



SEVEN PILLARS FOR A SUSTAINABLE BUSINESS

Summary of the Voluntary Consolidated
Non-Financial Statement 2019



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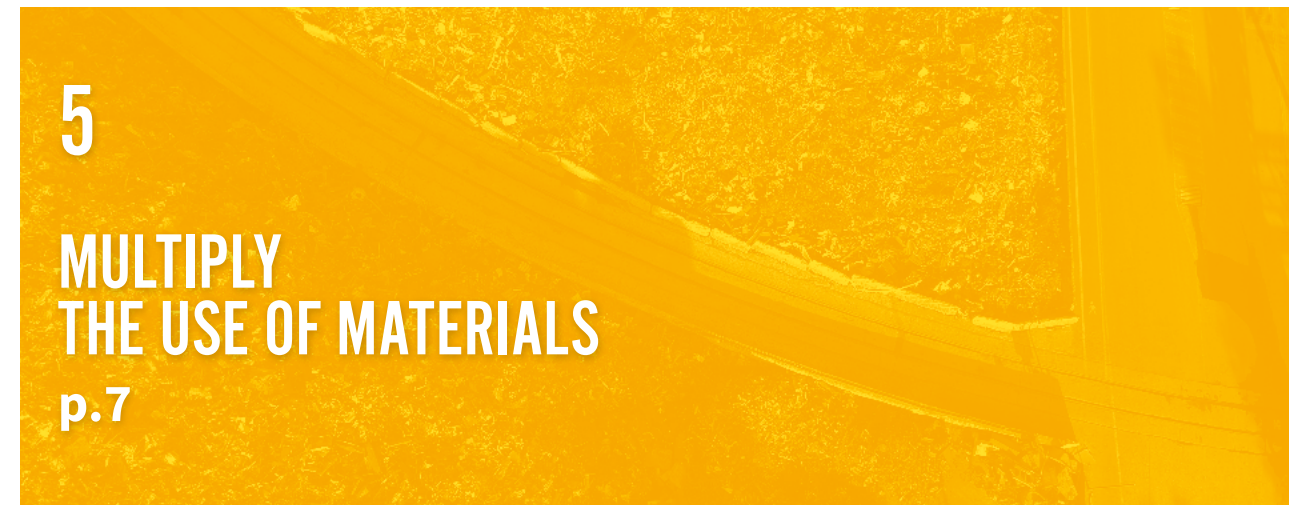
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This document is a summary of the Voluntary Consolidated Non-Financial Statement drawn up by the Feralpi Group. The full version can be consulted on the website at www.feralpigroup.com.

Following the issuing of European Directive no. 95/2014/EU and subsequent implementation in Italy with Legislative Decree 254 of 2016, concerning the disclosure of non-financial information, the Feralpi Group has, for the first time, decided to draw up the voluntary Non-Financial Declaration for the year 2019 (1st January to 31st December).

The Non-Financial Statement was drawn up in line with the Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative (GRI) as per the In Accordance – Core option. As with previous editions, in accordance with the decision of the Board of Directors, the Company had this voluntary Non-Financial Declaration audited by a leading external auditor.

THE FERALPI GROUP IS ONE OF EUROPE'S LEADING MANUFACTURERS OF STEELS FOR USE IN BUILDING CONSTRUCTION.

WE INVEST IN QUALITY AND INNOVATION, SO THAT OPTIMISED CONSUMPTION AND REDUCED IMPACT DRIVE POSITIVE CHANGE IN ITALY AND EUROPE.

“Working and growing through respect for man and the environment.”

Carlo Pasini

 **>> READ ABOUT THE FERALPI GROUP**

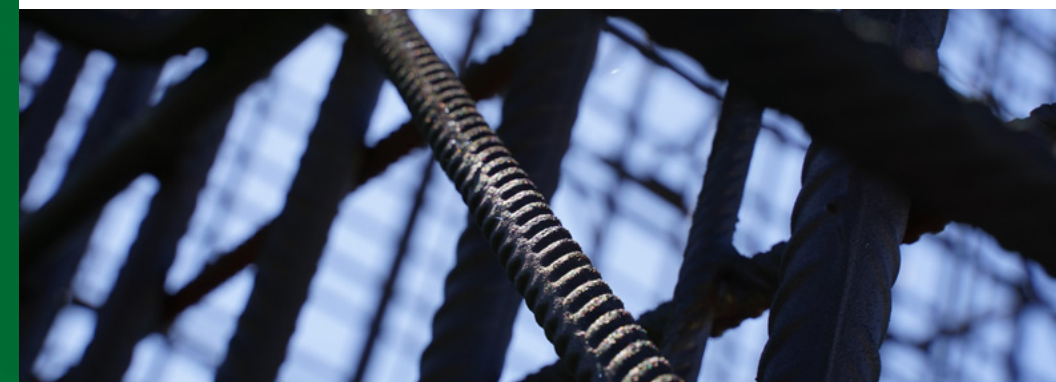
 **>> DISCOVER OUR PRODUCTS**

STEEL – THE HEART OF INFRASTRUCTURE

Due to its mechanical properties, steel is essential in creating private and public construction projects as it combines strength and durability over time.

Steel products can also be used not only in civil, industrial and residential building, but also in numerous production sectors, such as the metalworking, the automotive industry, shipbuilding, energy-related and transport services, the production of various metal equipment and components, and special and precision small parts.

FERALPI GROUP PRODUCTS CAN BE USED IN VARIOUS SECTORS, NAMELY:



BUILDING CONSTRUCTION AND INFRASTRUCTURES

We manufacture reinforcing steel in bars and coils for the construction of load-bearing structures and also produce spacers and lattice for the formation of slabs and prefab main and partition walls. We produce welded mesh and gratings for the construction of industrial floors, consolidation walls and home renovations, including pre-assembly welding of reinforcement structures for lining rail and road tunnels and hydroelectric power plants. Last but not least come high-security fencing solutions for industrial and residential solutions, as well as façade claddings for building renovation.



MANUFACTURING INDUSTRY AND INDUSTRIAL APPLICATIONS

We are active along different supply chains of the industrial value, starting from the billet up to pre-processed and finished products delivered or installed on site. These processes are flanked by the production of premium quality steel intermediate products. We also provides such services as the cutting to size, bending, welding, drilling, notching, pegging, galvanising, sand-blasting and painting of girders. Welded mesh is also provided for industrial use as a semi-finished product in multiple sectors, in addition to pedestrian floor gratings and logistics services.



SEVEN PILLARS OUTLINE OUR STRATEGY FOR AN INCREASINGLY SUSTAINABLE BUSINESS IN LINE WITH THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS.

- 1** Contribute to reducing consumption and impacts
- 2** Multiply the use of materials
- 3** Develop a quality offer
- 4** Ethical business management
- 5** The care, safety and development of people
- 6** Inclusion and community development
- 7** Work culture and education for young people

THE SEVEN STRATEGIC PILLARS FOR SUSTAINABILITY

We are committed to developing actions and practices designed to reduce the impact of our business, making production more efficient through innovation and the skilful use of new technologies, and promoting sustainable lifestyles.

We optimise material and give it new life where possible, through partnerships in the industry and other sectors, by investing in research and development and contributing to innovation in the supply chain.

We invest in quality raw materials, quality production, and quality relationships with our customers.

We believe in good, structured, effective, transparent and ethical governance, and to achieve this we focus on enabling management to meet the requirements of the market and stakeholders.

We continually work on gaining the loyalty of people, ensuring their safety, and investing in professional advancement and wellbeing.

We support the growth and development of the communities where we operate, and the education and development of future generations.

1 NO POVERTY
Icon: Family of four

2 ZERO HUNGER
Icon: Bowl of food

3 GOOD HEALTH AND WELL-BEING
Icon: Heart and pulse line

4 QUALITY EDUCATION
Icon: Open book and pencil

5 GENDER EQUALITY
Icon: Gender symbols

6 CLEAN WATER AND SANITATION
Icon: Water tap with drop

7 AFFORDABLE AND CLEAN ENERGY
Icon: Sun with power button symbol

8 DECENT WORK AND ECONOMIC GROWTH
Icon: Bar chart with upward arrow

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Icon: Stacked cubes

10 REDUCED INEQUALITIES
Icon: Scales of justice

11 SUSTAINABLE CITIES AND COMMUNITIES
Icon: Buildings

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Icon: Infinite loop arrow

13 CLIMATE ACTION
Icon: Eye with Earth globe

14 LIFE BELOW WATER
Icon: Fish

15 LIFE ON LAND
Icon: Tree and birds

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Icon: Dove and scales

17 PARTNERSHIPS FOR THE GOALS
Icon: Interlocking circles

FERALPI IS PARTICIPATING IN THE CEOs' CALL TO ACTION INITIATIVE BY CSR EUROPE, WHICH WAS LAUNCHED IN ITALY BY SODALITAS AND IS DIRECTED AT TOP MANAGERS AND COMPANIES THROUGHOUT EUROPE THAT VIEW SUSTAINABILITY AS CENTRAL AND CHARACTERISTIC TO HOW THEY DO BUSINESS.

SUSTAINABLE DEVELOPMENT GOALS

2019 DATA

CREATING VALUE

[>> READ MORE ON THE WEBSITE](#)

ERAPL

509,496
(€/1000)



SHAREHOLDERS' EQUITY

33,831
(€/1000)



PROFIT/LOSS OF THE YEAR

1,302,752
(€/1000)



TOTAL TURNOVER

166,085
(€/1000)



NET OVERALL VALUE ADDED

54,521
(€/1000)



TECHNICAL INVESTMENTS

13



RESEARCH PROJECT PROPOSED

40



PROJECT PARTNER

6,542
(€/1000)



CHARITABLE DONATIONS TO LOCAL COMMUNITIES

POSITIVE LOAN: GREEN FINANCIAL TOOLS TO DEVELOP A SUSTAINABLE BUSINESS

We have combined our commitment to reducing environmental impact with the introduction of new green financial tools, capable of merging business development and sustainability. In 2019 we were able to access a credit line offered by Bnl Gruppo Bnp Paribas with conditions linked to specific, measured and monitored sustainability targets which, if achieved, means the credit becomes more competitive for the Company.

COMMITMENT REDUCTION IN GREENHOUSE GAS EMISSIONS

HOW
CAPITAL EXPENDITURE AIMED AT INCREASING PLANT EFFICIENCY AND LOWERING CONSUMPTION

FINANCE
20 MLN €

DURATION
5 YEARS

FERALPI IS COMMITTED TO DEVELOPING ACTIONS AND BEHAVIOURS AIMED AT REDUCING IMPACTS AT WORK, MAKING PRODUCTION MORE EFFICIENT ON ONE HAND AND PROMOTING SUSTAINABLE LIFESTYLES ON THE OTHER. INNOVATION AND NEW TECHNOLOGIES ARE KEY FACTORS.

 >> ENVIRONMENTAL DECLARATIONS (EMAS)
 >> ENVIRONMENTAL PERFORMANCE OVER 2017-2019

CONTRIBUTE TO REDUCING CONSUMPTION AND IMPACTS

ENGAGEMENTS

- REDUCING DIRECT EMISSIONS AND ENERGY CONSUMPTION BY 5% OVER FIVE YEARS
- PROMOTING THE DEVELOPMENT OF RENEWABLE ENERGIES

MANAGEMENT AND APPROACH

Thanks to our certified management systems, policies and guidelines, we continually monitor various aspects and environmental impact, to assess and prioritise actions to be taken. Individual sites are responsible for their own management procedures, in line with strategic guidelines issued by the head of the organisation.

Defining an integrated, coordinated approach is strategic. As a result, a working party was set up which operates collectively to improve processes relating to scrap, the rolling mill, the maintenance and processing of derivatives, and therefore the evaluation of suitable investments. Each new investment is also evaluated in terms of energy efficiency. ESF Elbe-Stahlwerke has held ISO 50001 certification since 2011, and this is also planned for Feralpi Siderurgica in 2020.

We use the Best Available Techniques (BAT), i.e. the set of advanced technical solutions (plant, business and control) that are financially and technically feasible within the scope of the relevant industrial sector.

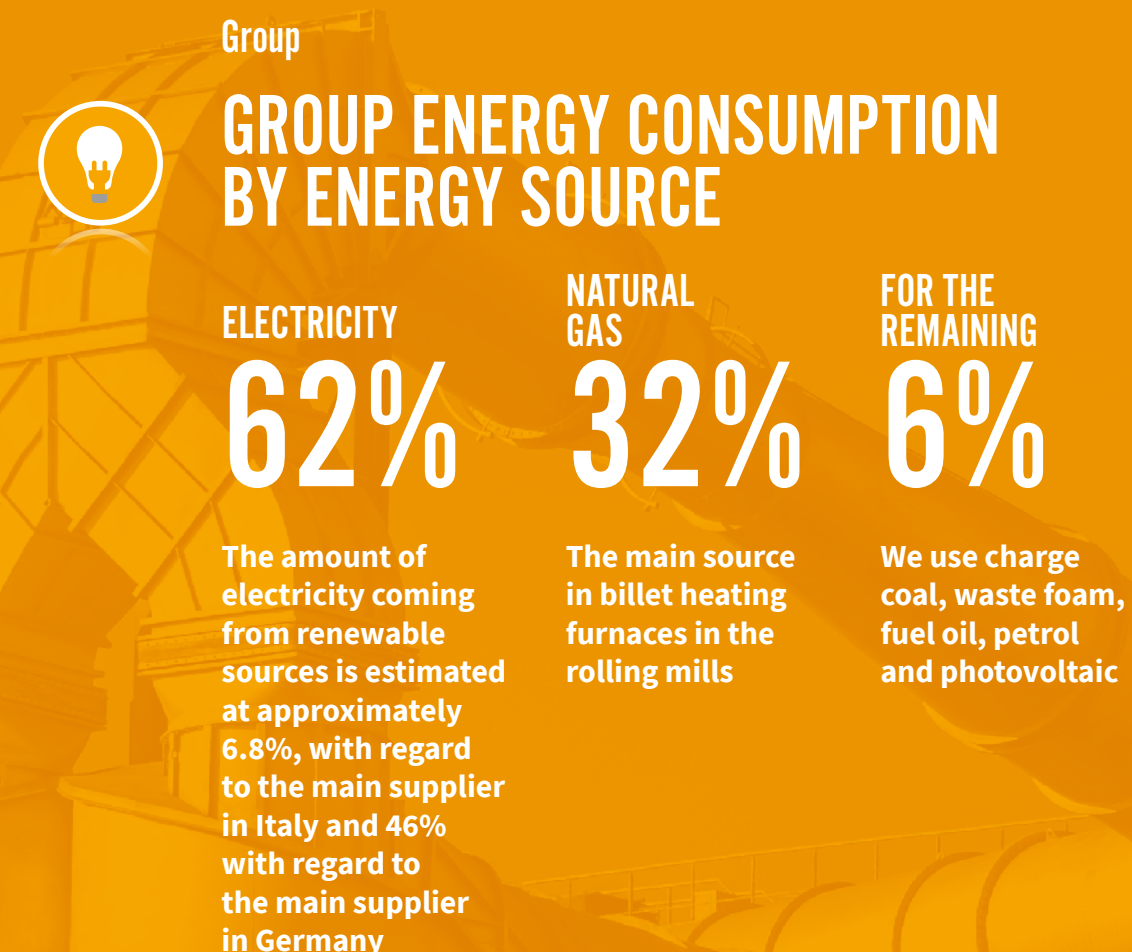
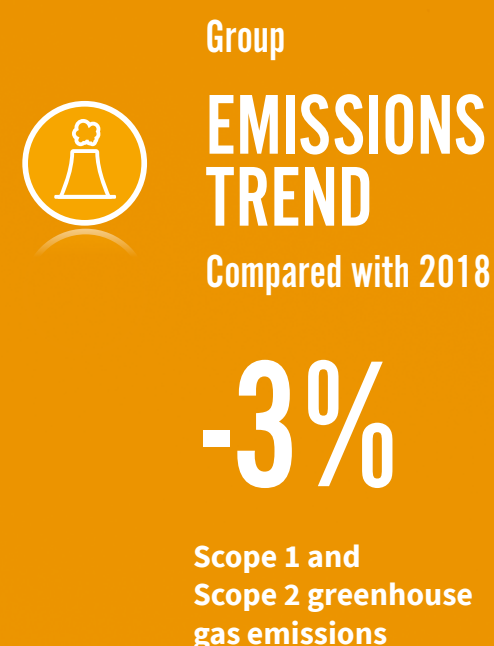
To support production processes, we **develop research projects** that aim to increase energy efficiency and reduce impact and emissions, in line with an Industry 4.0 approach. Industry 4.0 criteria are also applied to the development of internal skills, especially in process technology departments in the R&D, Quality and IT areas, such that the systems developed actually adhere to process management methods and meet production requirements.

 7 AFFORDABLE AND CLEAN ENERGY
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 13 CLIMATE ACTION

THE CONTEXT

The European energy policy measures initiated with the Climate & Energy Package also set out national and European 2030 targets.

As a particularly *energy-intensive* sector, the steel industry is being called on to achieve these objectives by targeting energy efficiency and the sensible use of energy resources, with measures to modernise and decarbonise the sector.



RESEARCH AND DEVELOPMENT

Feralpi Siderurgica

IMPROVEMENT IN PROCESS MANAGEMENT CAPABILITY

The project funded by the Ministry for Economic Development, entitled Wire Accuracy 4.0, continued at Feralpi Siderurgica, with the wire rod rolling line revamped, a new welding machine and spool evacuation line installed, and plant engineering activities in the continuous casting and downstream products area completed.

Feralpi Siderurgica

SELF-LEARNING AND DIGITAL TWIN

The project initiated in 2016 and funded by the European RFCS, entitled PerMonList, continued. It has been designed to develop and use calculation systems and performance monitoring methods in steelmaking processes, which in recent years have concerned the addition of new functionality.

Acciaierie di Calvisano

IMPROVEMENT IN STEELWORKS PROCESSES

In 2019 the project entitled SteelPro4.0 continued at Acciaierie di Calvisano, with the aim of implementing plant solutions and software to improve steel production processes, including the development of monitoring, control and forecasting software for production processes, based on technological and statistical analysis.

Feralpi Stahl

TEMPERATURE MANAGEMENT AND OPTIMISED CONSUMPTION

A research project was launched at Feralpi Stahl, entitled Optimised Temperature Management to reduce energy consumption, through better management of the temperature of the steel, with the help of artificial intelligence. The objective is to integrate the various heating and cooling steps, optimise energy consumption and reduce CO₂ emissions.

FERALPI HAS CHOSEN TO ENHANCE THE MATERIALS AND, WHERE POSSIBLE, TO GIVE THEM NEW LIFE BY DEVELOPING PARTNERSHIPS IN AND OUTSIDE THE FIELDS OF ACTIVITY AND INVESTING IN RESEARCH AND DEVELOPMENT, THUS CONTRIBUTING TO THE INNOVATION OF THE SUPPLY CHAIN.

>> GREENSTONE AND THE ENVIRONMENTAL PRODUCT DECLARATION

WATCH THE VIDEO
2019 Best Performer for the circular economy award - Confindustria (in Italian)

MULTIPLY THE USE OF MATERIALS

ENGAGEMENTS

- › **INVESTING IN INNOVATIVE SOLUTIONS AIMED AT REUSING MATERIALS WITHIN OR OUTSIDE THE PRODUCTION CYCLE**
- › **CHOOSING TECHNOLOGIES AIMED AT REDUCING EMISSIONS WITH A VIEW TO CIRCULAR ECONOMY**

MANAGEMENT

The steel production cycle, and more specifically the electric arc furnace process, is a **key example of circular economy**. The circularity exists in the very act of producing steel from scrap, i.e. recovering metal, preventing it from being disposed of in the environment, and avoiding the consumption of natural raw materials (e.g. ferrous minerals) to produce steel.

We focus on the **quality of scrap**, by only sourcing it from endorsed national and international suppliers, and checking the raw material before it even enters the steelworks. We organise **processes and systems to minimise waste volumes, recover and/or categorise production** residue or scrap as by-products, with only some residue sent for disposal. We work to reduce the movement of raw materials and waste to reduce consignments, and we work to replace raw materials.

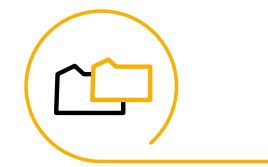
At Feralpi we currently **recover refractory materials, black slag, heat, dust and flue gases, non-ferrous metals and mill scale, and collaborate with numerous private and public parties** in the supply chain who are outside the organisation.

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

THE CONTEXT

The European Commission President, Ursula von der Leyen, presented a plan to the European Parliament to lead the European Union in its aim to be the first zero impact continent by 2050. In particular, the Green New Deal represents the European strategy.

Steel will feature significantly in this development: not only is the most recycled material in the world, it will be fundamental for helping to construct more modern buildings with less impact, in addition to more efficient vehicles with lower emissions.



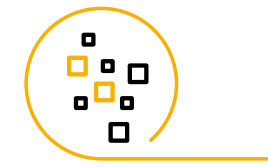
REFRACTORY MATERIALS

Exhausted refractory materials coming from the ladle are returned to the production cycle, as partial raw material substitutes. Their reuse in the furnace does not entail any negative impact on the environment or human health.



NON-FERROUS METALS

The residual fraction produced by the scrap selection plant is sent to external plants for the recovery through mechanical sorting of non-ferrous metals (such as aluminium, brass and copper).



ROLLING SCALE

The rolling scale is recovered for external use. The Green Iron is the by-product obtained from the rolling scale that is sold to plants for the production of ballasts and concrete.



DUST AND FLUE GASES

The metal zinc contained in the dust resulting from flue gas removal in the smelting process is mostly recovered at external plants in replacement of natural mineral. The dust produced by the ferroalloy plant are fed back directly into the production cycle, the amount of which equals that of the materials from which dust originates.

Group



FERALPI STEEL

93%

recycled material constituting the steel produced at Group level in 2019

Group



WE RECYCLE WASTE

80%

hazardous waste sent to recovery in 2019 +4 percentage points on 2018

Feralpi Siderurgica



BEST PERFORMER FOR THE CIRCULAR ECONOMY

2019 Best Performer for the Circular Economy, in the Large Manufacturer category according to Confindustria, for projects to recover heat and reuse slag produced.



Acciaierie di Calvisano

FERROUS RAW MATERIALS AND SLAG

We achieved significant improvements in the selection and treatment of ferrous raw materials, with a decrease of over one percentage point and 10% reduction in the production of waste black slag.



Feralpi Siderurgica

BLACK SLAG CERTIFIED BY-PRODUCT

Slag is processed by an external specialized company with which the treatment process has been developed in partnership. In this way the slag is transformed into a commercial by-product called “Greenstone”, which is used in building construction instead of natural materials, **which results in an overall saving of non-renewable sources.**

All Greenstone by-products have obtained the **CE 2+ marking**, according to UNI EN specifications. An **Environmental Product Declaration (EPD®)** was obtained for the Greenstone in 2019.



Feralpi Siderurgica and Feralpi Stahl

WE RECOVER HEAT

2,217 MWh of fossil fuel energy saved

Feralpi Siderurgica has created a system that interfaces directly with the smelting furnace flue gas cooling system, which heats the one or so kilometre-long water distribution system and can supply 4 MWt at an operating temperature of 90°C. Since 2018 the heat recovered has been used to heat the buildings inside the plant. In 2019, Siderurgica saved 2,217 MWh of fossil fuel energy thanks to the flue gas. Since 2019, public buildings and some residential buildings in town have been heated with the steel mill heat, thanks to the collaboration with the local government.

The flue gas recovery system at ESF Elbe-Stahlwerke Feralpi (Germany) generates steam that is partly conveyed by the Riesa town utility company (Stadtwerke Riesa - SWR) directly to Goodyear Dunlop Tires and partly used to generate electricity through an Organic Rankine Cycle (ORC) turbine.

RESEARCH AND DEVELOPMENT

Feralpi Siderurgica

BLACK AND WHITE SLAG

The Fissac project is co-funded by the EU Horizon 2020 programme, and aims to promote and apply the concept of the circular economy. We have been successful in obtaining the first example of combined black and white slag recovery in construction products (flooring, lego blocks, Jersey barriers) from intermediate products known as ‘Eco cement’ and ‘Green Concrete’ products.

Additional projects are underway to analyse the recovery of white slag, with the aim of stabilising and reusing it in construction material.

Feralpi Siderurgica

PLASTICS/POLYMERS

Experiments have been conducted using, at certain phases of the EAF smelting process, plastics pretreated in external plants, which derived from different supply chains and acquire the characteristics of new raw material.

Previously we have also worked to demonstrate the potential for reusing suitably treated waste material, such as car fluff after the demolition of vehicles, as a replacement for coal in the EAF, and the reuse of waste obtained by recycling packaging is continuing with the support of Corepla, which is also an aim of the European-funded research project OnlyPlastic.

QUALITY AS SYNONYMOUS WITH SUSTAINABILITY. QUALITY IN THE RAW MATERIALS, QUALITY IN PRODUCTION AND QUALITY IN RELATIONS WITH CUSTOMERS: THESE ARE THE INGREDIENTS OF THE OFFER THAT FERALPI UNDERTAKES TO PROVIDE ITS CUSTOMERS.



DEVELOP A QUALITY OFFER

ENGAGEMENTS

- › ENHANCING RELATIONS BY INVESTING IN DIALOGUE, TIMELINESS AND OFFER
- › IMPROVING SUPPLY QUALITY FROM A SUSTAINABLE PERSPECTIVE
- › DEVELOPING THE QUALITY CULTURE THROUGHOUT THE SUPPLY CHAIN

MANAGEMENT

We invest in innovation, quality, sustainability and diversification, in order to cover the most diverse requirements of niche markets and pick up on new business opportunities. We work to consolidate our presence in traditional markets, and enter markets with higher added value. It is thanks to the **new governance model** that we can manage different business areas with strategies and business profiles vertically directed at a specific target. We adapt business networks in response to market requirements, and create opportunities to engage with our customers and monitor satisfaction.

We have a certified quality management system (UNI EN ISO 9001:2015), accompanied by specific quality policies or principles and, by aligning different quality systems in the various companies in the Group, we define standard guidelines to ensure Total Quality Management (TQM) at Feralpi. The Group's quality management process involves various company management teams, including factory, quality and commercial managers. The IT department provides support for technological matters, in addition to the R&D department for more innovative projects.

Our steel now extends to various areas and is at the head of various value chains, but it also uses raw materials and services that are just as central to our competitiveness. Relationships with suppliers are governed by contractual agreements that require transparency and cooperation from both parties as part of a long-term vision.



THE CONTEXT

Steel manufacture is a key sector that underpins the economy of a country, as it is situated upstream of numerous production chains.

The Feralpi Group has integrated its development strategy by verticalising the organisation and diversifying the businesses where it operates, to provide customised solutions with high quality standards.



ENGAGING WITH SUPPLIERS ON SUSTAINABILITY

We implement a process to gather information from suppliers on aspects of sustainability linked to quality, the environment, health and safety, and ethics.

OVER **350**

the number of Italian scrap suppliers involved in the TenP process - Global Compact Sustainable Supply Chain Self-Assessment Platform



STEEL PRODUCED

2.496

million tonnes of steel produced

RESEARCH AND DEVELOPMENT

Acciaierie di Calvisano

BILLET QUALITY

With regard to the development of technological systems to improve billet quality (semi-finished products) at Acciaierie di Calvisano, the four-year research project SupportCast, co-funded by the EU through the Research Fund for Coal and Steel, is continuing.

The project was organised in conjunction with Milan Polytechnic, and involves the development of new components to improve internal billet quality, while simultaneously developing and applying Industry 4.0 criteria as process simulations.

Acciaierie di Calvisano, Arlenico and Fer-Par

QUALITY IN THE SPECIAL STEEL SUPPLY CHAIN

We have a project entitled Quality Integration underway, which involves the entire special steel supply chain.

The main aims are to quickly identify the origin of defects, direct products to their destination on the basis of their determined product quality class, notify the other upstream/downstream processes of the presence of anomalies, and learn from data analysis and any correlations, to implement corrective actions.


ESF Elbe-Stahlwerke Feralpi

QUALITY AND THE DIGITAL TWIN

The continuous casting project ConSolCast is in progress, with the application of a real time solidification simulator (digital twin) designed to keep casting conditions stable, and prevent billet defects and solidification anomalies that could cause cast breakage.

Along with software technologies new sensors are also being developed, to find new applications useful for process control.

AN ACCOUNTABLE COMPANY CANNOT EXIST WITHOUT GOOD GOVERNANCE THAT IS WELL STRUCTURED AND EFFICIENT, TRANSPARENT AND ETHICAL. FERALPI IS COMMITTED TO QUALIFYING ITS MANAGEMENT AND MEETING MARKET AND STAKEHOLDER EXPECTATIONS.

 >> FIND OUT MORE ABOUT DOCUMENT 231

 >> READ OUR CODE OF ETHICS

ETHICAL BUSINESS MANAGEMENT

ENGAGEMENTS

- › PREPARING AND IMPLEMENTING IN-HOUSE POLICY GUIDELINES
- › FORMALIZING ETHICAL AND SUSTAINABLE MANAGEMENT BY MEANS OF CERTIFICATIONS AND TRANSPARENCY OF INFORMATION
- › RAISING AWARENESS AND INFORMING THE SUPPLY CHAIN ON SUSTAINABLE PRACTICES AND MEASURES



MANAGEMENT

We are a company controlled by a **family shareholder base and has a conventional governance structure**, where the corporate bodies are represented by the general assembly of shareholders, the board of directors and the board of auditors. Since 2014, the sustainable development governance has been entrusted to the Sustainability Committee, as advisory and support to the Board of Directors.

The Group has a **Code of Ethics**, and a **governance model with principles**, rules and instructions designed to ensure transparency and integrity between everyone working with us and for us. There is also a set of **company procedures and policies** on ethical business management that employees and stakeholders can consult.

Specifically, on **environmental and social issues**, operational management is currently independent in each group company, with cross-coordination activities, both in Italy and abroad. Supporting this are integrated management systems and energy, environmental and quality certification.

We are continually promoting internal and external **stakeholder engagement** initiatives every year.

THE CONTEXT

The implementation of a modern governance model helps optimising decision-making processes and business policies, more effective control of risks and potential conflicts, an improvement of corporate reputation, thereby bringing significant benefits for all stakeholders of the company.

To this effect Feralpi has signed up to a Corporate Governance Code for non-listed companies promoted by AIDAF and Bocconi University.



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We decided to voluntarily join the Corporate Governance Code for non-listed companies, promoted by AIDAF and Bocconi University.

[>> Find out more](#)



WHISTLEBLOWING

Italy has a specific procedure for managing illegal and irregular conduct. No issues were reported to the supervisory bodies during the financial year.



ANTI-CORRUPTION

No confirmed cases of corruption were detected, nor were there legal cases against the company/employees, fines or supplier relationships terminated due to corruption.



TRAINING INITIATIVES REGARDING COMPLIANCE

Updating training sessions were held on Legislative Decree 231/2001, which involved top managers.

WE INVOLVE OUR STAKEHOLDER TO UNDERSTAND PRIORITIES

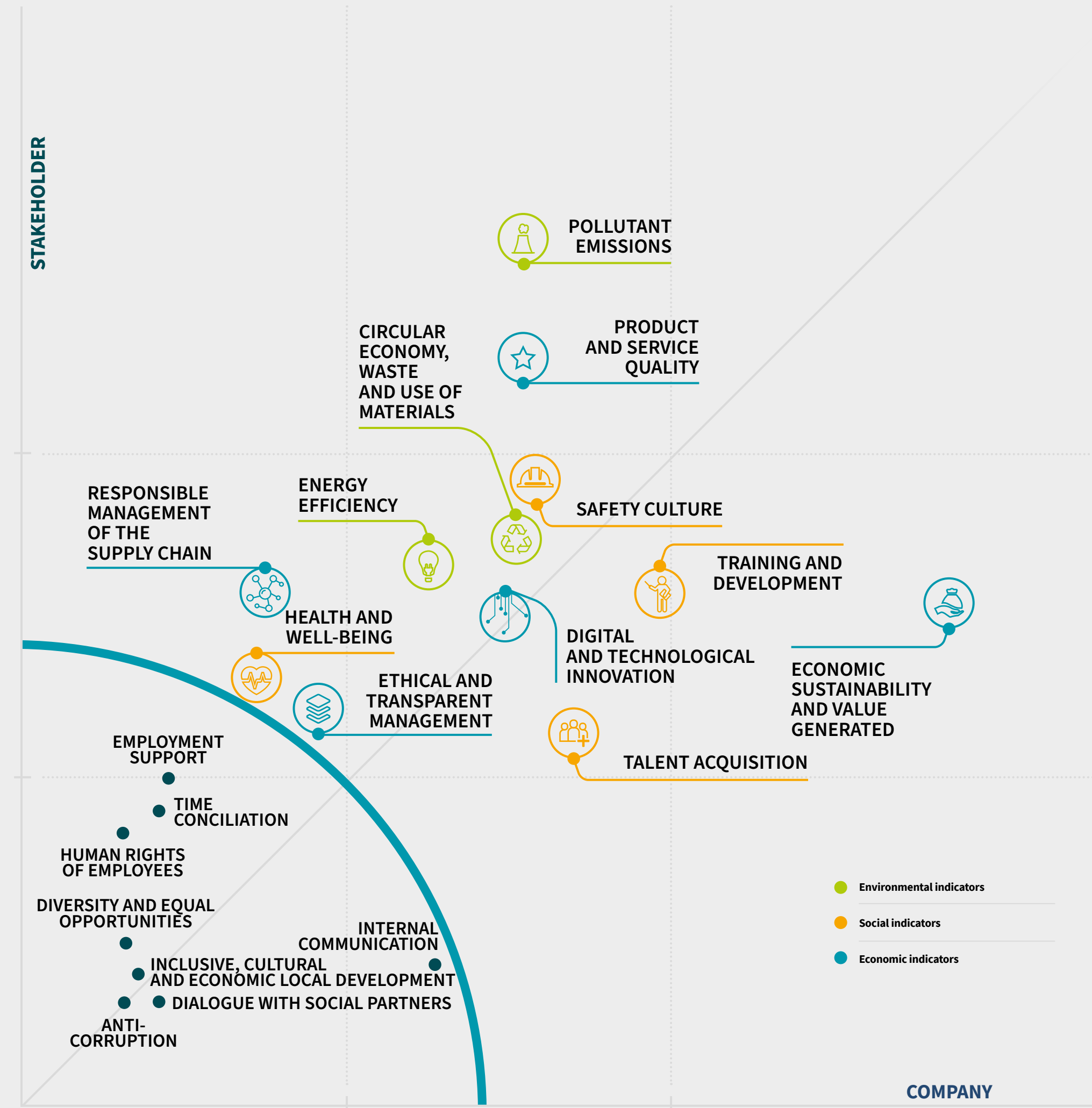
EXTERNAL AND INTERNAL ENGAGEMENT ACTIVITIES HAS ENABLED THE IDENTIFICATION OF INTERNAL EXPECTATIONS AND GROUP DEVELOPMENT OPPORTUNITIES FROM THE PERSPECTIVE OF INTERNAL STAKEHOLDERS, WITH THE DEFINITION OF THE FOLLOWING PRIORITIES:

- > ECONOMIC SUSTAINABILITY
- > PEOPLE (TRAINING, DEVELOPMENT, ENHANCEMENT, SAFETY)
- > PRODUCT AND SERVICE QUALITY

WHILE AS TO THE EXTERNAL STAKEHOLDERS, THE OPPORTUNITIES REFER TO:

- > ENVIRONMENT (EMISSIONS, CIRCULAR ECONOMY AND ENERGY)
- > PRODUCT AND SERVICE QUALITY
- > SAFETY

>> Find out more about materiality matrix and stakeholder engagement activities



THE NEW MATRIX HAS 12 MATERIAL TOPICS WHICH ARE SUBJECT TO REPORTING PROCEDURE AND 8 - SHOWN IN THE DIAGRAM FOR THE MATERIALITY MATRIX BELOW THE CURVE IDENTIFYING THE MATERIALITY THRESHOLD - WHICH ARE NOT REPORTED, EXCEPT FOR THOSE INDICATED IN DECREE 254, SUCH AS INCLUSIVE, CULTURAL AND LOCAL ECONOMIC DEVELOPMENT, ANTI-CORRUPTION, WORKERS' HUMAN RIGHTS AND DIVERSITY AND EQUAL OPPORTUNITIES.

FERALPI HAS ALWAYS FOCUSED ITS OPERATIONS ON PEOPLE WHO, WITH THEIR INDIVIDUALITY, WORK BACKGROUND AND PERSONAL HISTORY, ARE STRATEGIC FOR THE DEVELOPMENT OF THE GROUP. THE COMPANY IS THEREFORE COMMITTED TO ENSURING THEIR LOYALTY, CARE AND PROFESSIONAL ENHANCEMENT.


WATCH THE VIDEO
WHP and Feralpi health promotion (in Italian)

THE CARE, SAFETY AND DEVELOPMENT OF PEOPLE

ENGAGEMENTS

- › INVESTING IN AND ENHANCING EXISTING AND NEW TALENTS WITHIN THE COMPANY
- › DEVELOPING AND RAISING SAFETY AWARENESS AND CULTURE
- › DESIGNING WELFARE SOLUTIONS IN SUPPORT OF WELL-BEING AND HEALTH

MANAGEMENT

With our management system we invest in the **growth and development of talent** and **loyalty** of personnel, **without discrimination** on the grounds of race, ethnicity, religion, political orientation, union membership, sexual orientation or age. **We prohibit any breach of human rights.**

Safeguarding employee health and safety is a priority at Feralpi. This means continuing to improve production plants, environments and work procedures. A **certified safety management system is implemented** at *Feralpi Siderurgica* in accordance with the international BS OHSAS 18001 standard, based on operational and management procedures that ensure that risks are continually monitored and improvement measures are defined. Through Feralpi Stahl we are a member of the BGHM professional association, which establishes rules and practices for companies and personnel.

In accordance with our **prevention strategy**, we ensure **medical support** is available from medical and nursing staff at all main sites, and **promote training** on health and safety for all employees.

We work continually to develop a **corporate culture that promotes good physical and mental health, and personal and professional wellbeing.**



THE CONTEXT

The Group's sites operate mainly in economically developed areas with lengthy industrial tradition, and unemployment rates are relatively lower than the European average (5.2% in the province of Brescia, 4.1% in the district of Dresden).

The significant changes that are taking place in industry (Industry 4.0) require companies to undertake a cultural and organisational transformation that involves managing new skills, developing company talent and new work methods, adapting to change quickly, bridging any gaps and overcoming barriers.



WE ENCOURAGE HEALTHY LIVING

In Italy, since 2013, the WHP project has produced 26 good practices for healthy living and involved

OVER
700
EMPLOYEES



PEOPLE
1,570
EMPLOYEES

+ **1.4%** on 2018



WE DEVELOP FUTURE TALENT

Along with other important industry players, Feralpi set up a management training project for potential talent named Management 4 Steel. The course has so far involved personnel from Feralpi Siderurgica and ESF Elbe-Stahlwerke Feralpi, and the intention is for it to constitute the first module of a future academy focusing on the steel industry.



WE INVEST IN TRAINING
23,217
HOURS OF TRAINING DELIVERED



WE FAVOUR PERMANENT CONTRACTS

98%
OF OUR EMPLOYEES HAVE PERMANENT CONTRACTS



EMPLOYEE LOYALTY
9.5%
LEAVER TURNOVER RATE

- **1.4%** compared with 2018

WITH ITS PRODUCTION PLANTS AND ADMINISTRATIVE OFFICES, FERALPI IS AN INTEGRAL PART OF THE GEOGRAPHICAL AREA IN WHICH IT OPERATES. INVESTING IN THE GROWTH AND DEVELOPMENT OF THE LOCAL COMMUNITY, THE COUNTRIES WHERE IT OPERATES AND THE PEOPLE LIVING THERE IS A CRUCIAL ASPECT OF THE GROUP'S BUSINESS.

INCLUSION AND COMMUNITY DEVELOPMENT

ENGAGEMENTS

- › CONTINUING TO ACTIVELY CONTRIBUTING TO THE DEVELOPMENT OF THE LOCAL COMMUNITY
- › DEVELOPING DIALOGUE AND ENGAGEMENT WITH NON-PROFIT ORGANISATIONS

MANAGEMENT

We adopt an approach towards local communities that is designed to **increase economic, cultural and social development** in the area. We support communities in a collaborative and inclusive manner, with the aim of **creating shared value**.

To make it even more specific, we introduced a **Group policy on charitable donations and inclusive projects**, which defines areas of action. To supplement the Group policy, we also outlined areas of action to support **artistic and cultural heritage**.

Supporting the community also means **investing in the local economy**, and selecting suppliers that are local to the Group's sites.

Feralpi's support for the community is ever mindful of inclusion, and this is also demonstrated in its commitment to developing sport locally. Cycling, football, rugby and canoeing are sporting activities that have been supported by the Group for some time.

THE CONTEXT

Feralpi is implementing a business model that can create economic value which is distributed among the Group's stakeholders once generated, thereby contributing to the economic and social progress of the communities where it operates, in addition to the enhancement of the area and employee wellbeing.

The companies in the Feralpi Group play a major role in the community, both in terms of ability to create value and hence local development, increasing employment and supporting the well-being of the population directly and indirectly, and in terms of the safety and environmental impact of company business.



WATCH THE VIDEO
BRERA FERALPI
(in Italian)



ART, WORK AND BUSINESS VALUES

We launched an exhibition, Brera Feralpi - A Laboratory of Art, at the Brera Fine Arts Academy. 80 students turned business values into works of art installed at Feralpi Siderurgica.

In Germany, three steel sculptures were made by five artists to honour the 900-year celebrations in Riesa.



WE SUPPORT COMMUNITY DEVELOPMENT

6.5
MILLION €

+39% compared with 2018



WE PROMOTE INTEGRATION AND INCLUSION

In Italy we have signed up to the Business & Legality Manifesto, following an agreement between the Brescia Industrial Association, the Supervisory Court, Brescia Prison Management and the Prisoner Authority, to provide training for prisoners in Brescia. In Germany, our participation in a company mentoring scheme promoted by the Ministry for Economy and Work in Saxony and coordinated by the Employment Agency, facilitated the employment and social integration of refugees.

WATCH THE VIDEO
Inauguration of the Lonato del Garda district heating network
(in Italian)



Lonato del Garda

FROM POWER STATIONS SUPPLIED WITH FOSSIL FUELS TO A DISTRICT HEATING NETWORK

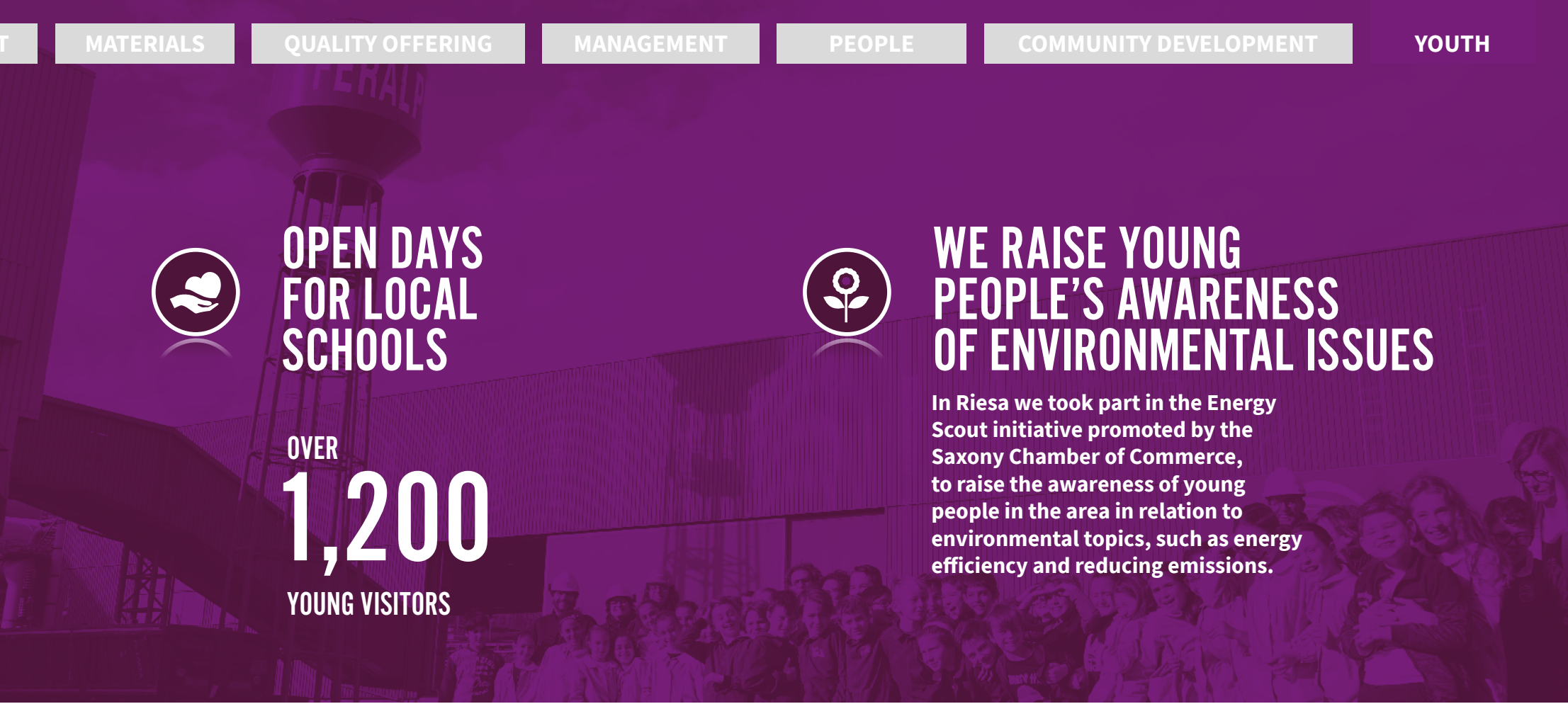
In autumn 2019 we connected the Lonato del Garda council network to the site's heat recovery system. The plan is to connect council utilities and private users to the district heating network, serving a good part of the council area where connection is possible.

- › TOTAL INVESTMENT: 4 MILLION €
- › PARTNERSHIP: Feralpi Group and Engie Group - international energy transition company – and Lonato del Garda Council
- › VALUE CREATED: reduction in energy consumption, raw materials and emissions, in addition to a reduction in water consumption due to the decreased use of evaporation towers. This system benefits the air quality in Lonato considerably, as it entails a reduction in CO2 released into the atmosphere compared with conventional heating systems. This project will also enable a reduction in heating costs, and heating will be available at a competitive price for new public, private and industrial initiatives.
- › SUPPLY estimated at: 4GWH of thermal energy
- › CO2 PREVENTED estimated at: 800 TONNES/YEAR

YOUNG PEOPLE ARE THE FUTURE, WHICH IS WHY FERALPI HAS CHOSEN TO COMMIT ITSELF TO THE NEW GENERATIONS AND PROMOTE THEIR PROFESSIONAL GROWTH SO THAT THEY CAN ACTIVELY CONTRIBUTE TO THE DEVELOPMENT OF OUR COUNTRY AND LOCAL COMMUNITY.

WATCH THE VIDEO
Theatre performance at Feralpi Siderurgica for the 10 days in Brescia event (in Italian)

WATCH THE VIDEO
E-Farmer: the accounts of 12 participants (in Italian)



OPEN DAYS FOR LOCAL SCHOOLS

OVER
1,200
 YOUNG VISITORS



WE RAISE YOUNG PEOPLE'S AWARENESS OF ENVIRONMENTAL ISSUES

In Riesa we took part in the Energy Scout initiative promoted by the Saxony Chamber of Commerce, to raise the awareness of young people in the area in relation to environmental topics, such as energy efficiency and reducing emissions.

WORK CULTURE AND EDUCATION FOR YOUNG PEOPLE

ENGAGEMENTS

- › CONTRIBUTING TO THE EDUCATION OF YOUNG PEOPLE BY RAISING THEIR AWARENESS OF CLIMATE CHANGE AND THE RATIONAL CONSUMPTION OF RESOURCES
- › INVESTING IN BUSINESS PROJECTS FOR SUSTAINABLE DEVELOPMENT.

MANAGEMENT

Our commitment to the community is also demonstrated through skills **development projects for young people**, and the development of a work culture. We are involved in training schemes outside the company to develop the skills of young people, to attract talent and specialist skills, bring value to the community, and provide basic marketable skills.

Added to these are numerous visits to the premises in Lonato and Riesa, open to local communities and schools in particular. Furthermore, there are dual work-education schemes and active **participation in events dedicated to young people**.

We also organise orientation events and initiatives for employees' children, dual work-education projects, and government education courses. In Germany, 20 places are made available annually for young people, as part of a three-year apprenticeship scheme set up by the German government as an alternative to school or college, in order to train specialists.



4.0

INDUSTRY 4.0 AND EMPLOYMENT FOR THOSE CLASSED AS NEET

In Italy, we participated in an **employability workshop**, organised by the Ministry for Education, Universities and Research and co-funded by public and private organisations, designed for young people who are not in education, employment or training (NEET), with the aim of guaranteeing preliminary placement services. The workshop in Lonato, leader in the Brescia area, was designed to create an area with advanced equipment to test enabling Industry 4.0 technologies.



STUDENTS. ART. CULTURE. WORK.

To increase the work culture among young people, giving value to the entrepreneurship and getting the world of steel known, we hosted in Feralpi Siderurgica the **play "Da le ses a le dò, da le dò a le des"**, during the event "Le X giornate di Brescia"



THE e-FARMER PROJECT

As part of the digital awareness project, the e-Farmer project was developed during the year at Feralpi Siderurgica. This initiative involved 12 university students who, with support and guidance from the Department of Mechanical and Industrial Engineering at Brescia University, worked on creating innovative digitalisation projects for the Group.

>> **Find out more**



LOCAL SKILLS

Among the external training initiatives that aim to develop young skills, is the **Sider+** project which was set up in 2019 in Italy. This is a free course designed to increase the number of candidates for hire, and to include candidates in the selection process who, while demonstrating determination, motivation and aptitude, would be excluded from the process because they do not have the prerequisites.



>> **READ**
THE VOLUNTARY CONSOLIDATED
NON-FINANCIAL STATEMENT
2019 (FULL DOCUMENT)



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WEBSITE
REPORTING AND STRATEGY



>> **LEAVE A COMMENT**

For more information
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