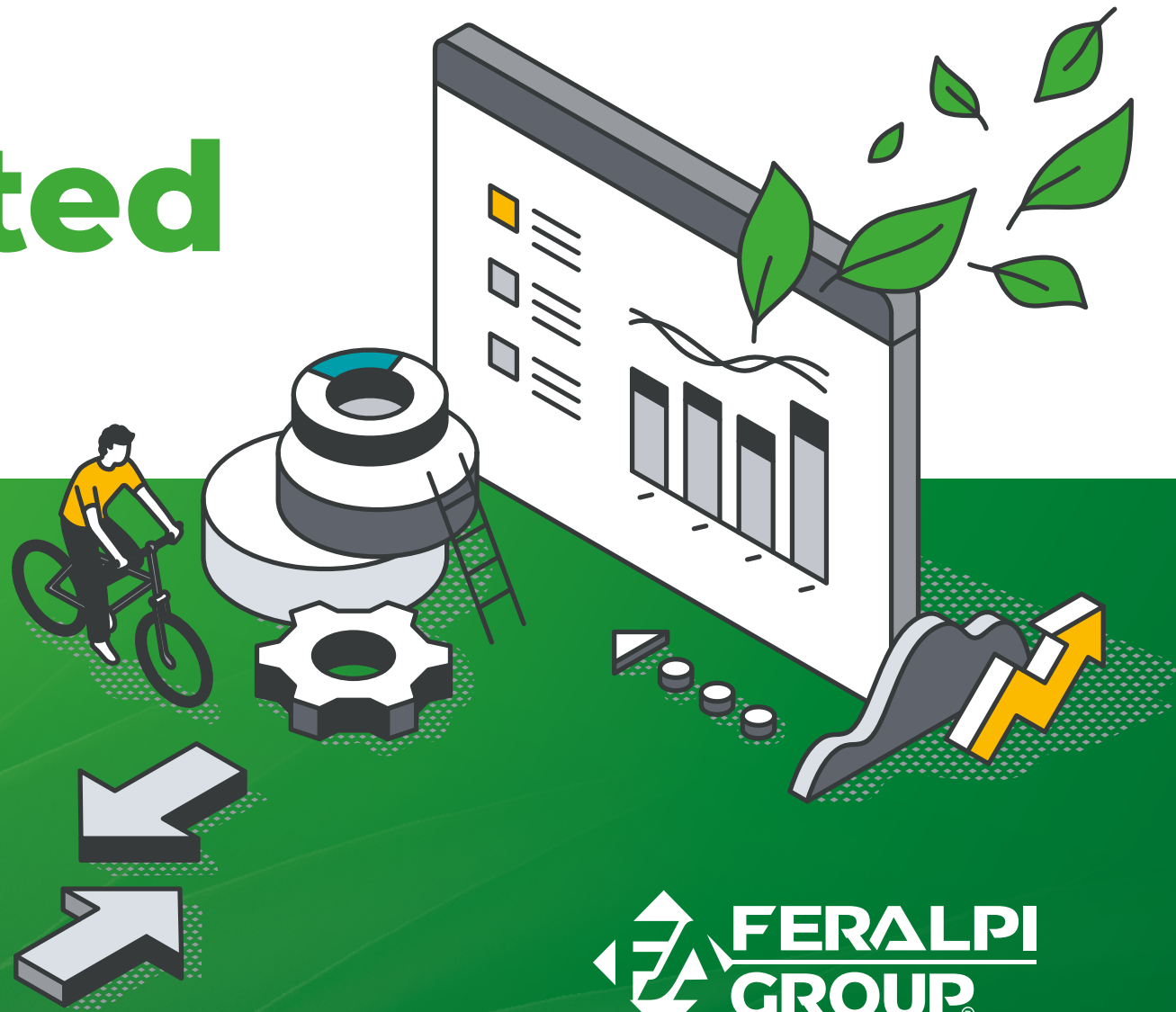


Integrated Report

2024
Abstract



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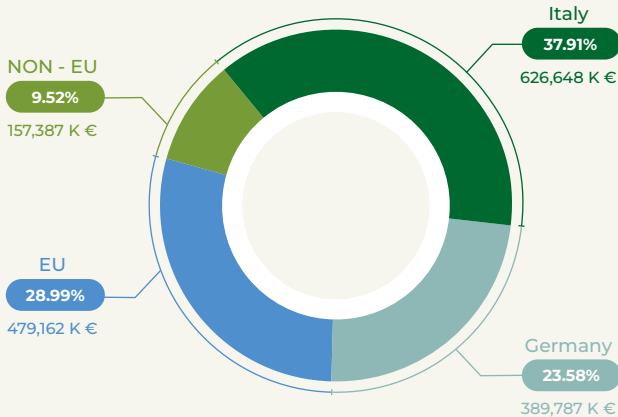
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Financial and Economic

1,652,984 K € | REVENUES IN 2024

SALES REVENUE
BY TARGET AREA



27,645 K € | EBITDA

180,877 K € | GROSS OVERALL
VALUE ADDED

1,051,205 K € | NET INVESTED CAPITAL



Production and Innovation

2,584,227 tonnes | TONNES OF STEEL PRODUCED
+6.4% over 2023

223,111 K € | GROUP TECHNICAL INVESTMENTS

>80% | STRATEGIC INVESTMENTS
WITH ESG CONTENT

10 | FUNDED RESEARCH PROJECTS



Environmental

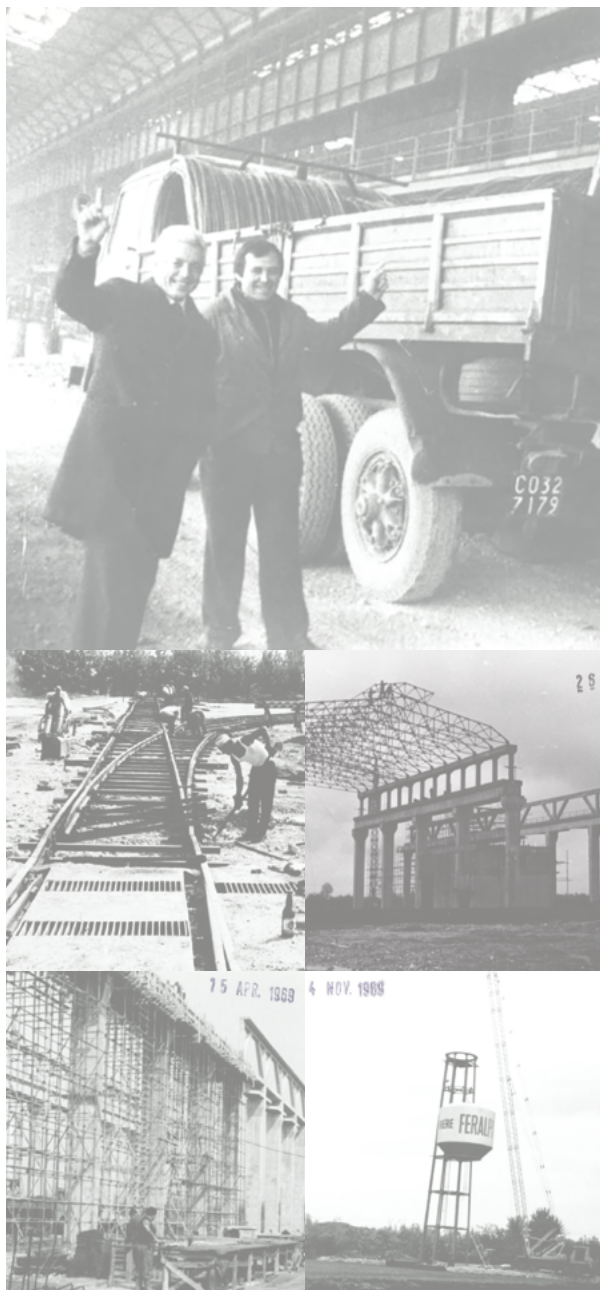
0.330 t CO ₂ e/t	SPECIFIC CO ₂ EMISSIONS
714,780 t CO ₂ e	INDIRECT SCOPE 2 EMISSIONS (CATEGORY 2- ISO 14064-1)
2.07 GJ/t	ENERGY INTENSITY PER t OF PRODUCT (BILLET) +1.47% over 2023
91%	RESIDUES IN CIRCULAR PROCESSES
98.60%	MINIMUM RECYCLED CONTENT



Social

1,986	PEOPLE, OF WHICH 94% PERMANENT EMPLOYEES +3.33% over 2023
15.61%	RATE OF NEW HIRES +0.26% over 2023
44,362	TRAINING HOURS, 22 TRAINING HOURS PER CAPITA
22.81	OCCUPATIONAL INJURY RATE*
5,369 K €	GROUP'S CONTRIBUTION TO THE TERRITORY +10.68% over 2023
25.47%	TURNOVER PAID TO LOCAL SUPPLIERS

* Considering only employees. The figure differs from the ESG Scorecard as it also includes Feralpi Algérie.



The history of Feralpi Group

Growth, Innovation and Sustainability for over half a century: an Italian success story that began with the gesture of a woman - Giulia Tolettini - who took over the reins of running the family business in 1940. It was then her son Carlo, in 1968, who, together with other partners, built the first new steel complex in Lonato del Garda (BS).

This was the first step on a path that led to the creation of an international Group, present in seven countries, capable of becoming one of the international leaders in the sector. Today, the company ranks among the top players for construction steel, holding a significant market share in the strategic markets of Italy, Germany, France, Switzerland, Austria, Spain, and Eastern European countries, also thanks to a flexible and organised sales structure.

The development strategy, structured from the early years around internationalisation, diversification and verticalisation, has helped Feralpi become not only a large Group on a European scale, whose steel is present in numerous major infrastructure projects, but also a recognised industrial enterprise in special steels for industry and mechanics.

Feralpi operates in a sector in the midst of major challenges in terms of climate change, digital revolution, global welfare and the stability of the global geopolitical system.

Aware of operating in a cyclical, capital intensive and hard to abate business, the Group has adopted a responsible approach to social and environmental issues, generating a positive impact on the creation of lasting value for its stakeholders, thus integrating ESG (*environmental, social, governance*) aspects into its long-term strategy that includes sustainability and innovation in production among the pillars on which it builds its industrial development.

In fact, the Group leverages decarbonisation and digitalisation to couple strengthening its competitive advantage with reducing its environmental impact. Increasing production efficiency and the circularity rate of industrial activities and reducing energy intensity, at various levels, are the tools used by the Group to create positive impacts on the efficiency of the production process, the environment and the people who live in it, and on customers for whom Feralpi's steel is more than just a quality product, but a solution in line with market dynamics in which competitiveness is synchronous with sustainability.

The Group structure

Divisions_ Feralpi Group is active in three business areas: Construction Steel, which is the core business, where the Group is among the market leaders in Italy, Germany, France, Switzerland and Austria; the Specialties and Diversified Products business, which are complementary businesses to the construction business; Energy, which concerns the production of energy from renewable sources for self-consumption.



Reference markets for Feralpi products

Algeria, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Cape Verde, Croatia, Denmark, Eritrea, Estonia, Ethiopia, Philippines, France, Germany, Ghana, Jordan, Djibouti, United Kingdom, Guadeloupe, Italy, Ireland, North Macedonia, Malta, Netherlands, Poland, Portugal, Principality of Monaco, Czech Republic, Republic of San Marino, Romania, Serbia, Slovakia, Slovenia, Spain, Switzerland, Tanzania, Turkey, Hungary and the USA.



1 Construction Steel

The construction area is divided into two business units, one called Construction Italy, the other Construction Germany. The business started in 1968 in Italy and in 1992 in Germany. The two business units are active in the civil, residential and industrial construction sectors, with a focus on large projects.

ITALY

Feralpi Siderurgica <i>Lonato del Garda, Brescia</i>	Parent company owning the operating subsidiaries and investee companies. Service provider. Production of steel billets, reinforcing steel in bar and coil, smooth and ribbed wire rod, recoiled wire, drawn wire and welded mesh.
Presider <i>Borgaro Torinese, Turin Nave, Brescia Pomezia, Rome</i>	Preshaping and assembling of reinforcing steel in bar and coil for construction companies and manufacturers of prefabricated reinforced concrete elements.

FRANCE

Presider Armatures <i>Saint-Souplets, Paris</i>	Preshaping and assembling of reinforcing steel in bar and coil for construction companies and manufacturers of prefabricated reinforced concrete elements.
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The Italy business unit focuses on the markets in Italy, France, Switzerland and Austria, while the Germany business unit focuses on the markets in Germany and Eastern Europe.

GERMANY

ESF Elbe-Stahlwerke Feralpi <i>Riesa</i>	Production of steel billets, reinforcing steel in bar and coil, smooth and ribbed wire rod, recoiled wire, drawn wire and welded mesh.
Feralpi Stahlhandel <i>Riesa</i>	Business services.
Feralpi-Logistik <i>Riesa</i>	Logistics services.

CZECH REPUBLIC

Feralpi-Praha <i>Kralupy</i>	Production and sale of welded mesh, drawn wire in coil and bar.
--	---

HUNGARY

Feralpi-Hungária <i>Budapest</i>	Production and sale of welded mesh and downstream products.
--	---

ALGERIA

Feralpi Algérie <i>Orano</i>	Business services.
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2 Specialties

The area is divided into two business units. The Specialties business unit was started in 2014 and focuses on the mechanical engineering and automotive sectors, operating mainly in the markets of Italy and Germany. The Diversified Products business unit was launched in 2009 and operates in the construction and coatings sectors, focusing on industry and logistics in the markets of Italy, France, Spain and the UK.

ITALY

Acciaierie di Calvisano <i>Calvisano, Brescia</i>	Billet production, mainly for quality steel.
Caleotto <i>Lecco</i>	Marketing of wire rod in quality steels.
Arlenico <i>Lecco</i>	Production of quality steel wire rod for Caleotto.
Nuova Defim Orsogrill <i>Anzano del Parco Alzate Brianza, Como</i>	Production of welded mesh, grating, fencing.

SPAIN

Grupo Saexpa <i>Barcelona; Ripoli</i>	Wire and tape processing for the logistics world.
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3 Energy

Covers energy production from renewable sources, photovoltaics and on shore wind power for self-consumption.

ITALY

Feralpi Power On <i>Lonato del Garda, Brescia</i>	Development and operation of power generation facilities mainly from renewable sources.
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The Feralpi Group's business



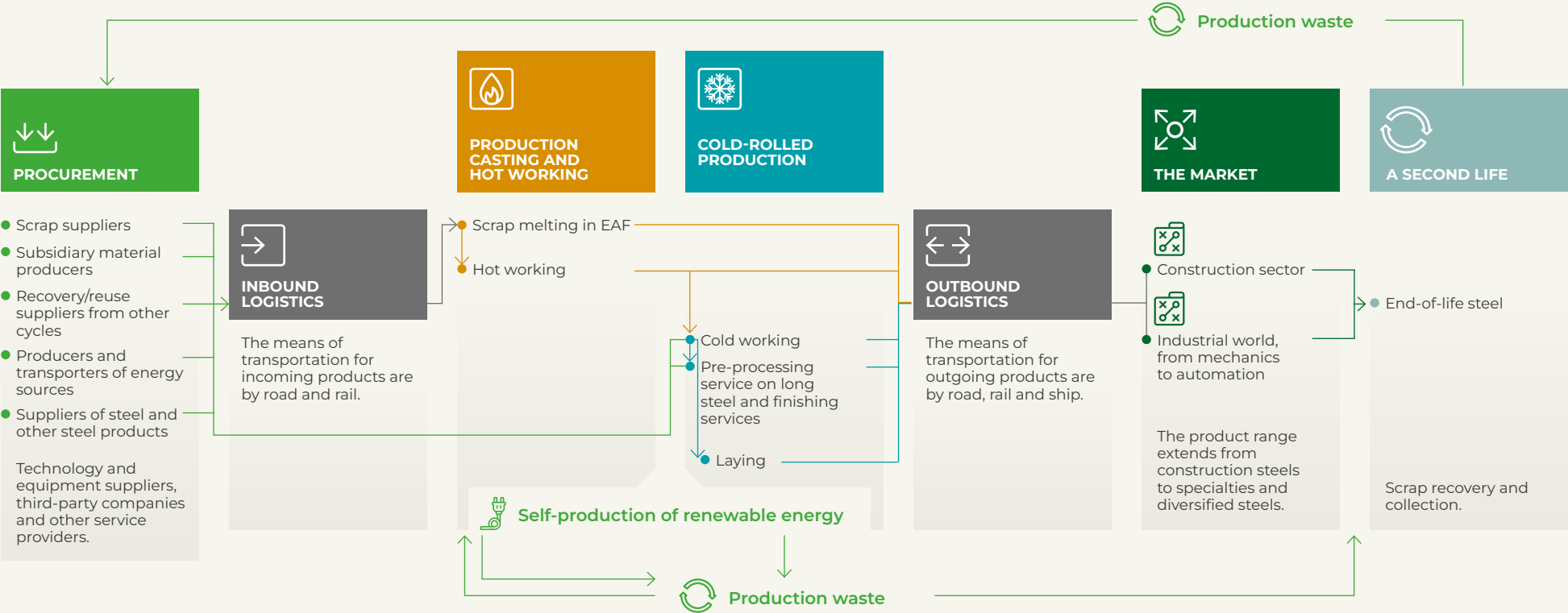
Values

In the context of Group management, the company's values are the foundation on which decisions and actions are based. These values embody Feralpi's identity and mission, guiding the strategic and operational choices aimed at achieving its objectives. Feralpi is committed to promoting the following core values:

- ◇ **Trust and Loyalty:** Feralpi recognises and promotes a climate of trust in relations between the parties. Relationships, both internal and external, are based on mutual trust.
- ◇ **Transparency:** Feralpi is constantly striving to provide stakeholders with complete, transparent, comprehensible and accurate information.
- ◇ **Equity:** The Company bases its relations with employees on principles of fairness aimed at ensuring equal treatment and balanced recognition of merit.
- ◇ **Sustainable development:** The company prioritises sustainable development in its operations, integrating innovation, efficiency, and environmental responsibility, while valuing people and generating long-term value.
- ◇ **Environmental protection:** Aware that Feralpi's production activities have environmental significance, the Company is inspired by the utmost respect for the environment outside and inside its plants, to protect all stakeholders.
- ◇ **Protection of health and safety:** Feralpi guarantees working conditions that respect individual dignity, not only by ensuring compliance with current legislation on prevention and protection, but also by striving to ensure well-being in the workplace.

The company actively promotes observance of its values through the implementation of a strict code of ethics, which can be found in the governance section of the company website, which provides clear and binding guidelines to ensure behaviour in accordance with the highest standards of integrity and corporate responsibility.

The value chain: from raw material to products



PROCUREMENT

Supplies represent the first key element for Feralpi's ability to be a competitive player in the market. Diversification and an increasing search for circular solutions led to the introduction of new suppliers and new types of raw materials. Purchasing policies are coordinated by the **Group Purchasing Department** as regards the purchase of ferrous scrap, refractory materials, ferro-alloys, electrodes and plants. Relations with energy suppliers are instead managed by the **Group Energy Department**.



Actors external to Feralpi Group

INBOUND LOGISTICS

Logistics is regulated by internal procedures described within the Management Systems, distinguished by plants and managed in cooperation, when appropriate, with the Group Purchasing function. Proper coordination of flows is managed with dedicated **management software** that ensures the traceability and optimisation of logistics flows.



HOT AND COLD PRODUCTION

Production in the Group is divided into **casting, hot rolling, and cold rolling**. **Electric Arc Furnace** technology for melting scrap and turning it into billets is present in the plants of: Feralpi Siderurgica, also equipped with two rolling mills and an outsourced cold transformation department; Acciaierie di Calvisano; ESF Elbe-Stahlwerke Feralpi GmbH, also equipped with a rolling mill and cold transformation and processing department. The Arlenico plant has a heating furnace for hot rolling, while those of Presider, Presider Armatures, Nuova Defim, Feralpi-Praha, Feralpi-Hungária, the Saexpa Group and P.R. Soldadura are used for cold processing*.



Internal workflow Feralpi Group

OUTBOUND LOGISTICS

Outbound logistics are managed and organised directly by the customers or by individual Feralpi Group plants through third-party suppliers. In addition to the products sold, the waste and by-products of the production processes are shipped to Feralpi Group steelworks and to external companies. Logistical choices are determined by market logic and the availability of alternative transport infrastructure to road.



External actors and Feralpi Group

MARKET

Thanks to its diversified and integrated structure, the Group's products and services meet the needs at various levels of the supply chains in the construction, infrastructure, mechanical, and automotive industries (special and diversified steels).



Actors external to Feralpi Group

CIRCULAR VALUE

Steel is recovered and reused countless times without losing its properties. Feralpi also contributes to the circular economy through the **transformation of production** residues into materials for the construction of roads, cement products and civil engineering works, and through the **reuse of heat from production processes** to heat buildings in the surrounding community.



* See the Group Locations map in [section 2. of the Integrated Report 2024] for the geographical location of the plants.

Products

	 PRODUCTS	 SERVICES
 CONSTRUCTION	Long hot-rolled and cold pre-processed. In detail: billet, wire rod, drawn coil, spacers, lattice girders, bars, welded wire mesh, recoiled, shaped and pre-shaped, assembled and pre-assembled coils, mechanical joints.	Pre-shaping and pre-assembly to project specifications, including on-site installation.
 SPECIALTIES	Wire rod with different chemical compositions (micro-alloyed and non-micro-alloyed), mechanical characteristics, tight dimensional tolerances, high levels of micro-purity, according to the different sectors of end use ¹ .	Additional processing such as heat and surface treatments.
 DIVERSIFIED	Electro-welded mesh and gratings for industrial and construction use in standard and custom sizes. Fences for professional, civil and sports use as well as façade cladding.	Co-design of the engineering department to give substance to the ideas of designers, the works of metalworkers and construction companies.

¹ In details: bolts and screws, special drawn products (low, medium and high carbon content), springs, chains, structural and construction products, high machinability, case-hardening, for welding, reclamation and tools.

Customers

CUSTOM CONSTRUCTION AND MACHINING SUPPLIERS

- ◇ Construction companies
- ◇ Prefabricated manufacturers
- ◇ Processing centres
- ◇ Dealers and retailers of steel building products
- ◇ International traders
- ◇ Companies operating in large contracts
- ◇ General contractors
- ◇ Metal carpentry
- ◇ Companies and end users in industry

DISTRIBUTORS, PROCESSORS, INSTALLERS, ORIGINAL EQUIPMENT MANUFACTURERS AND AGRICULTURAL SECTOR

- ◇ Construction and steel distribution enterprises
- ◇ Fence installers
- ◇ Transformers of gratings
- ◇ Manufacturers of sofa bed nets, axial fans, retractable doors, containers, cages, guards, cable trays, gabions, shelves and logistics
- ◇ Agrarian Consortia

AUTOMOTIVE, INDUSTRIAL PROCESSING AND AGRICULTURAL SECTOR

- ◇ Manufacturers of screws, bolts, ropes, prestressed steel wire, chains, springs, tools, welding wire, etc.

Strategy and investments of Feralpi Group

Strategic Guidelines

European economies continue to be substantially impacted by the following macroeconomic trends: high energy costs; the necessity to revise the regulatory push towards sustainability and the environment, starting with the reduction of emissions; uncertainties determined by geopolitical and macroeconomic events.

These trends also have significant implications for the electric steel industry in the following respects: scrap shortage, energy crisis, emission constraints. In particular, there is significant pressure on scrap prices due to limited availability, which will increasingly impact the Italian and German markets, characterised by a significant (in Italy) or growing (in Germany) share of electric arc furnace (EAF) production.

The increase in electricity and gas costs is impacting and will continue to impact the energy-intensive electro-steel industry, causing a competitive disadvantage with respect to the full steel industry (which uses hard coal). Finally, the phased elimination of the free allocation of CO₂ ETS allowances by 2034 could lead to higher operating costs for market participants; conversely, if suitably adapted, the CBAM (*Carbon Border Adjustment Mechanism*) regulation could result in a competitive gain against imported steel.

During the year 2024, Feralpi continued to implement significant changes to its organisation to adapt to the new trends in the world of work, focusing on a human-centric vision and on enhancing the well-being and satisfaction of human resources through the development of the skills and talents of individuals, investing in knowledge and professionalism also with a view to strengthening the sustainability of the business in the long term.

No less important was the centrality of the DEI (*Diversity, Equity and Inclusion*) path so that each Group company could offer a safe, secure and inclusive working environment for all, where everyone can feel free to give the best of themselves in full

respect of their identity and, more generally, of all human rights. This vision is encapsulated in the DEI policy, which Feralpi structures into four pillars: global culture, inclusive leadership, gender balance and collective responsibility.

As far as the construction industry is concerned, the market for coil products is expected to grow at the expense of rebar due to the higher workability of coil, reduced waste, and better handling in the warehouse. In the other sectors, demand for coil products with increasingly larger diameters is expected.

In summary, the scenario analysis revealed the following opportunities and risks:



Feralpi Group is among the leading players in the major construction markets (Italy, Germany, France and Switzerland). The growth-oriented and sustainability-conscious Group, Europe's leading long steel producer, has defined five objectives for its Business Plan and to achieve these it has defined a specific mix of strategic initiatives:



Growing beyond the current domains

Gaining market share Scope 2 in neighbouring countries for construction steels, and in high-margin applications for special steels



Expanding as a "one-stop shop"

Responding to customer needs with a flexible and comprehensive product offering: coiled, extended special range



Excelling in efficiency and innovation

Further optimising the cost base with improvements in productivity, energy efficiency, and intra-organisation synergies



Securing the supply chain

Reduce business risks by controlling key inputs: scrap, with upstream integration, and electricity, with self-generation



Turning sustainability into an advantage

Set ambitious CO₂ emission reduction targets that differentiate Feralpi and have an impact on the Planet

The market context also highlights the need to have a solid decarbonisation pathway, which has unique characteristics depending on whether the business is construction or specialties. Until now, customers in the construction sector have shown interest in the specific emission intensity of products by requesting EPD (*Environmental Product Declaration*) certifications from their suppliers.

In the future, operators with the lowest emissions will be at an advantage and, in this context, having a "green" offer will become a "licence to operate". Specialties customers have so far shared extremely limited demand for purchasing decarbonised steel; however, it is reasonable to expect an acceleration in demand in the coming years, given the decarbonisation goals of the major downstream sectors (e.g. automotive).

In specialties, Feralpi has a significant advantage over competitors that use the full cycle (+50% of the market), and has already developed its EPD portfolio, positioning itself among the medium- to low-emission players. The Group's objective is to leverage its position to become a decarbonisation leader in the special steels sector.

Feralpi Group has identified seven tools to achieve its decarbonisation goals:

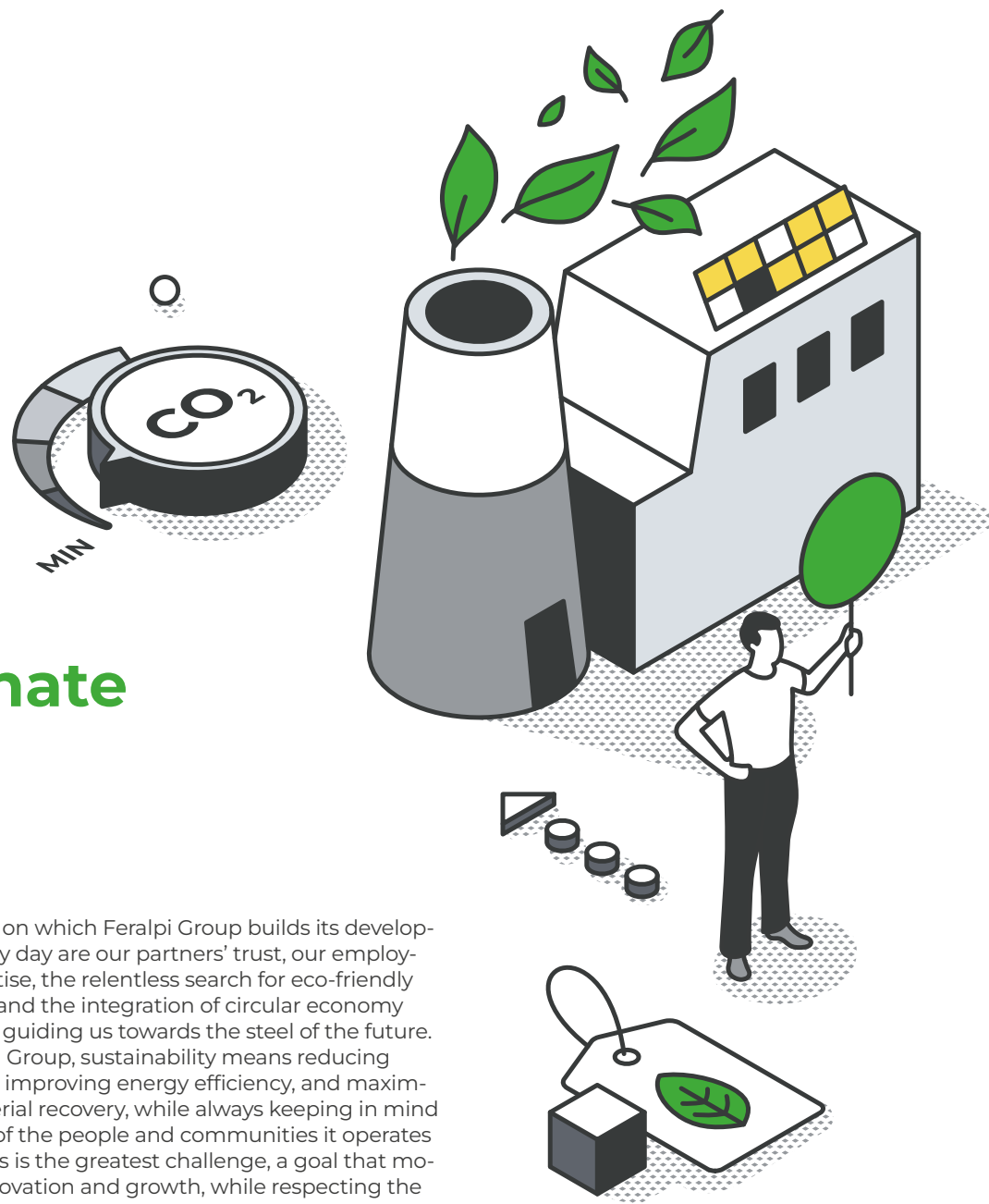
SCOPE	DECARBONISATION TOOL	TOOL DESCRIPTION
Scope 1	PROCESS ELECTRIFICATION	Implementation of induction or conduction heating for billet rolling, possible experimentation with electric burners and resistance heating.
	THERMAL RECOVERY AND ENERGY EFFICIENCY	Enhancement of thermal recovery to serve both internal and external district heating . Energy efficiency with a view to operational excellence, combining the multiple effects of individual initiatives (e.g., regenerative burners, heat recuperators).
	USE OF GREEN FUELS (BIOMETHANE AND H2)	Replacement of natural gas in (non-electrified) furnaces with: <ul style="list-style-type: none"> ♦ Biomethane: in Italy, consider the interest in the "Green Metals" consortium; in Germany, agreements with local producers are possible. ♦ Hydrogen for Riesa: considering planned developments of the hydrogen pipeline network in the country, possible utilisation from 2028.
	USE OF COAL SUBSTITUTE MATERIALS	Use of raw materials with a higher biogenic carbon content , continuing the implementation process already started in previous years. The search for alternative materials to fossil carbon continues.
Scope 2	ENERGY EFFICIENCY AND HEAT RECOVERY	<ul style="list-style-type: none"> ♦ Energy efficiency with a view to operational excellence, combining the multiple effects of individual initiatives (e.g., IE5 motors, auxiliary optimisation, Power Quality systems). ♦ Possible heat recovery for internal electricity generation via ORC.
	SELF-PRODUCTION FROM RENEWABLE PLANTS	Implementation of investments for renewable electricity generation in Italy and Germany, especially with solar technology, subject to implementation capacity.
	PURCHASE OF GdO / GREEN PPA	<ul style="list-style-type: none"> ♦ Guarantees of Origin: Purchase of expendable certificates to certify renewable electricity consumption, allow decoupling of energy purchase and guarantee of renewability. ♦ PPA: Purchase of electricity with a contract linked to a specific renewable generation plant, with established volumes and price calculation formula. First volumes planned from 2026.

GENERAL SUSTAINABILITY INFORMATION

A global player, an organisation of passionate people, a sustainable community of steel.

Feralpi Group is one of the leading steel producers in Europe. Internationalisation, verticalisation and diversification are the strategic directives that have led the Group to become an entity present in Italy, Germany, France, Hungary, the Czech Republic, Spain and Algeria. By developing the steel tradition over more than half a century of history, the Group has strengthened itself by diversifying its business within the steel sector, distinguished by its **constant and concrete commitment to a more sustainable future**. Innovation, responsibility and long-term vision are the guidelines along this path.

The pillars on which Feralpi Group builds its development every day are our partners' trust, our employees' expertise, the relentless search for eco-friendly solutions, and the integration of circular economy principles, guiding us towards the steel of the future. For Feralpi Group, sustainability means reducing emissions, improving energy efficiency, and maximising material recovery, while always keeping in mind the value of the people and communities it operates within. This is the greatest challenge, a goal that motivates innovation and growth, while respecting the planet's resources and future generations.



Feralpi Group's sustainability strategy and objectives

The **Group's sustainability strategy**, founded on **seven pillars**, is based on a holistic approach that places it at the centre of business processes and is realised through:

- ◇ ethical and responsible culture,
- ◇ technological investments and process improvements,
- ◇ definition of strategic ESG targets and KPIs,
- ◇ transparent dialogue with stakeholders.

By incorporating the UN **Sustainable Development Goals (SDGs)** into its strategy, Feralpi Group aims to outline its ambitions, bolster sustainability efforts, and enhance the comprehension and management of the impacts of its activities. The Group contributes to the achievement of the relevant SDGs through:

- ◇ ethical and responsible practices,
- ◇ innovation in its products and services,
- ◇ job creation,
- ◇ support for skills development and training of young people.

The Group aims to increasingly integrate the industrial plan with its sustainability strategy, to gain a better understanding of the socio-economic dynamics in which it operates and, in alignment with the expectations of its stakeholders, to improve its impact on the environment and society.

The ESG Scorecard

Feralpi Group has devised an **ESG Scorecard** that, through the annual monitoring of **14 objectives**, aims to strengthen its sustainability journey and meet communication needs with stakeholders. Internally, the tool supports the integration of ESG criteria into decision-making processes, the proactive management of risks and opportunities, and the engagement of employees in promoting a responsible culture.

Externally, it enables transparent communication of ESG performance, attesting to the commitment to sustainability and promoting cooperation with external stakeholders, with a view to continuous improvement.

	PILLARS	AMBITIONS			BASELINE	2024	% CHANGE	TARGET	SCOPE	SDGs			
<div>E</div> <div>Environmental</div>	CONTRIBUTING TO REDUCING CONSUMPTION AND IMPACTS MULTIPLYING THE USE OF MATERIALS	Countering climate change through the decar-bonisation of production processes Investing in solutions to improve energy efficiency and develop clean energy Increasing the quantity of waste sent to recovery and reuse processes, sub-stantially reducing the production of waste	ESG Scorecard		Specific CO ₂ Emissions (Scope 1, 2 and 3 core boundary) ¹	2022	0.540 tonCO ₂ eq/tonne	0.330	-39%	2030	-50%	Feralpi Siderurgica Consolidated ² <div><div><div><div><div></div><div>6</div><div>Good water and sanitation</div></div><div><div></div><div>7</div><div>Affordable and clean energy</div></div><div><div></div><div>11</div><div>Sustainable cities and communities</div></div><div><div></div><div>12</div><div>Responsible consumption and production</div></div><div><div></div><div>13</div><div>Climate action</div></div></div></div></div>	
					Absolute CO ₂ emissions (Scope 3 non-core boundary)	2022	676,404 ton CO ₂ eq	714,780	+6%	2030	-25%		
					Renewable energy ³	2022	0.46%	48.67%	\	2030	50%		
					Residues in Circular Processes	2022	88.45%	91.32%	\	2030	96%		
					Specific water consumption	2022	1.38 m ³ /tonne	1.08	-22%	2030	-50%		
<div>S</div> <div>Social</div>	CARE, SAFETY AND DEVELOPMENT OF INDIVIDUALS WORK CULTURE AND EDUCATION OF NEW GENERATIONS INCLUSION AND LOCAL DEVELOPMENT	Addressing inequalities, ensuring equal opportuni-ties and adequate wages, while respecting labour and human rights Supporting the economic growth of the national economy Promoting a safe, secure working environment for all the group's workers with constant attention to accidents at work	ESG Scorecard	HR	Inclusion of female staff (blue collar) in production areas ⁴	2022	0%	9%	\	2027	≥5% / yearnew entries primary steelmaking	Feralpi Siderurgica, Acciaierie di Calvisa-no, Arlenico, ESF	<div><div><div><div></div><div>5</div><div>Gender equality</div></div><div><div></div><div>8</div><div>Decent work and economic growth</div></div></div></div>
					Collective training course on "Listening, Dialogue and Inclusion" issues	2022	0%	45%	\	2027	100% population affected	Consolidated Feralpi Siderurgica ²	
				Safety	% female staff in Feralpi Siderurgica - Corporate Services	2022	49%	52%	\	2027	~50%	Feralpi Siderurgica - Corporate Services	<div><div><div><div></div><div>3</div><div>Good health and well-being</div></div><div><div></div><div>8</div><div>Decent work and economic growth</div></div></div></div>
					Accident frequency index	2022	23.7 (average 2019-2022)	22.7	\	2030	7 (0-10)	Consolidated Feralpi Siderurgica ²	
				Supply chain	% of staff working in ISO 45001 companies	2022	25%	28%	\	2030	100%	Consolidated Feralpi Siderurgica ²	<div><div><div><div></div><div>8</div><div>Decent work and economic growth</div></div><div><div></div><div>12</div><div>Responsible consumption and production</div></div></div></div>
					% of strategic suppliers (raw materials and equipment) involved in ESG mapping aspects	2023	0%	21%	\	2030	75% suppliers involved	Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Feralpi Stahl, Feralpi-Hungária, Feralpi-Praha	
<div>G</div> <div>Governance</div>	ETHICAL BUSINESS MANAGEMENT	Integrating ESG (Environ-ment, Social, Governance) aspects into the Group's business model Defining unambiguous and measurable improve-ment paths at plant level, in line with national and international targets Guiding change in the steel sector by encoura-ging companies in the supply chain to adopt sustainable policies	ESG Scorecard		% of time the Board devotes to ESG issues (in meetings and induction sessions)/year	2022	23.7%	42.0%	\	2030	35.0%	Feralpi Siderurgica	<div><div><div><div></div><div>9</div><div>Industry, innovation and infrastructure</div></div><div><div></div><div>12</div><div>Responsible consumption and production</div></div></div></div>
					ESG Financing % / Total Mid-Long Term facilities	2022	74.4%	82.0%	\	2030	>80.0%	Feralpi Siderurgica Consolidated	
					% of strategic investments with ESG content	2022	>80.0%	>80.0%	\	2030	>80.0%		
Industrial Commitment	PRODUCT AND SERVICE QUALITY	Improving product and service quality by optimising processes through inclusive and sustainable industrialisation Enhancing technological capabilities through research and development activities Creating value for the community by valuing work, safeguarding the cultural and natural heritage and contributing to sustainable urban development									¹ On the total production of hot rolled products. ² Feralpi Algérie not included. ³ Considering both electrical and thermal energy. ⁴ Including those administered		

The materiality analysis process

For Feralpi Group, stakeholder engagement is a fundamental aspect of its strategy for creating shared value, as it enables the Group to understand and meet stakeholders' needs and expectations. The materiality analysis, through the contributions of various internal and external stakeholder categories, enables the Group to identify the most relevant environmental, social, and governance issues, thereby guiding strategic decisions and contributing to the overall success of the organisation.

For the 2024 financial year, the materiality analysis process has been developed using the experience gained over recent years and the most up-to-date international guidelines, with the objective of **aligning with the requirements of the Corporate Sustainability Reporting Directive (CSRD)**, to which the Group will be subject starting from the 2025 financial year reporting, according to the legislation currently in place. With this view, a partial alignment methodology was developed and applied² to the **guidelines "EFRAG IG 1: Materiality Assessment Implementation Guidance"**, published in May 2024, which made it possible to identify, evaluate, aggregate and prioritise **impacts, risks and opportunities (IROs)** related to material ESG issues according to the two perspectives of dual materiality:

- ◇ **Impact materiality:** evaluation of the significant negative or positive, current or potential impacts generated by the Group on environmental, economic, and social issues in the short, medium, or long term;
- ◇ **Financial materiality:** evaluation of the impacts and dependencies, both in terms of risks and opportunities for the Group, that may influence strategy, financial performance and corporate objectives.

The materiality analysis followed the following five phases:

1. **Analysis of the context**, internal and external to the organisation, through internal documentation and institutional economic, sustainability, and sector reports;
2. **Identification of IROs** through the involvement of expert internal stakeholders and the analysis of authoritative sources;
3. **Assessment of the relevance of IROS** according to the perspective of Double Materiality;
4. **Prioritisation of the most significant IROs** for reporting purposes;
 - ◇ **Definition of the list of material topics** from the perspective of impact materiality, financial materiality, or both.

The analysis covered both the activities directly carried out by Feralpi Group and the operations in the upstream and downstream value chain, adopting a "forward-looking" perspective. Compared to 2023, the number of material topics remained unchanged.

For the next financial year, the Group plans to complete aligning its double materiality process with the ESRS standards and to harmonise its pertinent issues with the classifications provided by these standards.

The impact materiality

In 2024, the impact assessment conducted in the previous year for the specific context of the Group companies was updated. The internal contact persons have identified the impacts of corporate operations on the environment and society, assessing their *severity*, given by *entity*, *extent*, and, if *negative*, *irremediability*, and the *probability* for potential ones. Compared to 2023, they were asked to indicate the position of impacts along the value chain, i.e.,

whether they relate to Feralpi Group's own activities, occur upstream or downstream, or represent a combination of these possibilities. The impacts identified for the individual production sites were aggregated at Group level and summarised into seventeen relevant themes.

The financial materiality

Regarding financial materiality, the risks and opportunities qualitatively identified in 2023 were reviewed with internal stakeholders who are experts in the financial domain.

To assess their relevance, a process was developed that utilised an internal algorithm based on the CSRD and EFRAG guidelines, allowing the combination of *magnitude*, *probability*, and *time horizon parameters* to create a scoring system capable of determining the relevance of the analysed risks and opportunities.

The perception of external stakeholders

According to the Group's stakeholder engagement policy, in 2024 external stakeholders were involved in the materiality analysis process to gauge their perception of the significance of ESG issues and to establish targeted objectives and engagement methods based on the identified areas of alignment or misalignment.

Within this context, participants were asked to prioritise the list of issues identified from the internal dual materiality process using an online questionnaire, which also allowed them to elaborate on their responses through open-ended questions. The questionnaire was sent to **429 external stakeholders**, representative of the clusters of all Group companies. The response rate of the questionnaire was **42%**, thus confirming the validity of the results obtained.

² Methodological limitations: with the aim of gradually aligning with the methodology specified by the reference standard, Feralpi Group has developed a process that, at present, does not yet allow precise determination of financial relevance in quantitative and economic-monetary terms.

































The next steps

In the coming years, the Group aims to improve the identification and assessment of its impacts on the environment and society by fostering greater stakeholder engagement and using analysis methodologies that are as objective as possible. Furthermore, it aims to strengthen its financial materiality methodology by integrating assessments of the importance

of risks and opportunities in quantitative economic-financial terms. For the upcoming reporting exercise, Feralpi Group intends to work on enhancing the techniques and quality of its stakeholder engagement processes concerning materiality analysis. The Group's objective is both to develop additional tools and channels for engagement targeted at different stakeholder categories and to organise

opportunities for dialogue dedicated to sharing the results of the materiality analysis. By doing so, the Group will be able to further strengthen its relationship with its stakeholders, making them increasingly active participants in creating shared value between the company and the communities in which it operates.

Feralpi's material topics

MATERIAL TOPIC	SDGS	MAIN IMPACT	TYPE OF IMPACT	RISKS AND OPPORTUNITIES	RELEVANCE
 Climate change and energy efficiency [Section 15.1.1.]	  	Climate-altering emissions from the Group's production activities (Scope 1 and 2) and along the value chain (Scope 3). Mitigation actions: Reducing emissions through electrification, energy efficiency and use of renewables.	Negative  	Increased costs due to greenhouse gas emissions. R Competitive advantage in the market and the Group's financial position. O	 
 Circular economy, waste and use of materials [Section 15.1.4.]	  	Waste and residues from the group's production activities. Mitigation actions: Contribution to the circularity of economic activities through the production of electric furnace steel (EAF), using recycled, virgin ferrous materials, and the development of new industrial products from by-products and waste, preventing further extraction of raw materials.	Negative  	Maintenance of management costs and compliance needs of the waste produced. R Opening of new markets interested in by-products generated by the steel process. O	 
 Management of water resources [Section 15.1.2.]		Negative impact on the availability of water resources, both for the Group and for all stakeholders with whom they are shared, due to the Group's steelmaking activity. Mitigation actions: Adoption of practices and technologies to optimise water flows and their use in production cycles with a view to reducing withdrawals.	Negative 	Possible conflicts with local communities and potential future criticality due to climate change in monetary and operational terms. R Cost reduction and protection from possible penalties due to misuse of water resources. O	 
 Pollutant emissions [Section 15.1.1.3.]		Pollutant emissions from the group's steel activity. Mitigation actions: Reduction of emissions through the adoption of new technologies, the use of materials that do not require surface treatment and improved internal handling logistics (pollutant emissions from thermal combustion of vehicles).	Negative 	Possible penalties for exceeding the emission limits of the regulations. R Reputational improvement and maintaining a positive relationship with local communities by reducing emissions. O	 
 Nature and biodiversity [Section 15.1.3.]	 	Negative impact on ecosystems and biodiversity due to air and noise pollution from the Group's production activities and site expansion operations. Mitigation actions: Expansion through the reclamation of disused local industrial sites leads to less land consumption, and the reduction of road transport.	Negative 	Possible occurrence of tensions with affected stakeholders and reputational damage. R Opportunities to rehabilitate brownfield sites and improve relationships and partnerships with local communities and environmental organisations. O	 

LEGEND



Risk



Opportunities



Impact















































Feralpi
































Mount



Valley

MATERIAL TOPIC	SDGS	MAIN IMPACT	TYPE OF IMPACT	RISKS AND OPPORTUNITIES	RELEVANCE
 Development and empowerment of individuals [Section 16.1.]	   	Positive impact on people's professional growth through their enhancement and continuous development of their skills, leading to greater fulfilment.	Positive 	Deterioration of employee retention and the ability to attract new talent in case of inadequate development of professionals and lack of attention to their well-being. R	 
				Improved productivity, internal organisational skills and talent attraction through growth opportunities and guaranteed work-life balance. O	
 Well-being, health and quality of life [Section 16.3.]	 	Positive impact on workers' health and well-being through the promotion of healthy habits, with screening activities and the dissemination of a culture of prevention and early diagnosis.	Positive 	Deterioration of employee retention and the ability to attract new talent if diversity is not recognised. R	 
				Improved productivity, internal organisational skills and talent attraction through growth opportunities and guaranteed work-life balance. O	
 Safety and prevention culture [Section 16.2.]	 	Negative impact on the health and safety of employees due to the risk of accidents/incidents and the development of occupational diseases. Mitigation actions: Reducing the risk of accidents at work through training and prevention activities, adopting certified safety management systems, improving the safety of environments and plants by adapting to best available technologies.	Negative 	Reputational loss and the occurrence of possible criminal proceedings. R	 
				Improving relations with workers' representative associations. O	
 Diversity, Equity & Inclusion [Section 16.4.]	  	Stimulation of innovation with positive economic repercussions due to different perspectives, increased well-being and sense of belonging, promotion of a more inclusive and productive working environment.	Positive 	Deterioration of employee retention and the ability to attract new talent if diversity is not recognised. R	 
				Improvements in productivity and staff satisfaction through the enhancement of different perspectives. O	
 Human rights and responsibilities along the supply chain [Section 16.5.2.]	   	Possible presence of non-socially sustainable practices along the supply chain and their continuation in case of lack of controls / absence of adequate policies. Mitigation actions: Feralpi is committed to promoting human rights along its supply chain through a dedicated policy, requiring suppliers to adhere to its Code of Ethics and working with customers to ensure sustainability and shared responsibility throughout the supply chain.	Potential negative  	Reputational damage and sanctions due to human rights violations along the supply chain. R	 
				Improved supply chain resilience through the dissemination and sharing of practices aimed at achieving climate, environmental and social objectives. O	
 Community development [Section 16.6.]		Contribution to the economic and social development of local communities by sourcing from local suppliers and supporting local associations and organisations. Potential negative impact, in terms of social tensions in local communities, that could result from Feralpi's actions and choices if insufficient attention is paid to these dynamics. Mitigation actions: Feralpi, as set out in its human rights policy, engages in dialogue with surrounding local communities in order to prevent any negative impacts from its activities.	Positive  	Reputational damage due to tensions with local communities. R	 
				Potential negative  	Improving relations with local communities by supporting their economic, social and cultural development. O

MATERIAL TOPIC	SDGS	MAIN IMPACT	TYPE OF IMPACT	RISKS AND OPPORTUNITIES	RELEVANCE
 Dialogue with the social partners [Section 16.5.1.]	 	Potential negative impact on working conditions if relations with employees and their representatives deteriorate. Mitigation actions: Feralpi works to maintain open and constant dialogue with the associations representing employees, with a view to improving the economic and working conditions of its staff.	Potential negative 	Possible impacts on the Group's business continuity caused by conflictual relations with social partners. R	
				Improving relations with all social partners and maintaining the social licence to operate. O	
 Product and service quality [Section 17.4.]		Potential negative impact on communities, in terms of spill-over effects on employment and inefficiencies for end users, in case of low or inadequate quality standards leading to deterioration of customer relations. Mitigation actions: Feralpi works constantly to ensure high quality standards, in terms of both product and service, in order to develop trusting relationships with customers.	Potential negative 	Deterioration of customer relations due to substandard products. R	
				Building long-lasting relationships through products that meet their needs in terms of quality and sustainability. O	
 Creation of economic and financial value [Section 8.]		The Group's activities, through the creation of job and employment opportunities along the entire value chain, transaction investments, payment of social security contributions and taxes, generate a positive economic impact on the economic situation of employees and non-employees, and consequently of their communities.	Positive 	Cost increases due to rapid energy transition imposed by regulators. R	
				Strengthening market demand by contributing to the overall economic growth of the countries in which the Group operates. O	
 Integrity of governance and transparency of business [Section 17.]	 	Negative impact resulting from potential non-compliance with the principles of good governance, ethics and integrity along one's value chain. Mitigation actions: Feralpi pursues fair and transparent communication, supported by third-party certified performance and regulatory-compliant procedures, with a view to disseminating ethical governance principles along the value chain.	Potential negative 	Reputational damage and possible sanctions due to antitrust violations or possible misconduct in breach of the principles of ethical governance and integrity. R	
				Contribution to the creation of more resilient value chains and improved reputation through proper communication with stakeholders. O	
 Business evolution [Section 3., Section 14., Section 15.1., Section 15.2.]	 	The absence of clear legislation and a shared global policy on the issue of sustainability, together with the lack of certification and markets for 'green' steel, hinder the spread of products with a low environmental impact, thus slowing down the contribution that Feralpi can make to the objectives of the ecological and energy transition in the sectors in which it operates. Mitigation actions: The capacity for vision and the continuous updating of its organisational processes enable Feralpi to adapt to changes in the environment.	Negative 	Changes in market dynamics due to changing and evolving customer needs with regard to ESG issues. R	 
				Competitive advantage due to a leading position in the production of products that satisfy customers in terms of both quality and sustainability aspects. O	
 Digital and technological innovation and cybersecurity [Section 4.3.]		Potential negative impact on stakeholders in terms of data loss and/or sharing of sensitive information in the event of cybersecurity breaches. Mitigation actions: Feralpi Group takes a proactive approach to cybersecurity as a strategic investment, promoting a culture of collective responsibility and aiming to strengthen business continuity, risk awareness and collaboration with external partners for a shared defence.	Negative 	Possible business continuity impacts in the event of the occurrence of cyber attacks. R	 
				Productivity improvements through digitalising procedures and improving staff awareness of cybersecurity risks. O	

LEGEND



Risk



Opportunities



Impact



Feralpi



Mount



Valley

The relationship with stakeholders

Feralpi Group remains steadfast in its effort to build and reinforce a relationship of trust with its stakeholders, prioritising dialogue, collaboration, and the value of partnership. To strengthen this commitment, the Group adopted a **Stakeholder Management Policy** in 2021, which defines a structured approach to managing relationships with all involved parties, both internal and external. The aim is to guarantee transparency, inclusion, and accountability, responding to stakeholders' needs, preventing critical issues, and promoting sustainable development based on value sharing.

In 2024, Feralpi Group reinforced its commitment to managing relationships with stakeholders by adopting **bespoke engagement tools** to integrate into a strategy based on dialogue and listening. Internally, dialogue initiatives such as interviews and focus groups with the Group's managers are promoted, along with training sessions on specific topics, continuing the "Technical Talks" path launched in 2023. Externally, dialogue and collaborative activities are conducted with institutions, media, local communities, schools, and universities, with the aim of boosting a culture of work among young people and promoting entrepreneurship and the steel industry.

Feralpi Group also publishes **VerdeFeralpi**, the company magazine available in both print and digital formats. It addresses topics such as training, innovation, and sustainability, as well as the Group's role in the region and its engagement in cultural, artistic, and sports sectors.

With over 3,000 copies printed in Italian and German, the magazine serves as an important tool



for both internal and external dialogue, contributing to the sharing of values and objectives among its stakeholders. In 2024, it was awarded "Best Print Magazine" at the Ascai Media Awards, recognising its effectiveness as a corporate communication tool.

In 2024, the initiative - launched in 2020 - "**Sustainable Dialogues**", a network of people interested in maintaining a constant dialogue with the Group on issues related to sustainable development, continued. The purpose of this project is to encourage sustainable development across the entire value chain, offering all stakeholders interested in ESG topics the opportunity to participate voluntarily.

The aim of these engagement activities is to foster an open and constructive dialogue, consolidating transparent, stable, and enduring relationships with all stakeholders. At the organisational level, the entire Group structure is involved in engagement initiatives, while the Sustainability and Communications Department coordinates and facilitates dialogue, ensuring a strategic and integrated approach.



ENVIRONMENTAL INFORMATION

The ecological and energy transition

Energy and emissions

The **steel sector** generates a significant impact on climate, contributing about **8%³ of global emissions**. It is considered a “**hard-to-abate**” sector, i.e. a sector where reducing greenhouse gas emissions is challenging due to complex production processes that require large amounts of high-temperature energy. Finally, the steel sector requires large long-term investments, which implies that many of the emissions generated today are defined as “**locked-in**”,

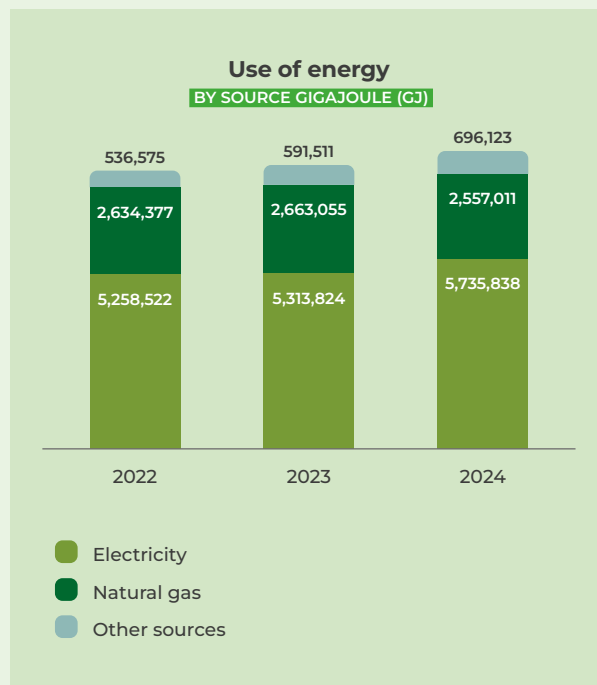
making them difficult to avoid in the short term due to existing infrastructure that takes time to upgrade and improve.

Feralpi Group's production process, based on **electric arc furnace (EAF)** and **ferrous scrap** as primary material, has an approximately **three times less impact** than the more common full-cycle process with blast furnace and iron ore, which accounts for the bulk of steel production worldwide. Feralpi Group is aware of its impact on the climate, which

occurs at different stages of the value chain. Greenhouse gas emissions, both **direct (Scope 1)** and from **energy purchases (Scope 2)** of the Group derive mainly from the steel melting and rolling processes.

For Scope 1 emissions, the main source is **methane gas** used in the billet heating furnaces entering the Group's own rolling mills, while Scope 2 emissions are generated by the **electricity** required for the scrap melting process with the electric arc furnace and, to a lesser extent, other production processes.

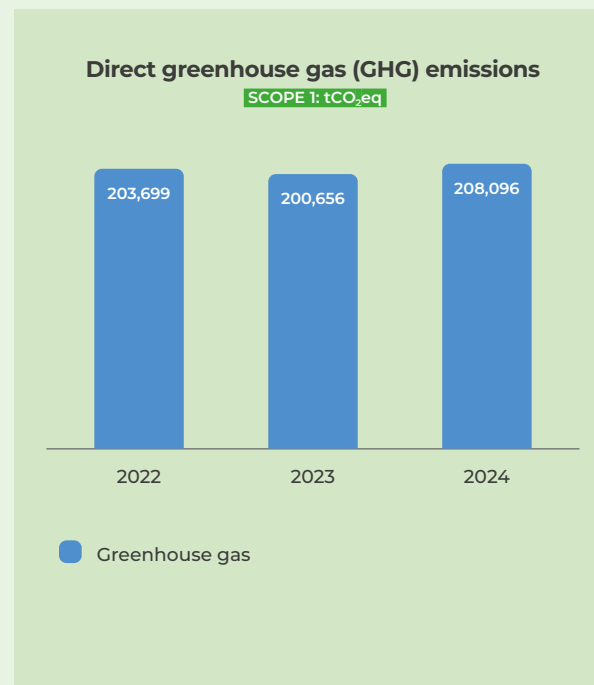
³ International Energy Agency (IEA) - <https://www.iea.org/energy-system/industry/steel>



In 2024, energy consumption **increased by 4.91% compared to 2023, in line with the change in the total production of the Group**, while they increased by 6.64% compared to 2022. (See table above).

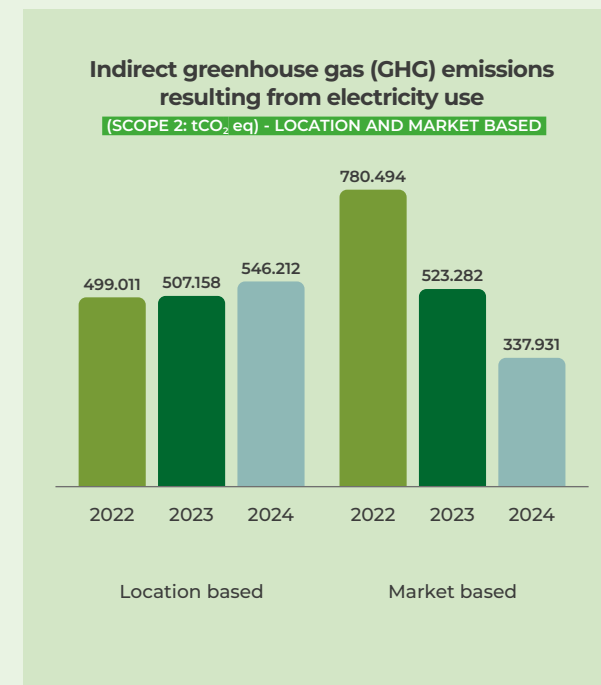
With regard to greenhouse gas emissions, **direct emissions (Scope 1) show an increase of 3.71% compared to 2023**, an increase justified by the higher production of the year 2024 (+6.6% on 2023).

In fact, upon examining the specific emissions (Scope 1 emissions relative to the total tonnes of hot-rolled steel), a 2.3% decrease was identified in comparison to 2023.



Regarding indirect **emissions from energy purchase (Scope 2)**, calculated according to the **Location-based methodology**, they show an increase of **7.70%** from 507,158 tCO₂eq in 2023 to 546,212 tCO₂eq in 2024. Regarding the calculation according to the **Market-based methodology**, emissions **decreased by 35.42%** from 523,282 tCO₂eq in 2023 to 337,931 tCO₂eq in 2024.

This reduction was possible thanks to the acquisition of certified renewable electricity through the purchase of Guarantee of Origin (GO) certificates. This form of energy is composed of an assortment of renewable sources, including solar, wind and hydroelectric.



As part of the decarbonisation process, Feralpi Group has further reinforced the collection and analysis of data related to Scope 3 emissions, expanding the boundary and the level of detail of the information considered. To this end, a **new emissions inventory** was compiled, which is more comprehensive and timely than that published in previous sustainability reports. Its processing occurred in accordance with the **GHG Protocol Corporate Standard**, the initiative dedicated to the global standardisation of the calculation and reporting of greenhouse gas emissions for businesses, with the objective of improving the robustness of the Group's commitments to transitioning to a low-carbon economy.

SCOPE 3 CATEGORIES tCO ₂ eq	2024	2023	2022
Purchased goods and services	658,857	502,346	594,385
Capital goods	117,342	86,486	57,621
Activities related to fuels and energy, not included in Scope 1 or Scope 2	96,213	89,284	169,059
Upstream and downstream transportation and distribution	197,044	179,272	145,368
Waste produced in operations	26,587	23,097	23,147
Transformation of goods sold	8,498	22,709	18,514
End-of-life treatment of products sold	137,854	258,329	222,452
TOTAL	1,242,395	1,161,523	1,230,545

Further information on how the above-mentioned Scope 3 categories contribute to determining SBTi targets is available in the **Appendix to the Integrated Report 2024**.

The climate transition plan

Reducing greenhouse gas emissions in the sectors in which the Group operates, from construction steels to special steels, is essential for mitigating climate change, as its impacts are increasingly frequent and intense globally. To tackle this significant challenge and to align with evolving European regulations and international agreements, Feralpi Group has developed a **climate transition plan**, a framework that specifies the strategies for reducing Scope 1 and Scope 2 emissions and details the practices, processes, and investments aimed at achieving this objective.

The Group is concurrently committed to collaborating with other players in its supply chains to reduce indirect emissions from the supply chain and transport (Scope 3). Feralpi Group has divided the climate transition plan into two time horizons, short and long term, with the aim of helping to limit the global temperature increase to within 1.5°C:

Short-term objectives (2030):

- ◇ Reduction of specific CO₂ emissions (Scope 1, 2 and 3 core boundary) in relation to the total production of hot rolled products by 50% compared to the baseline year 2022.
- ◇ Reduction of absolute CO₂ emissions (Scope 3 non-core boundary) by 25% compared to the baseline year 2022.

Long-term objectives (2050):

- ◇ Achieving the Net-Zero target through a decarbonisation strategy based on long-term objectives and the neutralisation of residual emissions. The possibility of reaching this extremely challenging goal will depend on the Group's ability to forge strong partnerships with suppliers to intervene in the supply chain and on the support of government policies and subsidies for the development of low- or zero-carbon impact technologies.

For the definition of these objectives, linked to the Group's overall sustainability plan and included in the ESG Scorecard, the guidelines relating to the steel sector published in July 2023 by the **Science-based Targets Initiative (SBTi)**⁴, an organisation that independently evaluates and approves the company's greenhouse gas objectives, ensur-

ing their alignment with the objectives of the Paris Agreement, were followed. In July 2024, Feralpi Group's short-term targets received approval from the Science-Based Targets initiative (SBTi), positioning the Group as one of the first European steel companies to have its climate change mitigation efforts acknowledged by this prestigious organisation.

To achieve the established objectives, Feralpi Group has collaborated with expert strategic partners to identify, assess, and prioritise the **technological and systemic levers** available for reducing greenhouse gas emissions. The detail of the solutions identified is available in the Report on Operations.

The Transition Plan of Feralpi Group is also based on collaborations with other stakeholders, both industrial and governmental, and on the adoption of new technologies with low or zero greenhouse gas emissions.

In Italy, the Group is involved in the **Green Metals** project, which aims to decarbonise the Brescia steel industry through the production of biomethane. Meanwhile, in Germany, FERALPI STAHL has joined the **Meissen Energy and Hydrogen Alliance (EWI)**, which seeks to promote the use of hydrogen as a methane alternative.

In addition, the Group is engaged in numerous **Research and Development** activities to contribute to the development of new technologies capable of further mitigating its environmental impacts.

Within Feralpi Group, there is a dedicated company, **Feralpi Power On**, for the development and management of projects related to generating energy from renewable sources, through photovoltaic installations and potentially wind power. Further information about this is available in the Report on Operations.

⁴ www.sciencebasedtargets.org

Circularity and zero waste: material and energy management and enhancement

Feralpi Group organises its production processes to minimise production waste, reduce landfill contributions, and decrease the use of raw materials, with an emphasis on substituting them with recycled materials. The Group's steel production, based on the recycling of ferrous scrap, is intrinsically circular, preventing waste dispersion and limiting the consumption of additional natural resources.

Scrap, coming from different sources, can be supplied as waste or non-waste according to **EU Regulation 333/2011 “End of Waste”** and reintegrated into the production cycle. In addition to scrap, additives such as lime, ferro-alloys, oxygen and inert gases and reducing agents such as polymers are used. Some materials, like scrap and polymers, are fully reclaimed from other supply chains, whereas others, such as lime and refractories, are recycled or recovered internally in smaller proportions.

The steel produced by Feralpi Group consists of **98.6%⁵ recycled, recovered, or by-product material**. The calculation is also made for the aggregates produced by the Group, which have the following values:

≥ 96.6% 
GREEN STONE (BLACK SLAG)

≥ 100% 
GREEN LIME (WHITE SLAG)

≥ 100% 
GREEN IRON (SCALE)

Total recycled, recovered, by-product content

⁵ The figure refers to the minimum value of recycled, recovered, or by-product content among the values of the Group's three steelworks sites: Feralpi Siderurgica in Lonato del Garda (≥ 98.9%); Acciaierie di Calvisano (special steels ≥ 98.6%; construction steels ≥ 98.9%); ESF Elbe Stahlwerke Feralpi GmbH (≥ 98.7%).

These figures have been subjected to validation, by a third party, with positive results produced by the checks on the percentage content of recycled material according to the UNI EN ISO 14021 and UNI/PdR 88:2020 standards.



Measures to improve circularity

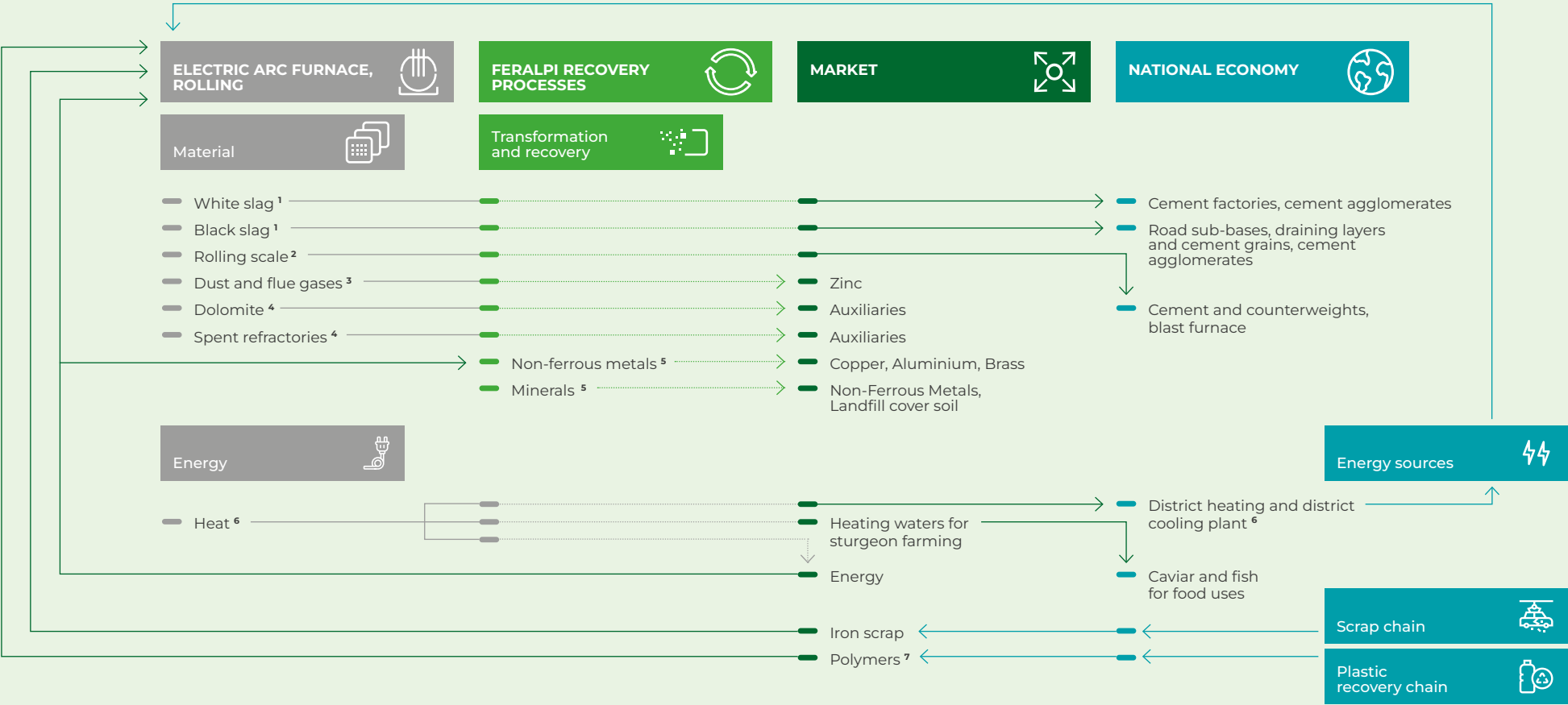
The process of steel production is continually advancing due to the adoption of increasingly sophisticated solutions that optimise resource utilisation and reduce the environmental impact of production processes. An essential aspect of Feralpi Group's strategy is the repurposing of waste materials, not only from its own productions but also from other supply chains, thereby promoting a circular approach that values residues as new resources.

Circular processes in Feralpi Group

Feralpi Group organises processes and facilities to **minimise production residues, landfilling and raw material handling**, investing in its replacement and circularity.



FERALPI STEEL
The steel produced by Feralpi is **98.6%** recycled material.



¹ **BLACK AND WHITE SLAG:** Feralpi is conducting further studies to develop processes for the reuse of white slag in building limes, plastics and within production processes.

² **ROLLING SCALE:** La scaglia di laminazione viene avviata : Rolling scale is recovered for external use. *Green iron* is the by-product obtained from the rolling scale that is sold to plants for the production of ballasts and concrete.

³ **DUST AND FLUE GASES:** The metal zinc contained in the dust resulting from flue gas removal in the melting process is mostly recovered at external plants in replacement of natural minerals. The dust produced by the ferro-alloy plant are fed directly into the production cycle, the amount of which equals that of the materials from which dust originates.

⁴ **DOLOMITE AND SPENT REFRACTORIES:** I refrattari esausti provenienti da demo-Spent refractory materials coming from the ladle are returned to the production cycle, as partial raw material substitutes. The raw material to be replaced is calcic lime and dolomite lime ("CaO cubes" and "40% CaO") to be used as a slagging agent in the EAF (electric-arc furnace). Their reuse in the furnace does not entail any negative impact on the environment or human health.

⁵ **NON-FERROUS METALS AND MINERALS:** 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).

⁶ **HEAT:** Heat is recovered from the cooling water systems of the Feralpi Siderurgica and the Riesa steel mills, preventing it from being released into the atmosphere.

⁷ **POLYMERS:** The polymers - sourced only from plastic packaging from separate waste collection - are subjected to sophisticated sorting and classification processes at modern, qualified industrial plants and then to technological treatment for recycling. Such processes transform treated plastic materials into new "circular raw materials" that comply with regulations and quality standards, becoming important resources for various industrial applications.

ENHANCEMENT OF PRODUCTION RESIDUES WITHIN THE PRODUCTION CYCLE OR EXTERNALLY

	Recovery and reuse of spent refractories in the production cycle in the place of raw materials	Spent refractories from ladle demolition are fed back into the production cycle to partially replace lime and dolomitic lime ('CaO lump' and 'CaO 40%'), the use of which has no negative impact on the environment or human health.
	Recovery of dust and fumes to reduce the demand for mineral zinc	Fume abatement dust from the smelting process is largely treated at external plants to recover zinc metal, while that from the ferroalloy plant is reintroduced into the production cycle.
	Recovery of mill scale, to replace iron ore in the construction supply chain	Rolling scale is recovered for external use. <i>Green iron</i> is the by-product obtained from the rolling scale that is sold to plants for the production of ballasts and concrete.
	Recovery of non-ferrous metals from scrap sorting	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.
	Sludge recovery	The Feralpi Siderurgica's Lonato del Garda site has a new sludge filtration plant, which allows the production of a residue with lower moisture content and therefore more suitable for recovery in construction.
	Slag recovery to replace materials of natural origin in the construction industry	The recovery, processing and marketing of black and white slag is outsourced. In Lonato del Garda, black slag is processed into 'Greenstone', a CE 2+ marked product with Environmental Product Declaration EPD, used in construction to replace materials of natural origin. Also at the Calvisano plant, the black slag is recovered for the production of CE 2+ certified products. The utilisation of the white slag residue allowed it to be recovered in the cement production process.
	Heat recovery for energy generation	The Lonato del Garda and Riesa plants recover heat from cooling water and the melting furnace, respectively. Feralpi Siderurgica uses it to heat indoor buildings and, in cooperation with the local administration, also public and private facilities. The plant in ESF Elbe-Stahlwerke Feralpi GmbH produces up to 30 t/h of steam, which is supplied to Goodyear Dunlop Tires via the municipal company SWR and partly used to generate electricity. Waste heat from the compressor stations is used to heat and supply hot water to the technical administration offices of Riesa. At the Arlenico site, a district heating project is underway that includes a plant to recover heat from the thermal waste from the rolling mill, flanked by a second hub in Valmadrera, where heat from waste-to-energy will be reused instead of being dispersed.

The environmental sustainability of Feralpi Group products

Feralpi Group's industrial strategy integrates a responsible approach to social and environmental issues, with the aim of **providing increasingly comprehensive, integrated, and sustainable steel solutions**.

As one of the five key pillars of corporate strategy, sustainability is an essential tool for generating shared value among all stakeholders and, at the same time, ensuring the continuity of the business. In fact, this approach not only enables access to specific market segments but also **aids their customers** in adhering to the environmental standards they must meet, thereby fostering the dissemination of progressively higher environmental performance across the entire value chain, up to reaching the final customer.

To address the need for low-carbon products to support decarbonisation efforts both internally and at the European and global levels, Feralpi Group, through the **"Green Go-to-market"** project, has developed a systematic strategy aligned with its transition plan to offer a full range of these products, collaborating with leading international partners.

This is why, over the years, the Group has implemented methodologies to assess the environmental impact of its products, so as to be able to identify the main drivers and evaluate the most appropriate mitigation measures along its supply chains. The studies were performed employing the **Life Cycle Assessment** methodology, in accordance with ISO 14040 and ISO 14044 standards and known as the "cradle to gate" framework, which examines all stages of the product life cycle from raw materials to when it exits the company site.

In this way, for each product category of Feralpi Siderurgica, Acciaierie di Calvisano, Presider and Caleotto, it was possible to obtain the **Environmental Product Declaration (EPD - Environmental Product Declaration)** in accordance with ISO 14025 and EN 15804 standards. In addition to the EPD, the Group has also conducted **Product Carbon Footprint (CFP)** studies for the products of Feralpi Siderurgica, Acciaierie di Calvisano, Presider and Caleotto, certifying them through the standard ISO 14067.

All studies were subject to verification by recognised external bodies to ensure the accuracy and reliability of the results obtained.

Both tools, **EPD and CFP, provide a comprehensive assessment of environmental impact**, allowing the

environmental performance of products to be transparently communicated and gaining a competitive advantage in the market. While the EPD provides a holistic view of a product's environmental performance, the CFP allows for an in-depth examination of the climate impact stemming from greenhouse gas emissions associated with the product's life cycle.

Taxonomy Regulation

The European Taxonomy⁶ is one of the initiatives promoted by the European Commission to achieve the objectives of the European Green Deal and make Europe "carbon neutral" by 2050. It consists of a **classification system aimed at identifying environmentally sustainable economic activities**.

Despite not being bound by the CSRD disclosure requirements, Feralpi Group has nonetheless reviewed its activities to confirm their adherence to the European Taxonomy for the 2024 financial year.

In this way, it was possible to identify eligible, ineligible, and aligned activities with the Taxonomy Regulation criteria, also verifying compliance with the Group-level minimum social protection safeguards.

The full results of this analysis, a summary of which is presented in the table below, are available in **Appendix to the Integrated Report 2024**.

TURNOVER	UdM	2024	2023	Δ
Taxonomy-aligned	%	0	0	-
Taxonomy-eligible	%	95.92	96.11	-0.19
Manufacture of iron and steel	%	95.91	96.10	-0.19
Power generation using photovoltaic solar technology	%	0.01	0.01	-
Taxonomy non-eligible	%	4.08	3.89	+0.19
CAPEX				
Taxonomy-aligned	%	0	0	-
Taxonomy-eligible	%	98.89	97.97	+0.92
Manufacture of iron and steel	%	97.43	93.72	+3.71
Power generation using photovoltaic solar technology	%	1.45	4.23	-2.78
Production of heat/cooling using exchange heat	%	0.02	0.02	-
Taxonomy non-eligible	%	1.11	2.03	-0.92
OPEX				
Taxonomy-aligned	%	0	0	-
Taxonomy-eligible	%	98.24	98.01	+0.23
Manufacture of iron and steel	%	98.24	98.01	+0.23
Taxonomy non-eligible	%	1.76	1.99	-0.23

⁶ Regulation (EU) 2020/852



SOCIAL INFORMATION

Feralpi Group considers people to be the key success factor and a fundamental element for sustainable development.

It believes that a skilled and motivated workforce is essential for improving performance and achieving strategic objectives. We honour the uniqueness and differences of our people, aiming for harmony and respect, true to our founding motto of “growing with respect for people and the environment”.

Commitment to the growth and development of people | Pillars

Attracting talent Diverse recruitment formats, offering professional growth and development in a safe and stimulating working environment.	
Developing competencies Promoting a culture of continuous learning through quality training for employees and supporting the younger generation for conscious growth.	
Ensuring a positive working environment: safe, inclusive and respectful Investing in the safety, health and well-being of its people, implementing effective management systems, offering structured welfare and reconciliation measures in an inclusive environment.	
Valuing potential Professional development plans with targeted training, succession planning, performance management tools and fair policies aligned to employee performance and contribution.	

Raising competencies: people growth and development

Feralpi Group values people's skills as a key factor for business success. For this reason, it actively promotes opportunities for professional growth and development by investing in top-notch continuing education programmes and offering learning opportunities tailored to various needs. In 2024, the Group maintained its focus on the organisational evolution of the Technical Department, the integration of new personnel, and the development of internal skills to respond to an increasingly competitive and dynamic economic environment. As at 31 December 2024, Feralpi Group's staff reached 1,986 people, an increase of 3.3% compared to 2023, with a balanced distribution between Italy and Germany and a lower presence of workers from other countries.

In particular, in 2024, FERALPI STAHL continued its efforts in researching and recruiting mechanics

and electricians to support the expansion of the production site with the new Mill B. The company continued to hire Ukrainian refugees with technical skills, reaching a total of 40 people by the end of the financial year, and strengthened collaborations with agencies to recruit technical staff from abroad, promoting their integration into society and the workforce in Germany.

To promote a shared corporate culture and a sense of belonging within Feralpi Group, the new **Induction Training** module for newly hired staff at the Group's Italian companies became operational in 2024.

The one-day module ends with the delivery of a **welcome kit**, a symbol of the company's values and vision.

Group Technical Excellence

Group Technical Excellence activities continued in 2024, a project forming part of Feralpi Group's

People Strategy in the 2021-2025 Business Plan, to **enhance internal technical skills** and align the corporate structure with the Group's strategy. The project is structured along three lines:

Technical area organisational development
GROUP TECHNICAL DEPARTMENT
Inclusion of new staff
TALENT ATTRACTION PROJECTS
Technical skills development
TALENT DEVELOPMENT

Group Technical Department

The Group Technical Department is the central structure for the implementation of strategic investments, including those dedicated to the management and development of personnel skills, and is the heart of the Group's technological expertise.

MakeTheDiffHERence was launched in 2024 as a new edition of the *Technical Graduate Programme*, the first dedicated to the inclusion of new female engineers. Spanning 20 months, the training course will deliver thorough horizontal instruction in all technical and production domains of primary steel plants and will also include engagement in the Group's upcoming investment initiatives.

Talent Attraction & Development

With the aim of attracting talent, Feralpi Group has developed **eight recruitment and selection formats** to support the inclusion of young talents, followed by a specialised training course designed to create the skills required to operate in the sector.

Active recruitment formats

1	Technical Graduate Programme: development of specialised skills for young technicians with engineering degrees.
2	Operation Graduate Programme: development of technical team and soft skills.
3	Sider+: transfer of basic skills to access selection processes for the company's production areas.
4	Sider+ Advanced: development of intermediate technical skills for the steel industry for candidates with basic skills.
5	Future4Steel (IFTS): highly professional training by the Steel Academy to train "Experts in installation and maintenance techniques in civil and industrial plants".
6	ITS Meccatronica: teaching and internships at the Group's facilities for students of the ITS - Istituto Tecnico Superiore per la Meccatronica - Fondazione ITS Lombardia Meccatronica course.
7	Special recruitment projects (for professional clusters): recruitment and selection targeted at different professional clusters at national level.
8	Meetings with students: promoting students' awareness of the world of work, the steel industry and career and professional development opportunities.

Feralpi Group is one of the founders of the **Academy Siderurgica**, which was founded in 2019 and currently has the participation of five other major players in the steel sector. Through the collaboration of the different actors, the Academy promotes the sharing of skills for the mutual growth of its collaborators. The training catalogue is continually evolving and consists of **thirteen modules** that are regularly updated and divided into five areas: Management Training,

Personnel Management, Leadership Development, Technical-Specialist Training and IFTS Courses. The participation of the Group's staff takes place both in specific programmes dedicated to Feralpi Group companies and intercompany programmes.

In addition to its employee training initiatives, Feralpi Group is continually involved in activities focused on developing talent and the future generations.

Main training initiatives

FERALPI BOOTCAMP	Through Feralpi Bootcamp , a series of autonomous but complementary initiatives, Feralpi Group promotes training and orientation initiatives for conscious growth aimed at employees' children, work experience programmes and advanced training through ITS and IFTS . In 2024, Alternanza Scuola Lavoro (work experience during the school year) projects were implemented, with a total of six weeks spent at a company for each participant, enriched by 52 hours of classroom-based training also related to soft skills aspects for personal growth.
PROJECT STEELWOMEN	Feralpi Group is committed to recruiting female staff in all company areas, including technical areas. In 2024, a project to recruit operators in the production areas continued in 2024, with a specific focus on primary steelmaking, with the objective, in the next four years to include 10 times as many new entrants as the current figure in the primary steel sector in Italy (0.5% - source: Istat 2021). This objective was extended to FERALPI STAHL. The SteelWomen project received the following awards: SDGs Leader Awards, the Winning Equality Award at the Lombardy Region, with specific mention for women's empowerment, and the Mention Award at the SIMA Management Conference, a major international management conference.
SUCCESSION PLANNING	In 2024, activities continued on the Succession Planning project, aimed at addressing possible planned and unplanned replacement needs of employees in strategic roles in the company. The Feralpi Corporate Executive Master in Business Administration (EMBA), developed together with the Graduate School of Management of the Milan Polytechnic, came to an end and the new Corporate Managerial Training Programme was designed in cooperation with TEHA - The European House - Ambrosetti.
FERALPI PRO	The Feralpi PRO system, which allows personnel skills to be mapped , monitored and efficiently managed through a dedicated management application, is now operational in all Italian primary steel companies.

The health and safety management at the workplace

For Feralpi Group, worker safety is a top priority. The Group is constantly striving to improve its facilities, environments and work procedures to ensure a safe and secure environment for all personnel, internal and external.

By adopting a preventive strategy, Feralpi Group identifies and defines investments and policies for worker safety, with the aim of promoting a safety culture within the organisation.

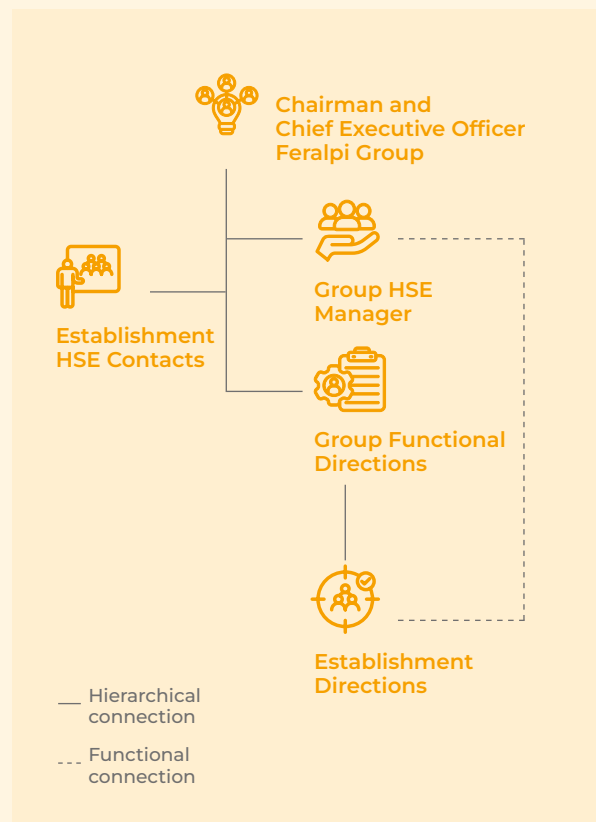
The company is constantly committed to raising awareness of safety issues and reducing risk through training, constant monitoring and targeted initiatives that enable continuous improvement of working conditions.

The Group HSE Manager is tasked with guiding and coordinating safety, environment, and energy issues across all Group companies.

This role involves supporting the formulation of relevant policies and strategies, ensuring these are communicated to subsidiaries, and overseeing the implementation of projects and strategic guidelines from the Sustainability Committee, of which they are a member.

This figure functionally coordinates all internal contact persons in the Group companies who oversee environmental, safety and energy management systems where certified.

In addition, it liaises with the plant management units and the contact persons of the environment and safety functions to ensure governance of the relevant issues is aligned to the Group's policies.



All choices and policies relating to the environment, safety and energy are therefore coordinated by exploiting synergies between the different companies, in order to standardise the application of strategies and the definition of objectives.

Feralpi Group ensures healthcare coverage at all major locations with both nursing and medical staff

available. In 2024, due to the substantial occupational presence, the service at the Riesa site was extended to include a nurse available throughout the entire day. Furthermore, in entities with less staff, the activity of the occupational physician is guaranteed to conduct periodic health assessments related to exposure to potential occupational risks.

Specific projects are initiated in collaboration with medical staff, the HSE Manager, the RSPP of the Group companies, the Human Resources Department, and the Sustainability & Communications Department, focusing on aspects most directly related to employees' health and well-being.

Safety management follows the regulations of the countries where the Group's sites operate and is functional to the various production processes in place. At the Lonato del Garda site, an integrated safety, environment, and energy management system certified according to the ISO 45001 international standard has been implemented, which ensures the constant monitoring of risks and the identification of improvement measures.

The goal of Feralpi Group for the coming years is to extend the ISO 45001 certification to all its sites: the certification of the Calvisano and Lecco sites is expected in 2025, after completing the first step in January. The Riesa site is undergoing a management system enhancement process, with the goal of securing the ESF Elbe-Stahlwerke Feralpi GmbH Safety Management System certification in 2026. Subsequently, it will also be extended to Feralpi Logistik and Feralpi Stahlhandel.

Feralpi Group adopts an integrated policy for Environment, Safety, and Energy, ensuring that even sites without certification are managed according to the principles of the ISO 45001 standard.

Human rights in the workplace and along the supply chain

Human rights in the workplace: protection, recruitment, pay

The **Code of Ethics** defines the corporate moral and behavioural rules. Trade union relations, based on sectoral collective agreements and company supplementary agreements guaranteed by free representation, rely on timely and transparent information sharing and are subject to evaluations during periodic meetings between the social partners. Collective bargaining applies to all personnel in companies based in Italy, Germany, Spain, and France, which corresponds to **96.27%** of the Group. In Germany, the Works Council is in charge of protecting workers' rights, promoting the inclusion of foreign workers, and the integration of people with disabilities.

For its Talent Attraction activities, Feralpi Group operates according to the principles of equal opportunities and, more generally, diversity inclusion. In Italy and Germany, the remuneration structure includes, in addition to the basic remuneration provided for by the national collective agreement, company supplementary agreements that improve conditions for **98.13%** of employees, excluding only managerial roles.

Human Rights along the value chain

Respect for human rights along the value chain is a fundamental issue for Feralpi Group, as it involves a range of activities and relationships that can have significant impacts on the lives and well-being of the people involved at each stage of the production process.

For this reason, in 2021, the Group established its own **Human Rights Policy**, committing to promote and implement human rights principles throughout its supply chain, consistent with the Universal Declaration of Human Rights, the UN Guiding Principles

on Business and Human Rights, the Ten Principles of the Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work.

In particular, Feralpi Group is committed to creating safe and healthy working conditions for contractors and subcontractors. To this end, it asks suppliers, with whom the Policy is shared at the contractual stage, to recognise the importance the Group attaches to human rights, requiring them to accept the **Code of Ethics** and to undertake to respect its values and principles. Likewise, Feralpi Group collaborates with its clients to ensure respect for human rights throughout the entire downstream chain, combating all forms of violations.

By involving its suppliers in ESG strategies, Feralpi Group aims not only to reduce reputational risks but, above all, to help trigger a virtuous circle by considering sustainability as a shared value throughout the entire supply chain. The aim is to extend attention and the capacity for action along the value chain, with a focus on the supply chain, without being limited exclusively to the Group's internal activities.

Since 2018, Feralpi Group has initiated a series of activities to generate an in-depth knowledge of **suppliers**, starting with **scrap suppliers**, and to **map sustainability aspects** related to quality, the environment, health, safety, and ethics. Through a questionnaire consisting of 7 sections and over 70 questions on general and specific aspects such as human rights, labour, environment, corruption, and quality, the Group qualified 96.6% of the scrap suppliers for Italy in 2024. For non-Italian scrap suppliers, Feralpi Group has implemented a procedure for collecting environmental information, in line with the integrated management system, to ensure that foreign suppliers also meet the standards required by the company.

The initiative continued with the "**Feralpi Scrap Suppliers Dialogue**" project, aimed at sharing the Group's sustainability strategy through dedicated company meetings, the planned investments in the business plan, and the stakeholder engagement

policies and worker relations, including the aspect of human rights. In 2024, additional internal audits were conducted to evaluate the practices of scrap suppliers, while also enhancing their awareness of the impact of their actions in terms of sustainability and the strategic role they play within Feralpi Group value chain.

The goal of this pathway is to integrate "sustainability as standard" into procurement processes, reducing ESG risks and identifying opportunities for continuous improvement. Therefore, in 2024, the Group expanded this initiative to its **strategic suppliers** - covering ferro-alloys, electrodes, lime, aluminium, refractories, and plants - by involving them in a sustainable development journey, beginning with ESG mapping in collaboration with the Open-ES partner.

This vision gave rise to the **Feralpi Value Alliance**, a project focused on integrated sustainability throughout the entire value chain, transforming the relationship with strategic suppliers into a partnership based on ESG (environmental, social, and governance) criteria. Through a collaborative and strategic approach, the initiative aims to improve the sustainability performance of the entire Feralpi Group ecosystem.

In January 2025, the first official meeting of the Feralpi Value Alliance took place, during which the Group shared its sustainability strategy, with a focus on the supply chain, and presented the Open-ES platform. The latter embodies a digital alliance involving the industrial, financial, associative, and institutional realms, supporting companies in their pursuit of sustainability and fostering collaboration and progress across the entire value chain.



GOVERNANCE INFORMATION

Governance and organisational structure

Organisational Model

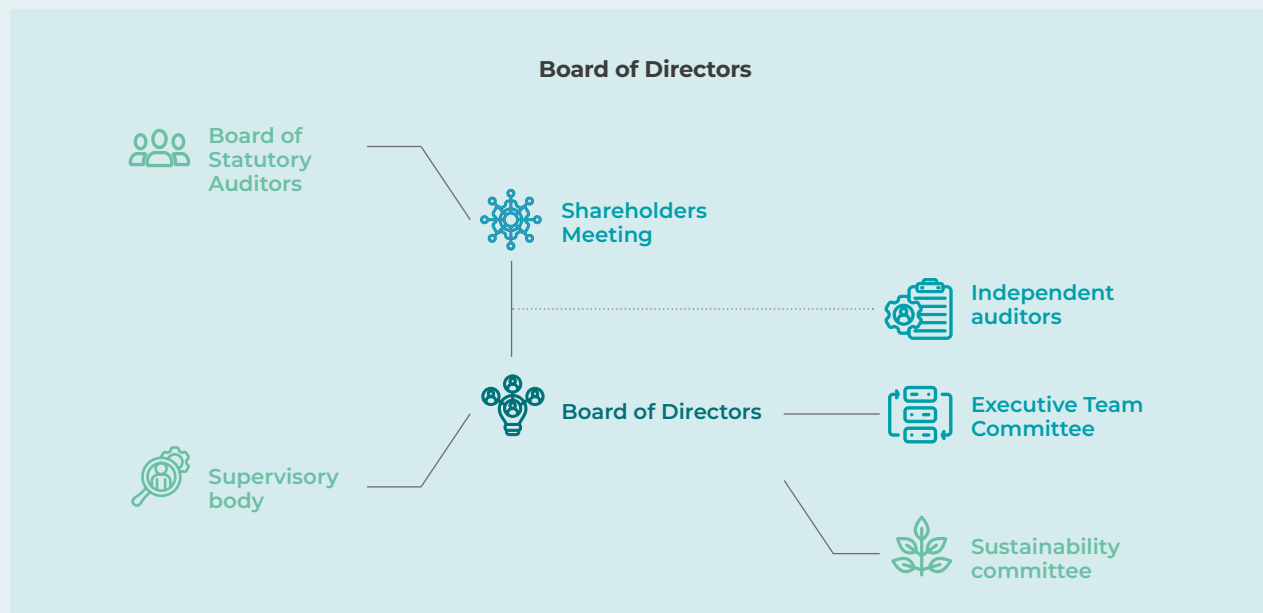
Feralpi Siderurgica S.p.A. is controlled by stable family shareholders and follows a traditional governance structure with corporate bodies such as the Shareholders' Meeting and the Board of Directors (BoD) of Feralpi Siderurgica S.p.A. and the Board of Statutory Auditors. Auditing is entrusted to a renowned external company.

During 2024, the corporate reorganisation was completed, with Feralpi Siderurgica S.p.A. assuming the role of the Parent Company for the steel sector, without any significant changes in the management of operational activities.

For more information, please refer to the Report on Operations **to the Integrated Report 2024**.

The ordinary and extraordinary management of the Company lies exclusively with the Board of Directors, among which the Chairman with executive powers and the Chief Executive Officer are appointed.

The Board has a three-year term and meets monthly. Members are selected on the basis of their expertise and business experience, following informal procedures based on trust between shareholders. Currently, all shareholders, including minority shareholders, participate in the process of nominating and selecting board members.



Executive Team Committee

The **Executive Team Committee** of Feralpi Group is responsible for defining, proposing to the Board of Directors and implementing the Group's strategy. The Feralpi Group is committed to generating value sustainably in the short, medium, and long term. With this in mind, the Executive Team Committee is responsible for the investment management process through which the Group aims to implement a competitive strategy that integrates ESG sustainability, risk management, and to obtain an adequate remuneration of funding sources. The Executive Team Committee oversees the main business processes, promoting an innovation-oriented and operationally efficient approach to maintain high competitiveness in the reference markets.

The Sustainability Management Committee

Feralpi Group has had a **Sustainability Management Committee** since 2014, which works in support of the Parent Company's Board of Directors with a view to continuous improvement of the sustainability path undertaken by the Group.

Supervisory Body (SB)

The SB, as a collegiate body, primarily aims to oversee the operation and ensure compliance with the Organisational Models, and to receive and manage reports concerning critical issues in accordance with the Management and Control Model. The SB consists of two or three members, except in the cases of Acciaierie di Calvisano and Nuova Defim, where it is single-member. As at 31 December 2024, the operating SBs are seven: Feralpi Siderurgica, Acciaierie di Calvisano, Nuova Defim, Presider, Caleotto, Arlenico and Fer-Par. Feralpi Siderurgica's SB operates in collaboration with the others.

For the foreign companies, no Supervisory Bodies are in place, since the 231 Model is not applicable, and the monitoring system is entrusted to the national legal system and the competent authorities.

With the aim of adapting to new market challenges to ensure sustainable growth, the Group is working to integrate diversity, independence and ESG criteria more effectively.

The Board of Directors consists of nine members, seven of whom are non-executive and two executive. Board members also hold positions in Feralpi Group investees and external companies. Currently, there are no representatives of social groups represented on the Board. Details of the composition of the Board of Directors can be found in the **Appendix to the Integrated Report 2024**.

The remuneration of board members is mainly fixed, but work is being done to introduce a more significant variable component. A specific procedure for the remuneration of members is being defined.

The Board of Directors appoints the Supervisory Body (SB) and the Sustainability Management Committee, which helps to integrate the ESG dimensions into the corporate mission and strategy. The Board of Directors receives any reports from the SB, receives updates from the Sustainability Committee, and develops the Group's economic, social, and environmental strategies with the help of specialist consultants. To avoid potential conflicts of interest, extraordinary decisions are always submitted to the Board of Directors for approval and deliberation.

The Board of Directors consists of three members, supported by a secretary, appointed by the Shareholders' Meeting and is responsible for supervising compliance with the law and the articles of association, ensuring compliance with the principles of proper administration and the regulations.

During the period under review, the Supervisory Bodies received no reports of violations of the 231 Model, the Code of Ethics, or incidents relating to corruption, environment, human rights, health, safety, and privacy.

Code of Ethics and Management Models

Feralpi Group has an organisational and corporate governance model that defines specific tasks and responsibilities for corporate bodies in order to integrate sustainability into processes and the business plan. Feralpi Group's Code of Ethics, available on the Group's website, defines the company's internal and external ethical and social responsibilities and its values.

Organisation, Management and Control Model (MOG)

Relevant Italian companies of the Group adopt an Organisation, Management and Control Model (MOG) in accordance with Article 6 of Legislative Decree no. 231/2001, approved by the Board of Directors.

The MOG ensures transparency and fairness, preventing offences through planning, self-monitoring, and supervision of risk areas carried out by the Supervisory Body. In 2024, the MOGs of Caleotto and Arlenico were updated.

On 19 February 2025, Feralpi Siderurgica S.p.A.'s Board of Directors updated its Organisation, Management, and Control Model in accordance with Legislative Decree 231/2001 by including the management of Procedure Number 11, "Management of the Use of Company Vehicles". Following this update, the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 consists of thirteen procedures.

In Germany, Feralpi Group companies operate under the Business Constitution Act (BetrVG), which guarantees employees and works councils the right to participate in decision-making processes, with powers of control, information, consultation, and veto. In addition, Feralpi Group has signed collective agreements with the IG Metall union.

Anti-trust Manual

Feralpi Group has prepared a specific Anti-trust Manual, complete with an Operational Handbook, containing principles and guidelines for personnel most exposed to antitrust risk. The antitrust programme is updated every two years, with annual training for all employees and calibrated audits on top executives. ESF Elbe-Stahlwerke Feralpi GmbH in Germany participates in the national industry association Wirtschaftsvereinigung Stahl to promote fair competition, whereas the other foreign subsidiaries adhere to Feralpi Group's principles and comply with local regulations. In the three-year period 2022 to 2024, nothing was contested against Feralpi Group companies. The next audit and training sessions have already been planned for 2025.

Whistleblowing

In accordance with Legislative Decree no. 24/2023, there is a dedicated channel for reporting offences, which is managed by an independent external operator and accessible via an encrypted platform, for the following Italian companies of the Group: Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Caleotto, Fer-Par, Nuova Defim and Presider. The procedure for handling "whistleblowing" and the protection of whistleblowers is made known to all interested parties through publication on the Group's website, in the section "Whistleblowing", and, for employees, also through the company Intranet.

In 2024, FERALPI STAHL launched a whistleblowing platform accessible to customers, suppliers, and employees, with the latter being informed via email. In 2024, no complaints were filed.

Managing and combating corruption

Feralpi Group rejects all forms of illegal activities and takes measures to prevent corrupt practices, in accordance with both national and international legislation. It aligns with its Code of Ethics, which underscores the values of transparency, truth, and honesty, alongside the standards for dealings with the Public Administration. For Italian companies, specific references can be found in the 231 Model. Throughout 2024, there were no incidents of corruption by the Group.

The Group adopts an internal procedure to regulate relations with the Public Administration and offers dedicated training to the sales staff. Companies operating in Germany follow local regulations, which require detailed communications to the state about risks of corruption and money laundering. Feralpi Group enforces the principle of double verification, involving multiple internal personnel for cross-examinations, and encourages combating corruption within the supply chain by urging suppliers to adhere to the Code of Ethics.

Risk management

The continuous monitoring and effective management of risks in the Finance and ESG areas are key elements in protecting the Group's value generation tools, especially in the current operating environment, characterised by significant volatility and uncertainties at global level.

Feralpi has adopted an *Internal Control and Risk Management System* (SCIGR) that is inspired by the provisions contained in the best reference practices, such as those set forth in Article 6 "*Internal Control and Risk Management System*" of the Corporate Governance Code - 2020 edition and, more generally, by the principles outlined in the "*Enterprise Risk Management (ERM) framework - Integrating with Strategy and Performance*", of June 2017, published by the *Committee of Sponsoring Organisations of the Treadway Commission* (CoSO). This system constitutes the set of organisational structures, rules and procedures aimed at enabling the identification, measurement, management and monitoring of the main corporate risks within the Group, contributing to the sound and correct management of the company in line with the objectives defined by the Board of Directors and promoting the taking of conscious decisions consistent with the risk appetite, as well as the dissemination of a correct knowledge of risks, legality and corporate values.

Feralpi Group's business activities involve the assumption of various types of risk; the Group has defined the scope of its risk management model in light of the objectives contained in the business plan and in consideration of its organisation.

The Group's risk management strategy is aimed at identifying the main uncertainties and minimising the negative effect on results. The monitoring of the main risks and the definition of adequate

prevention, mitigation and remediation policies are responsibilities allocated to the Parent Company's top management: these management policies are actually defined and approved, in agreement with the administrative body, by the Top Management, which provides principles for risk management and the use of the appropriate tools.

The **Risk Model** adopted by Feralpi is divided into heterogeneous categories, enabling a holistic, high-level view of the Group's risk exposure.

A first level of categorisation divides the business risks into the following subcategories:

- a. **Strategic Risks:** risks associated with internal or external events and or decisions that could threaten the achievement of the Group's strategic objectives;
- b. **Operational Risks:** risks arising from events or circumstances that may adversely affect the efficiency and/or effectiveness of business processes and the safeguarding of assets;
- c. **Financial Risks:** risks related to the availability of financing sources, efficient liquidity management and volatility of currencies and interest rates;
- d. **Legal and Compliance Risks:** risks related to compliance with national and international laws, regulations and contractual agreements governing the Group's activities;
- e. **Reporting Risks:** risks related to the reliability of internal and external reports, financial and non-financial information.

The list of main risks and related scenarios for the Group includes the definition of the risk register for Environmental, Social and Governance (ESG) areas, which are of central importance in addressing sustainable development objectives.

Risks are also given an additional categorisation:

- ◇ external, relating to factors not directly controllable by the company;
- ◇ process-related, concerning internal processes;
- ◇ information and decision-making, related to external and internal information flows, as well as to the decisions resulting from such information.

In the context of the evolution of global dynamics, characterised by increasing attention towards ESG issues, Feralpi Group conducted an integration of financial risks with ESG risks.

This approach reflects the growing awareness of the profound implications that ESG factors can have on business performance and sustainability in the long term. ESG risk integration is a proactive response to emerging challenges, offering organisations the opportunity to mitigate risks associated with reputation, regulation and investor pressures, while simultaneously fostering a responsible and future-oriented corporate culture.

The main risk factors for Feralpi Group are summarised below. The order in which they are listed does not imply any classification, neither in terms of the probability of their occurrence, nor in terms of their possible impact.

The description of material risk factors contains a brief illustration of the uncertainties that may significantly affect the Group's business in the immediate future. It should also be considered that the Group has long had a Supervisory Board, which, through the 231 organisational model, contributes to the monitoring of risks relating to the various corporate functions.

STRATEGIC RISKS

	Financial	Environmental	Social	Governance
Deterioration of the global macroeconomic environment	◇	◇	◇	◇
Price fluctuation and commodity shortage	◇	◇	◇	
Energy sector dependence, price fluctuation and supply discontinuity	◇	◇		
Transition to a sustainable product	◇	◇		
Customer concentration and business relations	◇			
Physical impacts of climate change	◇	◇		
Impacts of the energy transition	◇	◇		

OPERATIONAL RISKS

Product quality and liability	◇	◇	◇	
Computer systems operation and cybersecurity	◇	◇	◇	◇
Pollution from radiation sources and radioactive materials	◇	◇		
Waste disposal		◇		
Occupational health and safety	◇		◇	
Lack of professionalism and expertise			◇	

FINANCIAL RISKS

Credit risk	◇			
Interest rate fluctuation	◇			
Exchange rate fluctuation	◇			
Liquidity risk	◇			
Risks associated with possible covenant breaches	◇			

LEGAL AND COMPLIANCE RISKS

Antitrust and business ethics	◇			◇
Compliance with environmental and occupational health and safety regulations	◇	◇	◇	
Violation of human rights or discrimination	◇		◇	

PLANNING AND REPORTING RISKS

Financial Reporting and Voluntary Consolidated Sustainability Report	◇			◇
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