Berlin), in 2013 and 2014 Feralpi supported Italiencentrum (Centre of Italy), promoted by Dresden University of Technology, sponsoring a cultural programme dedicated to Italian literature, from Dante to the present, and conferences on music, painting and Italian theatre. Since 2013 Feralpi has supported Wirtschaftstag des Landkreises Meissen, an initiative of the Dresden Chambers of Commerce (Industrie und Handelskammer Dresden) and Meissen Council. This important conference brings together 250 local decision makers to discuss the district’s economic problems. In 2013 the conference was dedicated to the energy transition (Energieewende), while in 2014 it was dedicated to the key values of society (Wertekanon der Gesellschaft). Feralpi participates at the conference with a dozen or so managers.
In December 2014, Feralpi Siderurgica joined the Consorzio Orgoglio Brescia (Brescia Pride Consortium) created by the AIB (Associazione Industriale Bresciana - Brescia Industrial Association), which in July of the same year replied to the Public Notice for the Manifestation of Interest in the search for Sponsors for the Italy Pavilion at Expo Milano 2015, expressing its complete willingness to take part in the project as a Technical Sponsor together with businesses from the Brescia area, and offering its contribution, products, know-how and supplies for the design, creation and erection of the iconic “Tree of Life” work. The Tree of Life represents Brescia - the Province that is home to the head office of the Feralpi parent company - across the board, displaying the expertise, tenacity and skills of the businesses of Brescia and its workers in the international context of Expo Milano 2015.

More specifically, Feralpi Siderurgica contributed by supplying both the rebar used for the base of the Tree of Life and, through subsidiary Nuova Defim, the grids used for the internal stairs and the external ledges. Nuova Defim also contributed to other installations constructed at Expo Milano 2015. These included the Brazil Pavilion (with the cor-ten steel walls) and the China Pavilion (with the heavy grid for the terrace and stairs).
6.2. Fourth edition of the Riesa residents’ opinion survey

In order to update similar initiatives carried out in past years on a two-yearly basis, Feralpi Stahl commissioned IM Field GmbH to carry out an opinion survey, which took place in May 2015, with the aim of gathering the opinions of the citizens of Riesa on the role and activities of Feralpi Stahl. Assigned by Feralpi Stahl, the survey was developed and assessed by INWT Statistics GmbH.

It was carried out via telephone interviews with a representative sample of citizens living in the municipalities of Riesa, Glaubitz and Zeithain. As with the previous editions, the goal of the survey was to establish the level of awareness and the assessment that citizens express as regards the company’s economic impact (jobs, tax revenues, sponsorships), social impact (participation in the Open House initiative, visits to the website, sponsorship of social and cultural activities, support for sports initiatives) and environmental impact (atmospheric emissions, traffic congestion and noise).

The periodic survey of the opinions of the residents of Riesa shows a positive image of the company and its activities as regards the environment.
58.5% of interviewees stated that they know Feralpi Stahl employees personally (+1.2% compared with the 2013 edition). 28.5% had a chance to visit the plants (+6.3%). 46.8% declared that they knew about Feralpi Stahl’s social and cultural initiatives. 51.1% of interviewees know about the EMAS certification obtained by Feralpi Stahl (-4.2%).

The assessment of the company’s initiatives and impact was carried out by asking interviewees to give their opinion on a scale of 1 (completely positive answer) to 5 (completely negative answer).

Fig. 16 - Riesa residents’ evaluation of the economic, social and environmental impact of Feralpi Stahl on the surrounding area

Source: INWT Statistics GmbH, April 2015

The survey showed a lower level of awareness of the company’s activities among those under 25 years of age, together with more critical opinions. As a result the company is assessing specific communications initiatives aimed at the younger age group with the aim of aligning their opinions with the more favourable opinions of the general population.