# 2025 INTEGRATED REPORT

FERALPI GROUP

## Being Feralpi, together

**Being Feralpi** means transforming matter, energy and technology into **value**.

Not only **producing steel**, but choosing **how to do it** every day.

**Together** with our **people**, **customers** and **suppliers**, **communities** and all **stakeholders** linked to our company, **we share** choices, responsibilities and objectives. These relationships give rise to more robust processes, stronger performance and a future-oriented vision.

**Being Feralpi** means **innovating**, reducing impacts, **enhancing** skills and **strengthening** transparent and responsible governance. It means **bringing** industry and local areas **together**, **creating** a dialogue between sustainability and competitiveness.
It means being true to our purpose and our identity.

This Report describes the **results achieved** and the way in which our **steel** becomes, through investments, skills and relationships, **shared and lasting value**.

Because what we make is **steel**.

The way we do it is **together**.

# INTEGRATED REPORT 2025

REPORT ON **OPERATIONS**

**SUSTAINABILITY** STATEMENT

**CONSOLIDATED** FINANCIAL STATEMENTS

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# LETTER FROM THE CHAIRMAN

**Dear Stakeholders,**

2025 ended with a world that not only failed to find the desired balance, but also saw geopolitical tensions escalate further. While the conflicts in Ukraine and the Middle East continue to represent open wounds in the global fabric, the international picture has become even more complex, fuelled by new fault lines of instability that heavily affect social and economic dynamics. We are still operating in a context of a "polycrisis" where uncertainty is no longer the exception, but the constant. This is also true within the European steel industry.

The polarisation between the major global blocs has intensified, pushing towards a regionalisation of markets that is putting a strain on the industrial resilience of our continent.

Europe, in particular, is now at a historic crossroads: the need to overcome an excessively bureaucratic stance and finally transform itself into a cohesive political and economic player, capable of competing on an equal footing with the US and Chinese giants. It has the capabilities, but it is time to turn potential into action. For our companies, the hope of a more responsive and operational Europe is not just a wish, but a necessary condition for the survival of manufacturing excellence.

In this very challenging scenario, Feralpi Group has not held back. By contrast, we have responded with the power of pragmatism, turning what was a vision a few years ago into a tangible result. While last year we were talking about ambitions and construction sites, today we are talking about goals achieved.

In 2025, we actually completed the extraordinary investment plan that we had initiated for all our business units, from construction steels to specialties. Today, the new Rolling Mill B in Riesa, Germany, is fully operational. It is a plant that represents the cutting edge of European technology, capable of producing the first spooler up to 8 tonnes with zero direct emissions (Scope 1). At the same time, the new spooler line in Lonato del Garda is also fully operational, completing our offering with products that are not only of the highest quality and flexibility, but also have a low environmental impact. On the specialties front, with a view to greater flexibility and versatility, a modern Garret line has been started up at the Caleotto plant for the production of rolls with diameters up to 32 mm, which will lead not only to a significant expansion of the range, but also to an improvement in the intrinsic properties of the products.

These assets are more than "simple" machines. They are the means by which we have confirmed a more robust industrial profile, more efficient plants, and a range of steels with EPD (Environmental Product Declaration) certifications at the top of the market, ready to serve a construction and industrial supply chain that is increasingly demanding in terms of decarbonisation.

> We have responded with the power of concreteness. While last year we were talking about **ambitions and construction sites, today we are talking about goals achieved.**

The decision to prepare this third Integrated Report also reflects in the reporting activity our desire to never separate financial performance from ESG impacts. Despite recent trends towards the simplification of European sustainability legislation, promoted by the Omnibus package, Feralpi Group has once again chosen to provide continuity and solidity to its ESG reporting.

To this end, the Group has chosen to adopt, voluntarily and two years in advance of the obligations imposed by the decisions of the European legislator, the new European Sustainability Reporting Standards (ESRS) provided for by Directive (EU) 2022/2464, the Corporate Sustainability Reporting Directive (CSRD). This choice demonstrates our proactive commitment to providing comprehensive and verifiable information on Feralpi's sustainability performance, in line with the values of transparency and fairness in relations with stakeholders that have characterised our more than twenty years of reporting experience.

For Feralpi, being sustainable means constantly evolving through Research and Development, but also recognising that technology alone does not generate authentic value unless it is driven by people. With this in mind, we have given further impetus to our Diversity, Equity and Inclusion (DEI) policies, to make our contribution to overcoming established paradigms in our sector and fostering an increasingly open and pluralistic corporate culture.

The future still has many variables, but we are ready. Thanks to the investments completed and a state-of-the-art production facility, we have created the conditions to seize every opportunity that the markets will offer. With cautious but solid optimism, we are committed to transforming our industrial capacity into shared growth for all our stakeholders, navigating the complexities of the present with the determination that has always distinguished our Group.

**Giuseppe Pasini**
Chairman of Feralpi Group

# HIGHLIGHTS 2025

## FINANCIAL AND ECONOMIC

€ **1,703,187** thousand
**REVENUES**
**+3%** OVER 2024

SALES REVENUE
**BY TARGET AREA**

- ITALY €665,618 thousand **+6.2%**
- GERMANY €430,676 thousand **+10.5%**
- EU €888,530 thousand **+2.3%**
- NON-EU €149,039 thousand **-5.3%**

€ **87,242** thousand
**EBITDA**

€ **247,633** thousand
**GROSS OVERALL**
VALUE ADDED

€ **1,111,748** thousand
**NET INVESTED CAPITAL**

## PRODUCTION AND INNOVATION

**2,705,667**
TONNES OF
**STEEL PRODUCED**
**+4.7%** OVER 2024

€ **115,765** thousand
**TECHNICAL INVESTMENTS**
BY THE GROUP

**>80%**
**STRATEGIC INVESTMENTS**
WITH **ESG** CONTENT

**11**
FUNDED **RESEARCH PROJECTS**

## ENVIRONMENTAL

**0.230**
$CO_2$e/tonne
**SPECIFIC $CO_2$ EMISSIONS**
(SCOPE 1, 2 AND 3 CORE BOUNDARY)

**702,807**
tonnes $CO_2$e
ABSOLUTE **SCOPE 3 EMISSIONS** (NON-CORE BOUNDARY)

**93.02%**
**RESIDUES**
IN CIRCULAR PROCESSES

**98.60%**
MINIMUM
**RECYCLED CONTENT**

## SOCIAL

**2,173**
**PEOPLE**, OF WHOM **97%** PERMANENT

**+9.42%** OVER 2024

**42,229**
**HOURS OF TRAINING**,
**19 HOURS** OF TRAINING PER CAPITA

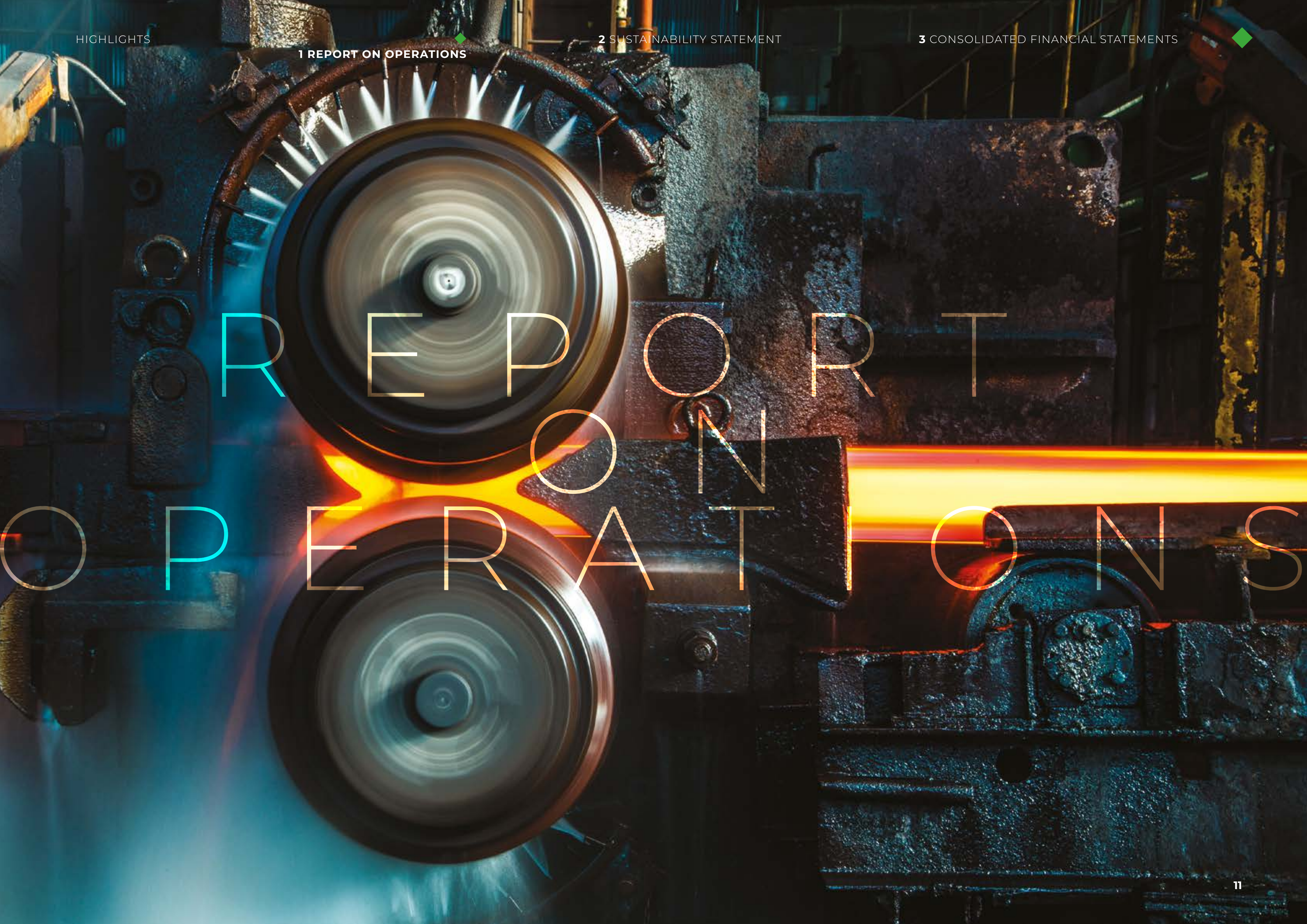
**21.41**
**RATE OF ACCIDENTS** AT WORK

**2,207** thousand
**GROUP'S CONTRIBUTION**
TO THE TERRITORY

**28.7%**
**TURNOVER PAID**
TO LOCAL SUPPLIERS

1

# REPORT ON OPERATIONS



# REPORT ON OPERATIONS

# 1. The history of Feralpi Group

## A SUCCESS STORY FOR OVER HALF A CENTURY

1940

1968

TODAY

**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.

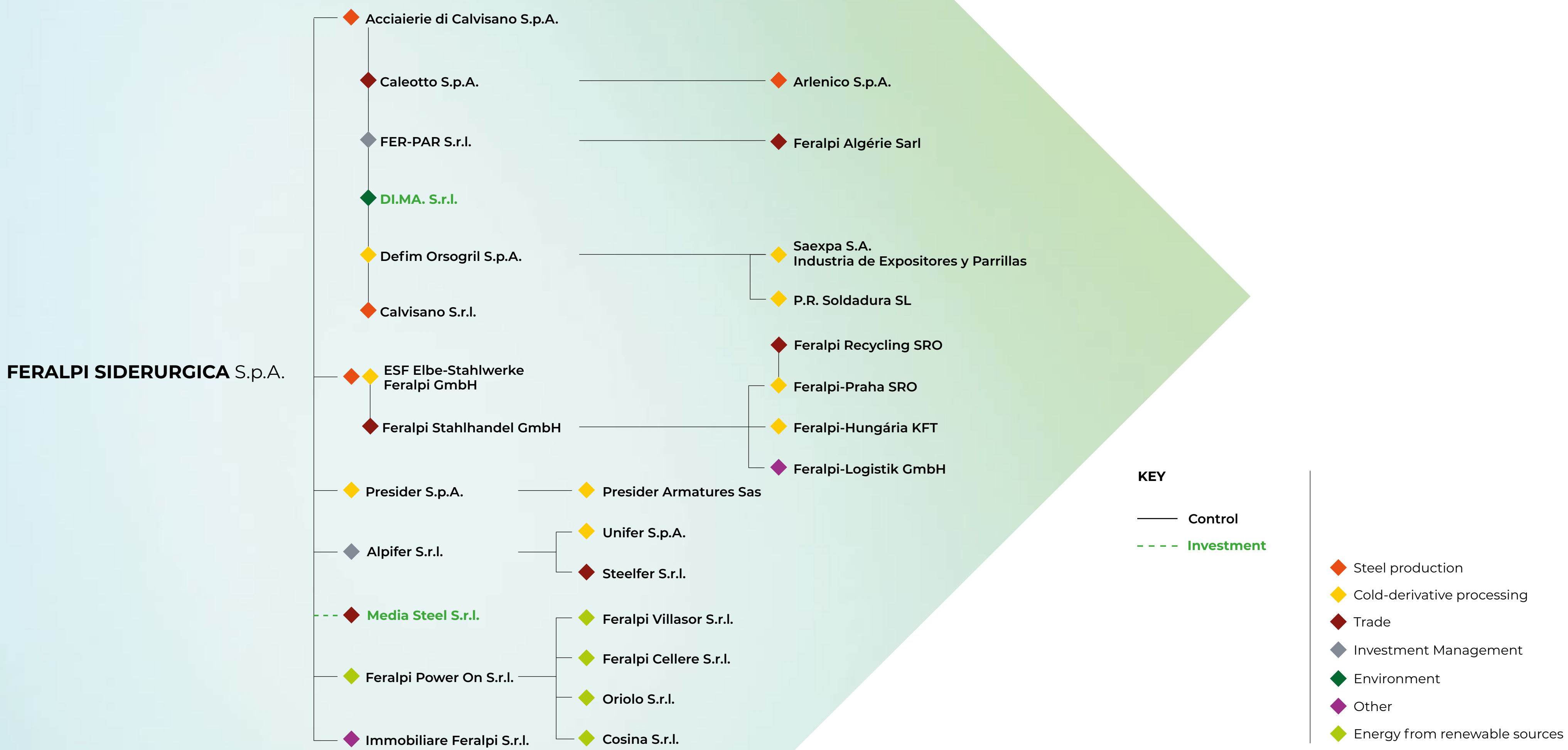
The development strategy, structured from the early years around internationalisation, diversification and verticalisation, has helped Feralpi become not only a large Group on a European scale, whose steel is present in numerous major infrastructure projects, but also a recognised industrial enterprise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

# ORGANISATIONAL CHART FERALPI GROUP



# 2. The Group structure

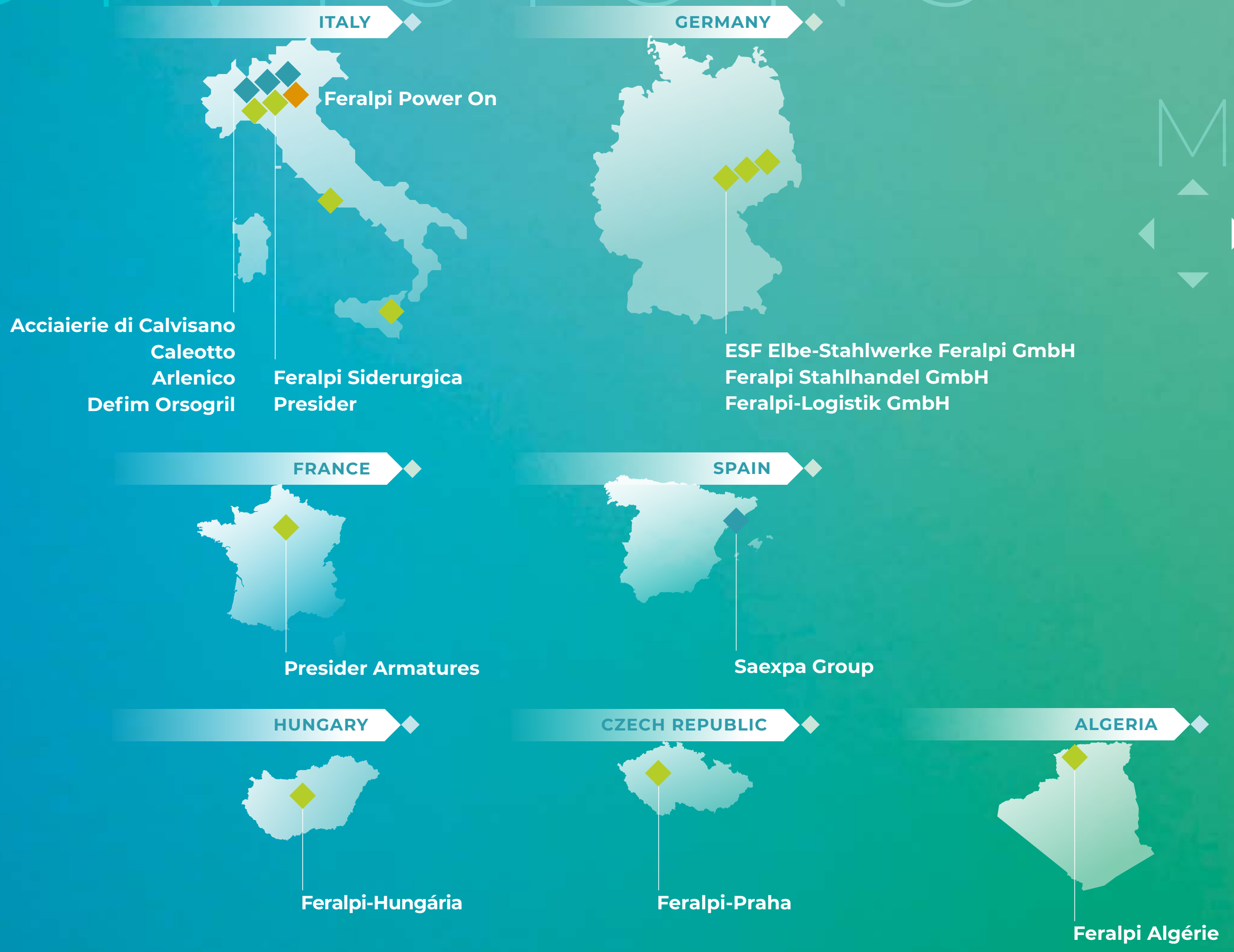
## FERALPI GROUP OPERATES IN THREE BUSINESS AREAS: CONSTRUCTION STEEL, SPECIALITIES AND ENERGY

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 **specialities 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.

# Feralpi's Divisions

Steel for Construction · Specialities · Energy

DIVISIONS




MARKETS

## **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 STEEL FOR CONSTRUCTION

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

## ITALY

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

## FRANCE

| | |
|---|---|
| **Presider Armatures**<br>Saint-Soupplets, Paris | Preshaping and assembling of reinforcing steel in bar and coil for construction companies and manufacturers of prefabricated reinforced concrete elements. |

## GERMANY

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

## CZECH REPUBLIC

| | |
|---|---|
| **Feralpi-Praha s.r.o.**<br>Kralupy | Production and sale of welded mesh, drawn wire in coil and bar. |

## HUNGARY

| | |
|---|---|
| **Feralpi-Hungária KFT**<br>Budapest | Production and sale of welded mesh and downstream products. |

## ALGERIA

| | |
|---|---|
| **Feralpi Algérie**<br>Orano | Business services. |

# 2 SPECIALITIES

The area is divided into two business units. The Specialities 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**<br>Calvisano, Brescia | Billet production, mainly for quality steels. |
| **Caleotto**<br>Lecco | Marketing of wire rod in quality steels. |
| **Arlenico**<br>Lecco | Production of quality steel wire rod for Caleotto. |
| **Defim Orsogril**<br>Anzano del Parco, Como<br>Alzate Brianza, Como | Production of welded mesh, gratings and fences. |

## SPAIN

| | |
|---|---|
| **Saexpa Group**<br>Barcelona;<br>Ripoll | Wire and tape processing for the logistics world. |

# 3 ENERGY

This covers the production of photovoltaic energy mainly for self-consumption.

## ITALY

| | |
|---|---|
| **Feralpi Power On**<br>Lonato del Garda, Brescia | Development and operation of plants generating power mainly from renewable sources. |

# 3. The Feralpi Group's business

## OUR **VISION**

"Produce and grow with respect for man and the environment"

**(Carlo Nicola Pasini 1968)**

## OUR **MISSION**

Be among the **international leaders in the steel industry**, anticipating standards of excellence in the industry through technological innovation, sustainability, and talent development.

## OUR **VALUE PROPOSITION**

**Producing the best steel for construction and mechanical engineering in the most sustainable way possible**, contributing to the economic and social progress of communities, to the enhancement of the territory and to the welfare of workers, while engaging in the transition towards more inclusive, efficient and environmentally friendly development models.

## 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

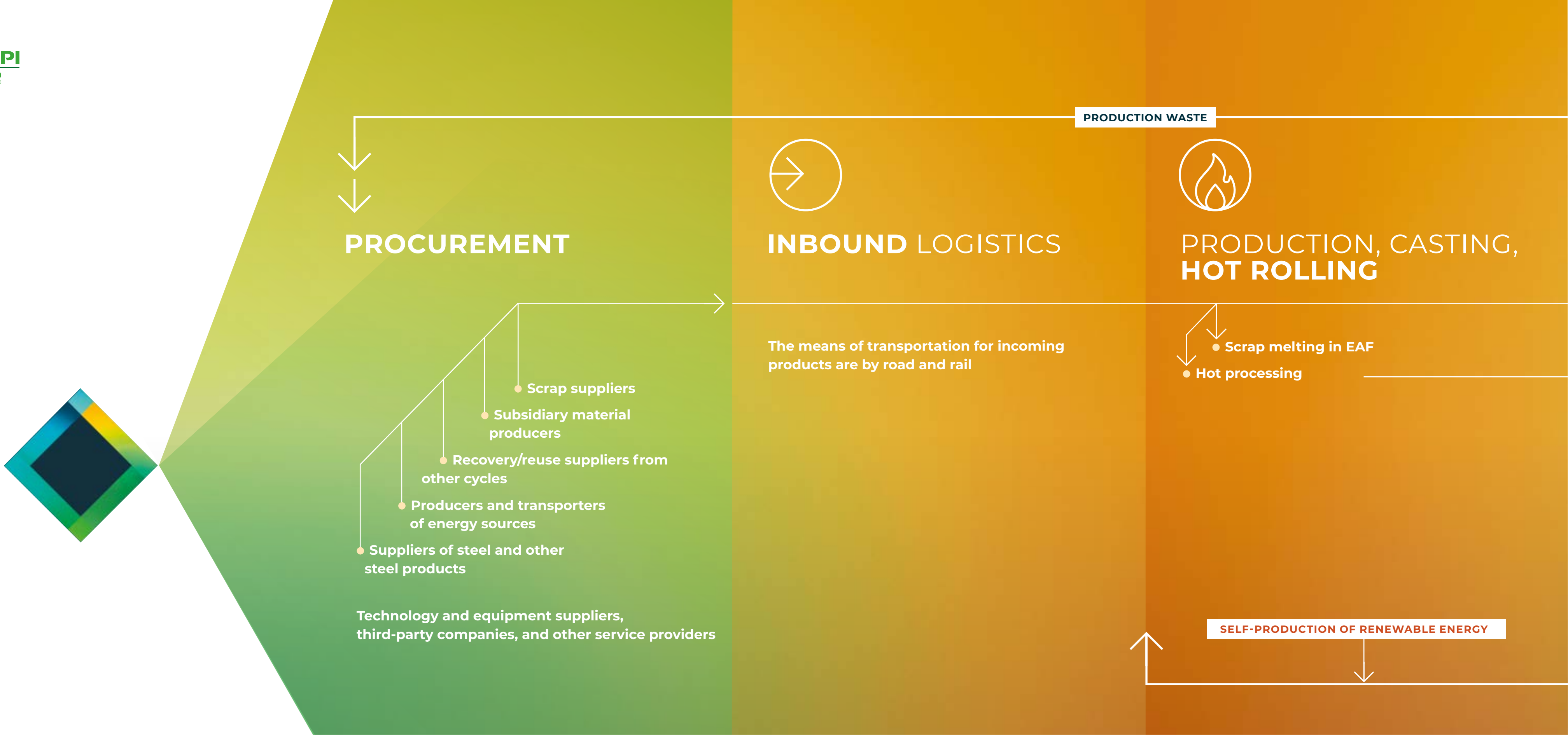
Aware that Feralpi's production activities have environmental significance, the company is inspired by the utmost respect for the environment outside and inside its plants, to protect all stakeholders.

### ◆ 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.

*https://www.feralpigroup.com/en/group/governance/governance-system*




# 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**.

## 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 (EAF)** 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.

**EXTERNAL PLAYERS** TO FERALPI GROUP

**INTERNAL WORKFLOW** FERALPI GROUP


The **Arlenico** plant has a heating furnace for hot rolling, while those of **Presider**, **Presider Armatures**, **Defim Orsogril**, **Feralpi-Praha**, **Feralpi-Hungária**, the **Saexpa Group** and **P.R. Soldadura** are used for cold processing*.

* For the geographical location of the plants, see *Section 2 of the document "The Group structure".*

## 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.

## 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).

## 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.

**EXTERNAL PLAYERS** AND FERALPI GROUP

**EXTERNAL PLAYERS** TO FERALPI GROUP

## PRODUCTS

### CONSTRUCTION

**Long hot-rolled and cold pre-processed.**
In detail: billet, wire rod, drawn coil, spooler, spacers, lattice girders, bars, welded wire mesh, recoiled, shaped and pre-shaped, assembled and pre-assembled coils, mechanical joints.

### SPECIALITIES

**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].

### 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.
Customised solutions for logistics.

## SERVICES

**CONSTRUCTION** – **Pre-shaping and pre-assembly** to project specifications, including on-site installation.

**SPECIALITIES** – **Additional processing** such as heat and surface treatments.

**DIVERSIFIED** – **Co-design of the engineering department** to give substance to the ideas of designers, the works of metalworkers and construction companies.

[1] *In detail: 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 building 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, pre-stressed steel wire, chains, springs, tools, welding wire, etc.

## Business Model

Feralpi Group's Business Model divides the Group into Business Units.

The **Steel for construction Italy business unit** covers the entire value chain: scrap supply, hot melting and rolling, cold processing, pre-shaping and pre-assembly services, installation. It is characterised by production efficiency, the breadth and solidity of the relationship with the sales network, an extensive product range, the proximity to target markets, and the quality of production. Customers are the industry's key players, namely: prefabrication and construction companies, roll forming and machining centres, national and international traders, general contractors. The business unit offers a wide range of products including: billets, ribbed rebar, wire rod, nets, spooler, recoiled, shaped and assembled, and drawn coil. Mechanical joints and trusses complete the range.

Similar to the Steel for Construction Italy business unit, the **Steel for Construction Germany business unit** is characterised by a high level of plant efficiency, a solid sales network, a comprehensive offering, and proximity to markets.

The **Specialities business unit** was created to strengthen the strategy of diversification and integration downstream of the business. It is characterised by its well-established relationship with its customers, its product range being expanded towards larger diameters and its customised services. The product portfolio consists of quality steel billets and wire rod. The range is supplemented by additional processing such as heat and surface treatments.

The **Diversified Products business unit** was created with the aim of further complementing the product range by offering an assortment that is distinguished by its breadth, quality and design. The business unit is characterised by a high value-added product portfolio and innovative solutions, including the latest generation of alarmed fences and Cor-Ten steel solutions. Customers are companies operating in the architectural, construction and industrial fields.

## Competitive advantages of Feralpi Group

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. A responsible approach to social and environmental issues has a positive impact on the creation of lasting value for Feralpi's stakeholders; this approach integrates ESG aspects and risk management into the long-term strategy. In a competitive environment characterised by some stable long-term trends and significant changes, Feralpi can rely on the following competitive advantages, which constitute the levers on which the Group bases its strategy.

- **Trade relations, both for commodities and specialities.** Business contacts/agreements with pre-shapers for access to end-users; for specialities, collaboration with customers for co-development of products through the homologation process.
- **Breadth of product range,** in the process of being further extended. Ability to satisfy customers' needs by optimising the cost base and product carbon footprint. Possibility of offering a wide range of products in terms of length and diameter sizes.
- **Brand reputation in the commodity segment.** For the construction business, the ability to ensure continuity of supply, respect for delivery times, volumes and the mix of products ordered by customers. For the specialities business, the ability to respond promptly to customer needs by ensuring the necessary flexibility and modifying production schedules according to customer demand.
- **Vertical integration, from scrap to pre-shaping.** Feralpi Group is one of the few operators able to control all aspects of the value chain.
- **Excellence in operational processes.** Ability to maintain a high level of efficiency, product quality and service level.
- **Leader in sustainability reporting.** Ability to consider sustainability in all business choices and investment decisions: "Produce and grow with respect for man and the environment" (C.N. Pasini 1968).

## 3.1 MEGATRENDS

Amidst a complex and constantly evolving global context marked by technological, demographic, and geopolitical transformations, analysing ESG megatrends is crucial for understanding the future's challenges and opportunities. Identifying these phenomena allows for the evaluation of risks linked to ongoing changes, the mitigation of their impacts, and the optimisation of opportunities for sustainable growth. Megatrends not only shape the current economic, social, and environmental frameworks but also have the potential to affect the long term by interacting with each other, thereby amplifying their impacts.

### Climate Change

Data from the Copernicus Climate Change Service[2] shows that 2025 was the third warmest year on record. Overall, the three-year period 2023-2025 represents the first period of three consecutive years in which an average increase in global temperature of about 1.5°C compared to the pre-industrial era has been observed. The time-frame for preventing the Paris Agreement limit from being definitively exceeded, if possible, is becoming even shorter, while the frequency of extreme weather events is increasing. Achieving the global decarbonisation goals requires a collective effort by all players in the value chains, with an acceleration towards electrification, renewable energy sources, and the development and adoption of technologies with a reduced environmental impact.

### Global instability

In 2025, the global geopolitical context again proved to be highly unstable. In addition to the continuation of the Russian-Ukrainian conflict and tensions in the Middle East and Pacific Ocean, the issue of tariffs has returned to the centre of the economic debate, mainly due to their use as an economic policy tool by the United States. The international scenario has become increasingly uncertain and fragmented, forcing companies to rethink their global footprint due to the repercussions on value chains in terms of logistics, energy supply, and raw materials.

### ESG regulation

The global ESG regulatory landscape is undergoing a phase of profound transformation. In Europe, 2025 was the year of the Omnibus Package, enacted with a view to further simplifying and consolidating European sustainability regulations. This intention was generally received positively by companies, but the package was accused by several voices of deregulation, due to the drastic reduction in the number of companies affected by the revised rules. The consequent postponement of the entry into force of the CSRD (Corporate Sustainability Reporting Directive) and CS3D (Corporate Sustainability Due Diligence Directive) for many companies has contributed to fuelling a climate of regulatory uncertainty, emphasised by the general retreat of the United States on sustainability topics. While Europe is slowing down, China is accelerating by introducing a new, ambitious ESG reporting standard, which risks undermining European leadership in sustainability regulation.

### Sustainable and resilient supply chain

To address the current global context, collaboration between companies and suppliers is essential. The dissemination of sustainable practices that respect the environment and the human rights of workers and communities along value chains is a determining factor in ensuring operational resilience and competitiveness in the long term. The management of Scope 3 indirect emissions along the supply chain is the main component of companies' carbon footprint, so action on this front will be crucial to achieving global decarbonisation targets. However, measuring these emissions presents considerable complexities, mainly due to difficulties in obtaining the necessary data and in its accuracy.

### Innovation, Digital & AI

The development and adoption of new technologies with a lower environmental impact are two essential factors for companies to offer new, increasingly sustainable solutions to the market. In particular, Artificial Intelligence (AI) systems, which are becoming increasingly widespread and pervasive, have established themselves as powerful accelerators for operational efficiency, capable of transforming large amounts of data into strategic insights, facilitating the optimisation of resources and the measurement of non-financial performance. However, at the same time, there is growing concern about both the environmental impact, linked to the high energy and water consumption of data centres, and the ethical and cybersecurity challenges, making robust governance protocols necessary.

*[2] The Copernicus Climate Change Service (C3S) is the service of the European Union's Earth observation programme that provides authoritative and quality-assured information on the past, present and future climate. https://climate.copernicus.eu/copernicus-2025-was-third-hottest-year-record*

## Empowerment of the workforce

The well-being and development of people's skills are confirmed as increasingly central pillars in a rapidly and continuously changing working environment, in particular due to the adoption of new technologies and AI-based tools. In addition, the growth of social polarisation and global inequalities amplifies the risks to the social and political resilience of our societies, affecting workplace dynamics and trust in institutions. Policies capable of promoting well-being are essential for companies in terms of attraction and retention, in a context characterised by a shortage of skills, particularly green skills.

## Diversity, Equity & Inclusion

Equal opportunity policies continue to be in the eye of the storm, with the debate on Diversity, Equity and Inclusion (DEI) subject to political polarisation and legal scrutiny. However, valuing differences remains a fundamental asset for attracting and retaining talent: an inclusive and pragmatic approach, based on data evidence and business value, makes it possible to mitigate social risks by guaranteeing the same rights and opportunities for all. In this way, companies can strengthen stakeholder trust and foster corporate innovation.

## Nature and circularity of resources

The recognition of biodiversity loss and ecosystem degradation as systemic and financial risks requires an evolution in strategies for the management and protection of natural capital, especially in sectors with a high environmental impact, with a view to ensuring operational resilience. Promoting a coexistence that is as harmonious as possible and based on circularity between human activities and the biosphere is an essential requirement to preserve the social licence to operate, while ensuring the resilience of the supply chain and economic sustainability in the long term.

## Evolving business models

Despite the uncertainties of the global environment, ESG investments are increasing. Sustainability remains a priority for companies, which are shifting their focus from regulatory compliance alone to resilience and the integration of sustainability into operating models and growth strategies. Companies are called upon to take responsibility for the impacts they generate on society and the environment through their activities, adopting a more conscious approach in order to ensure the creation of long-term shared value with all stakeholders through initiatives capable of generating concrete and measurable returns.

## Legal disputes and greenwashing

The global landscape is marked by the growth of ESG-related legal disputes, fuelled both by increasing attention to these topics and by the relative fragmentation of regulations at the international level. In particular, public authorities are accused of implementing insufficient policies in the fight against climate change, while companies are called to account both for their impacts on the environment and climate and for any misleading statements on these topics, referred to as "greenwashing". However, social topics are also under scrutiny, particularly with regard to the management of human rights in companies' supply chains. It is becoming increasingly necessary for companies to ensure that sustainability claims are supported by verifiable data and aligned with their actions.

# 3.2 THE MARKET ENVIRONMENT AND STEEL PRODUCTION

According to data for the 70 countries monitored and published by the *World Steel Association*, **world crude steel production** closed **2025** with **a 2% annual decline**, stopping at **1,803.8 million tonnes**. In **December**, global output **slowed by 3.7%** compared to the same month in 2024, to **139.6 million tonnes**.

With reference to the geographical macro-areas, **the production results of the Europe of 27** were **down by 2.6%**, reporting production of **126 million tonnes** (December up 3.9% to 9.9 million tonnes). The slowdown was less pronounced in the **rest of Europe**, with 2025 ending with a -0.9% to 42.8 million tonnes (in December +13.8% to 3.8 million tonnes), as well as in **South America**, which saw its annual production stop at 41.5 million tonnes, -1.2% (+1.2% in December to 3.2 million tonnes). **Russia and the other CIS countries**, including Ukraine, were also down, recording a cumulative decrease of -4.4% and a 2025 total of 81.3 million tonnes, while in December the decrease was 2.7% to 6.9 million tonnes. **Asia-Oceania** showed a 2.6% decline in the annual cumulative, with an output of 1,324.5 million tonnes (-6.3% to 99.7 million tonnes in December 2025). On the other hand, **Africa** (+3.8% to 23.2 million tonnes in 2025), the **Middle East** (+4.3% to 56.9 million tonnes) and **North America** (+0.7% to 107.4 million tonnes) were in positive territory.

If we analyse individual countries, **China** – the world's leading steel producer – had an output of 960.8 million tonnes in 2025 and **declined by 4.4%** compared to 2024 (in December, the decline was 10.3% to 68.2 million tonnes). By contrast, **India** was growing: +10.4% in the cumulative 2025 figure to 164.9 million tonnes and +10.1% to 14.8 million tonnes in December last year. The output of the **United States** was also positive, with 82 million tonnes of steel produced in the 12 months just ended and a 3.1% growth in the steel industry. Output fell in **Japan** (-4% in the year to 80.7 million tonnes), **Russia** (estimated -4.5% to 67.8 million tonnes) and **South Korea** (-2.8% to 61.9 million tonnes).

**Turkey** was able to increase its steel production, ending 2025 at 38.1 million tonnes, up 3.3% compared to 2024 (up 18.5% in December). **Germany** experienced a sharp decline of -8.6% (the most negative percentage change in the list of the top ten producers) to 34.1 million tonnes, with December closing at 2.7 million tonnes, -1.9%. **In contrast to the European figure, Italy** produced 20.7 million tonnes, 3.6% more, according to data from Federacciai. **Brazil**
was in the red with -1.6% (33.3 million tonnes in 2025), while for **Iran**, an annual cumulative figure of 31.8 million tonnes is estimated, up 1.4% (+16.2% in December).

| | Dec. 2025 (Mt) | Change % Dec. 25/24 | Jan-Dec 2025 | Change % Jan-Dec 25/24 |
|---|---|---|---|---|
| China | 68.2 | -10.3 | 960.8 | -4.4 |
| India | 14.8 | +10.1 | 164.9 | +10.4 |
| USA | 6.9 | +3.6 | 82.0 | +3.1 |
| Japan | 6.6 | -4.8 | 80.7 | -4.0 |
| Russia | 5.8* | -4.4 | 67.8 | -4.5 |
| South Korea | 5.2 | -2.4 | 61.9 | -2.8 |
| Turkey | 3.5 | +18.5 | 38.1 | +3.3 |
| Germany | 2.7 | -0.2 | 34.1 | -8.6 |
| Brazil | 2.6 | -1.9 | 33.3 | -1.6 |
| Iran | 3.0 | +16.2 | 31.8 | +1.4 |

**estimate*

With particular reference to **Italy**, the **growth** in steel production recorded in 2025 came after three consecutive years of decline. These years have been characterised by a structural decline in demand, a reduction in revenues and a contraction in profitability. The stagnation/decline in the activity of the user sectors, the consequent decrease in domestic demand for steel and the high cost of energy had a significant impact on companies' margins, exacerbating the loss of competitiveness compared to non-European competitors. The past year, on the other hand, showed some signs of change, especially in the latter part, which should be consolidated during 2026. However, Italian production in 2025 is more than 15% lower than production in 2021. In the last five years, the Italian steel industry has recorded a decrease in production of 3.5 million tonnes, of which 1.3 million tonnes is attributable to long products and the remaining 2.2 million tonnes to flat products, which have been affected, in particular, by the decrease in production at the former Ilva.

The decrease in production in the five-year period 2021–2025 is largely due to the contraction in apparent steel consumption, which includes changes in inventories. The latter have decreased significantly in recent years, due to the forecast decline in industrial production and prices compared to the peaks reached in the two-year period 2021-2022, which have led distributors and service centres to delay the replenishment of warehouse stocks. Real demand, represented by the actual amount of steel used by the manufacturing and construction sectors, has fallen less than apparent demand. In 2025, **real steel demand increased slightly (+0.6%)**, after the heavy contraction of 2024 (-4.4%), thanks to the **increase in production in the Construction sector (+4.4%)** and in Other means of transport (+9.8%), accompanied by stable production in Instrumental mechanics and in the Manufacture of pipes, which offset the reduction in production in three sectors (Manufacture of motor vehicles -10.7%, Production of household appliances -3% and Manufacture of steel products -0.4%).

**Steel production: world, China, EU and Italy 2025-2021 (millions of tonnes)**

| | Italy | EU | China | World |
|---|---|---|---|---|
| 2021 | 24.4 | 152.5 | 1,032.8 | 1,911.9 |
| 2022 | 21.6 | 136.7 | 1,013.0 | 1,831.5 |
| 2023 | 21.0 | 126.3 | 1,019.1 | 1,849.7 |
| 2024 | 20.0 | 129.5 | 1,005.1 | 1,839.4 |
| 2025 | 20.7 | 126.2 | 960.8 | 1,803.8 |
| 2025/2024 | +3.6% | -2.5% | -4.4% | -1.9% |
| 2025/2021 | -15.2% | -17.2% | -7.0% | -5.7% |

*Sources: World Steel Association, Federacciai*

**Trend in the activity of Italian steel-user sectors 2021-2025 (index number 2021=100)**

| User sectors | Steel consumption % | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Construction | 37% | 100 | 122.4 | 131.1 | 136.2 | 142.3 |
| Manufacture of motor vehicles | 19% | 100 | 100.6 | 107.8 | 83.5 | 73.8 |
| Manufacture of metal products | 13% | 100 | 96.7 | 93.8 | 88.9 | 88.5 |
| Manufacture of machinery and equipment | 12% | 100 | 103.8 | 104.7 | 98 | 98.2 |
| Production of pipes | 11% | 100 | 95.4 | 94.1 | 88.8 | 88.8 |
| Manufacture of other means of transport | 3% | 100 | 105.5 | 119.2 | 122.7 | 134.7 |
| Manufacture of household appliances | 3% | 100 | 85.8 | 80.5 | 73.2 | 71.2 |
| Total | | 100 | 107.8 | 112.3 | 107.4 | 108.1 |

*Source: Eurostat*

2025 also saw an improvement in margins, attributable to the reduction in steel production costs to a greater extent than the reduction in product sales prices. In 2025, the **prices of raw materials and energy sources used by steel companies continued to fall**. The price of electricity decreased by an average of 7% compared with the previous year, despite the increase in recent months. The price of gas decreased by 8.5% and that of carbon coke by 28.3%. The prices of non-energy raw materials fell to a relatively lesser extent: iron ore fell by 12% compared to 2024 and scrap by 6.7%. Compared to 2021, the prices of energy sources decreased less than those of non-energy raw materials: the price of electricity decreased by 11.7%, that of gas by 14% and that of carbon coke by 19.1%; the price of iron ore, on the other hand, decreased by 34.5% and that of scrap by 20.4%.

In 2025, the cost of producing a tonne of steel with an electric furnace decreased by 7% compared to a 10% reduction for a tonne of steel produced with a blast furnace. This difference is explained by the fact that the prices of the energy sources and raw materials used in the production of steel with an electric furnace (electricity, gas and scrap) have decreased less than those of the raw materials (carbon coke and iron ore) used in the production of steel with an integral cycle. Over the past two years, the cost difference between the two processes has narrowed due to the greater resistance to falling prices of electricity and scrap used in the electric cycle.

In 2025, the **prices of all major steel products decreased** compared with the previous year, reaching their lowest point since 2021. The largest drop was recorded for coils and hot-rolled sheets (-5.8%); the price reductions for reinforcing steel (-4.7%), merchant bars (-2.9%) and beams (-0.7%) were more moderate. Compared to 2021, the prices of coils and hot-rolled sheets fell by more than 35%, compared to a much smaller drop in the prices of long products: rebar (-17.5%), merchant bars (-14.9%) and beams (-11.5%). It should be noted that, while flat products had recorded the highest price in 2021, long products reached it the following year. Therefore, the price change between 2022 and 2025 for these products is substantially the same as that reported for flat products between 2021 and 2025.

**2021-2025 Prices of the main steel products (€/tonne)**

| | Rebar | Beams | Rolled | Hot coils | Hot sheets |
|---|---|---|---|---|---|
| 2021 | 715.79 | 856.64 | 806.65 | 1,090.88 | 1,163.66 |
| 2022 | 947.16 | 1,202.09 | 1,010.58 | 968.77 | 1,050.79 |
| 2023 | 693.71 | 869.47 | 826.17 | 793.01 | 820.82 |
| 2024 | 619.75 | 763.28 | 706.62 | 716.75 | 750.15 |
| 2025 | 590.96 | 757.77 | 686.13 | 675.03 | 706.66 |
| 2025/2024 | -4.65% | -0.72% | -2.90% | -5.82% | -5.80% |
| 2025/2021 | -17.44% | -11.55% | -14.94% | -38.12% | -39.27% |
| 2025/2022 | -37.61% | -36.96% | -32.11% | -30.32% | -32.75% |

*Source: Siderweb Research Department*

## 3.3 THE ENERGY MARKET CONTEXT

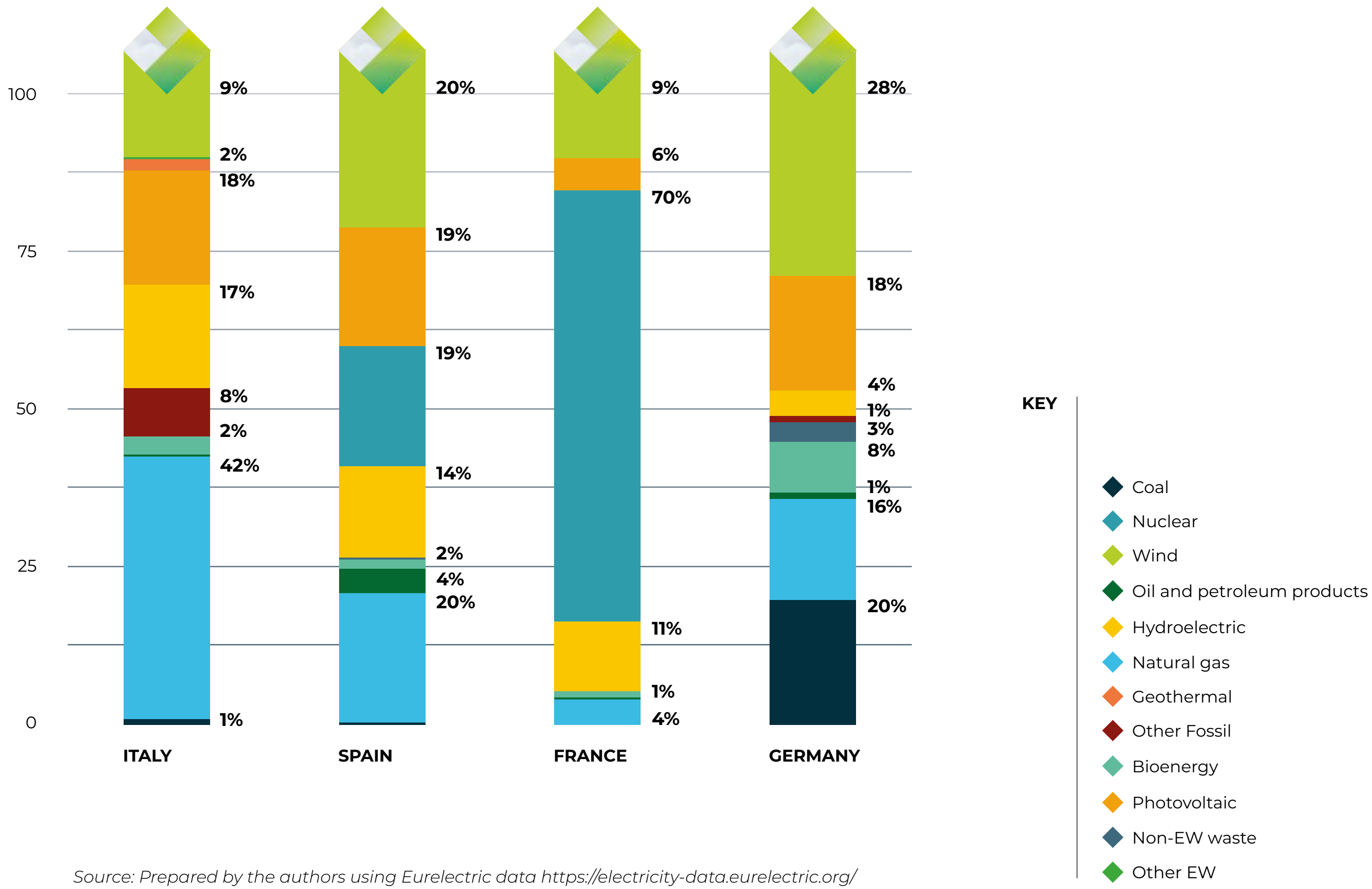
The European steel industry is contending with a complicated and uncertain energy landscape, marked by significant disparities in energy costs not only when compared to non-European economies but also among the EU Member States themselves. There remains a competitive and structural gap between Italy and the main EU countries, due to the different composition of the energy mix and the greater exposure to $CO_2$ costs in the ETS (European Trading Scheme).

In 2025, the wholesale electricity price in Italy was indeed 33% higher than in Germany, 90% higher than in France, and 78% higher than in Spain[3], further intensifying the cost pressure on Italian companies.

The increased availability of liquefied natural gas on international markets led to a decrease in price in 2025, which is expected to continue in the coming years. However, a considerable margin of uncertainty remains, particularly due to the further escalation of geopolitical tensions in the Middle East in the early months of 2026.

A further element to be taken into account is the intention of the Italian and German legislators to support EU manufacturing, both in terms of competitiveness and decarbonisation, and how these objectives will be translated into concrete policies.

**2025 ELECTRICITY** GENERATION MIX
%




*Source: Prepared by the authors using Eurelectric data https://electricity-data.eurelectric.org/*

[3] *Prepared by the authors using GME data https://gme.mercatoelettrico.org/it-it/Home/Esiti/Elettricita/MGP/Statistiche/BorseEuropee*

# 4. Strategy and investments of Feralpi Group

## 4.1 STRATEGIC GUIDELINES

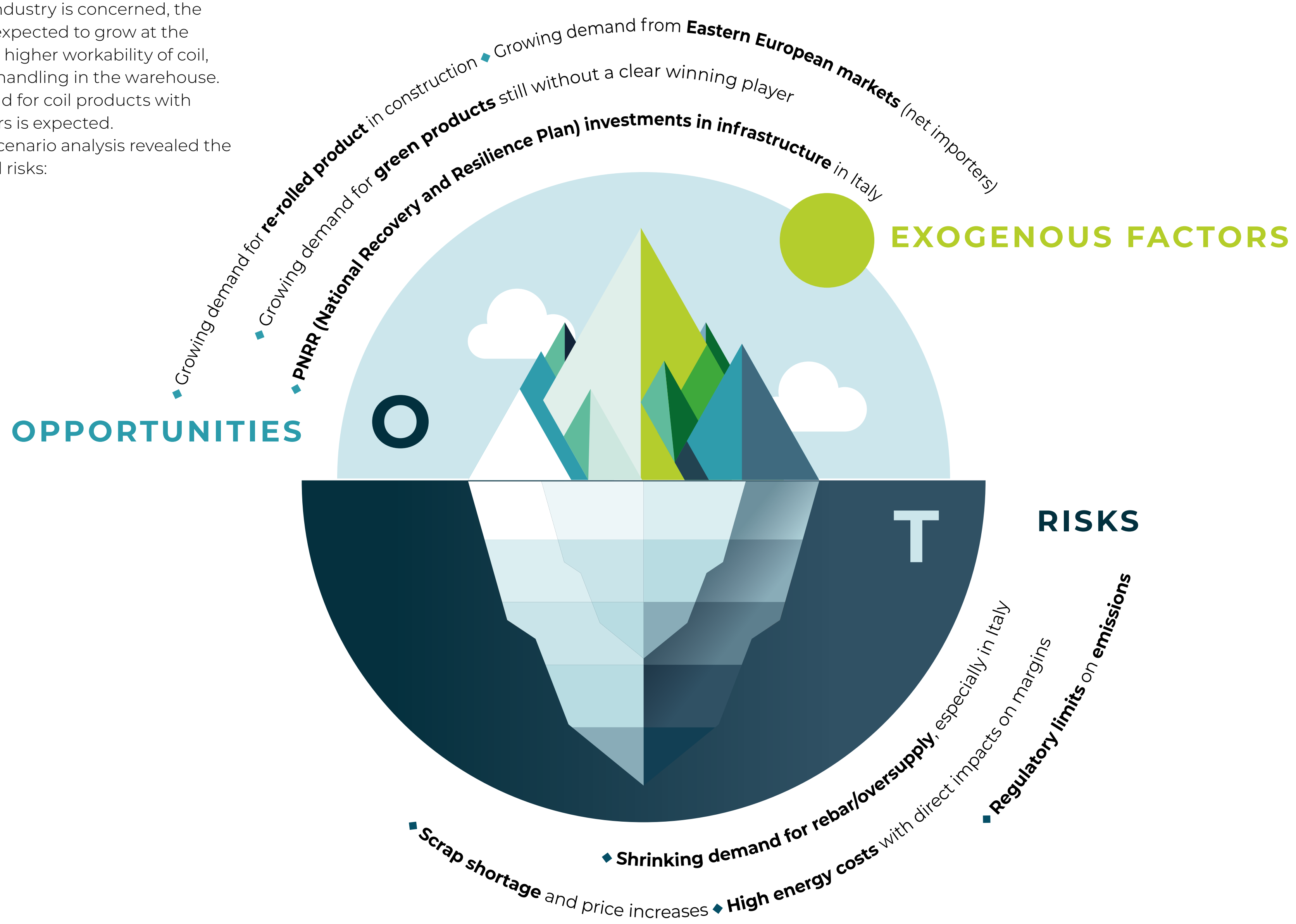
European economies continue to be substantially impacted by the following macroeconomic trends: high energy costs; the necessity to revise the regulatory push towards sustainability and the environment, starting with the reduction of emissions, recently revised; uncertainties determined by geopolitical 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, significant pressure is expected 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. Despite various measures by local governments to reduce the burden on businesses, the high cost of electricity and gas 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 feared phasing out of the free allocation of $CO_2$ ETS allowances by 2034 could lead to higher operating costs for market participants; conversely, the CBAM (Carbon Border Adjustment Mechanism) regulation, the reduction in the free import quotas for steel in Europe and the increase in duties on excess quotas, if properly implemented, could lead to a competitive gain against imported steel.

During the year 2025, 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 updated 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** 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**

**MAKING** THE SUPPLY CHAIN SECURE

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

**TRANSFORMING** SUSTAINABILITY INTO AN ADVANTAGE

Setting **ambitious $CO_2$ 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 specialities. 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". In this context, it is very important to monitor the decisions of regulatory bodies in terms of energy certifications that could favour integrated cycle producers and/or DRI users. Speciality 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 specialities, 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:

## THE **SEVEN LEVERS** OF DECARBONISATION

Implementation of **induction or conduction heating** for billet rolling, possible experimentation with electric burners and **resistance** heating.

**Replacement of natural gas in** (non-electrified) **furnaces** with:

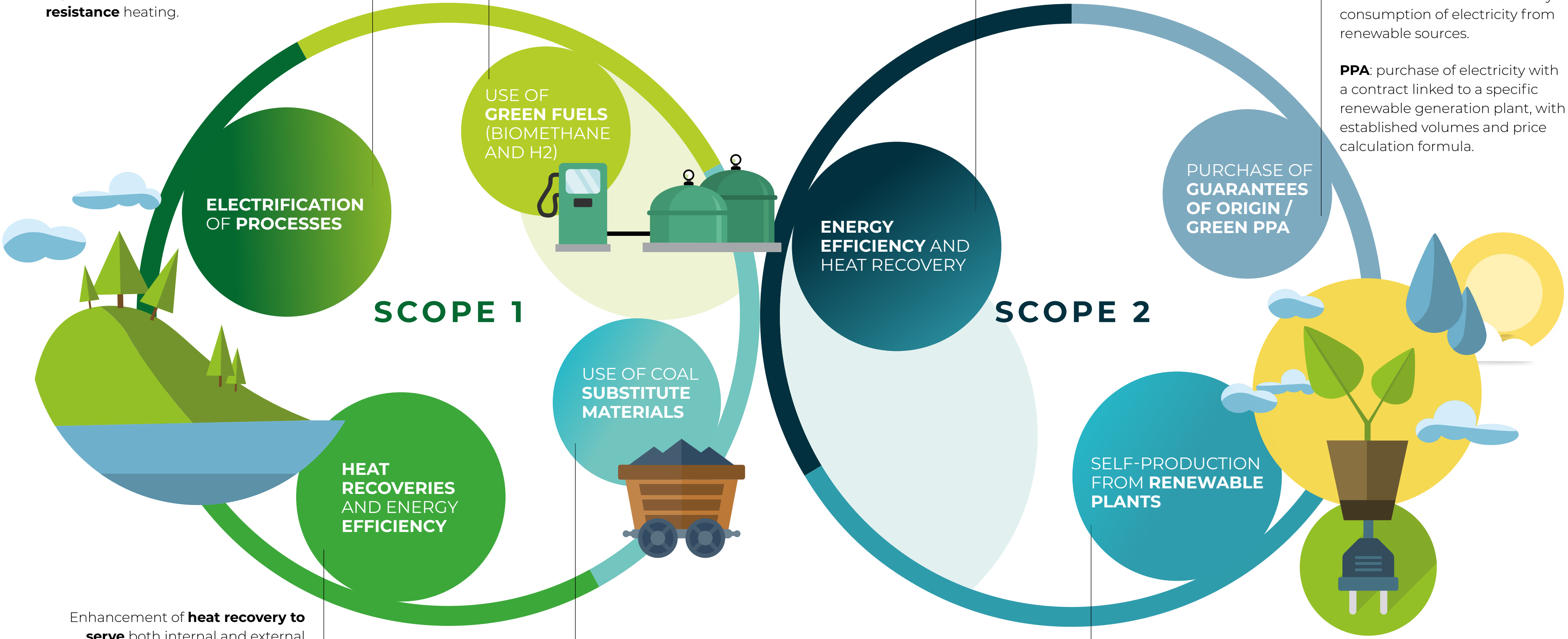
- **Biomethane**: in Italy, consider the interest in the "Green Metals" consortium, while in both Italy and Germany, agreements with local producers are possible.
- **Hydrogen for Riesa**: any future utilisation will depend on the planned infrastructure developments of the hydrogen pipeline network and the possible supply methods.

**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**.

**Guarantees of Origin**: purchase of certificates to be used to certify the consumption of electricity from renewable sources.

**PPA**: purchase of electricity with a contract linked to a specific renewable generation plant, with established volumes and price calculation formula.




Enhancement of **heat 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 **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.

Implementation of investments for **renewable electricity generation** in **Italy** and **Germany**, especially with **solar** technology, subject to implementation capacity.

**From an ESG perspective, the Group is committed to:**

- **Contribute to change in the steel sector**, by leveraging decarbonisation and digitalisation to strengthen its competitive advantage and reduce its environmental impact.
- **Ensure business continuity**, by enhancing the ability to manage crises and increasing agility in organisational processes through structured and efficient management systems.
- **Innovate for the future of production**, by investing in state-of-the-art processes and environmentally friendly technologies to ensure inclusive industrial development.
- **Accelerate the ecological transition**, by integrating the challenges of decarbonisation and committing to a path of energy transformation towards low-impact models.
- **Value people and ensure security**, by promoting decent work that respects the uniqueness of each person, in line with the principles of the International Labour Organisation (ILO) on employment, rights, social protection, and social dialogue.

## 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

To strengthen the integration of sustainability principles into business management, Feralpi Group has adopted an **ESG Scorecard**, a dynamic tool that accurately measures performance and progress towards environmental, social and governance targets. These targets guide the Group's actions and allow constant monitoring of progress, supporting the assessment of ESG performance. The ESG Scorecard is reviewed by the Sustainability Committee to ensure consistency with the evolution of industrial strategies and priorities, thus allowing the integration of new objectives and the adaptation of certain elements in the continuous monitoring phase.

In line with this vision, in 2025 the ESG Scorecard came to contain **fifteen targets**. Compared to the previous year, two targets were added, relating respectively to Feralpi Group's eco-sustainable economic activities and to the coverage of cybersecurity training. In addition, the target related to the time dedicated by the Board of Directors (BoD) to ESG topics was removed from this list and moved to a new section of the Scorecard dedicated to monitoring targets that have been permanently achieved ahead of the target year.

The Group considers transparency an essential value and, through the ESG Scorecard, is committed to communicating the results of the sustainability topics monitoring process in a clear and comprehensive manner.

| PILLARS | AMBITIONS | | KPI | BASELINE year | BASELINE | 2025 | % change | TARGET year | TARGET | SCOPE | SDGs |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Environmental** (E) — Contributing to reducing consumption and impacts; Multiplying the use of materials | Countering climate change through the decarbonisation 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, substantially reducing the production of waste | | Specific $CO_2$ emissions (Scope 1, 2 and 3 core boundary) [4] | 2022 | 0.540 $tonCO_2eq/tonne$ | 0.230 $tonCO_2eq/tonne$ | -58% | 2030 | -50% | Consolidated Feralpi Siderurgica [5] | 6, 7, 11, 12, 13 |
| | | | Absolute $CO_2$ emissions (Scope 3 non-core boundary) | | 676,404 $tonCO_2eq$ | 702,807 $tonCO_2eq$ | +3.9% | | -25% | | |
| | | | Renewable energy [6] | | 0.46% | 56% | / | | 50% | | |
| | | | Residues in circular processes | | 88.45% | 93.02% | / | | 96% | | |
| | | | Specific water consumption | | 1.38 m³/tonne | 1.02 m³/tonne | -36.5% | | -50% | | |
| **Social** (S) — Care, safety and development of individuals; Work culture and education of new generations; Inclusion and local development | **Addressing inequalities**, ensuring equal opportunities 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 | HUMAN RESOURCES | Inclusion of female staff (blue collar) in technical-production areas [7] | 2022 | 0% | 8% | / | 2027 | ≥5% / year new entries primary steelmaking | Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF Elbe-Stahlwerke Feralpi GmbH | 5, 8 |
| | | | Collective training course on "Listening, Dialogue and Inclusion" topics | | 0% | 62% | / | | 100% population affected | Consolidated Feralpi Siderurgica [5] | |
| | | | % female staff in Feralpi Siderurgica - Corporate Services | | 49% | 52% | / | | ~50% | Feralpi Siderurgica - Corporate Services | |
| | | SAFETY | Accident Frequency Index | 2022 | 23.7 (average 2019-2022) | 19.7 | -17% | 2030 | 7 (0-10) | Consolidated Feralpi Siderurgica [5] | 3, 8 |
| | | | % of staff working in ISO 45001 companies | | 25% | 41% | / | | 100% | | |
| | | SUPPLY CHAIN | % of strategic suppliers (raw materials and equipment) involved in ESG mapping aspects | 2023 | 0% | 43% | / | 2030 | 75% of the suppliers involved | Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico/Caleotto, FERALPI STAHL, Feralpi-Hungária, Feralpi-Praha | 9, 12 |
| **Governance** (G) — Ethical business management | **Integrating ESG** (Environment, Social, Governance) **aspects** into the Group's business model. Defining **unambiguous and measurable improvement paths** at plant level, in line with national and international targets. **Guiding change in the steel sector** by encouraging companies in the supply chain to adopt sustainable policies | | Sustainable Finance | 2022 | 74.4% | 94.5% | / | 2030 | >80.0% | Consolidated Feralpi Siderurgica | |
| | | | % of strategic investments with ESG content | | >80.0% | >80.0% | / | | >80.0% | | |
| | | | Sustainable economic activities (%) [8] | 2025 | 0% | / | / | 2030 | 95% | Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Caleotto, Presider, ESF Elbe-Stahlwerke Feralpi GmbH | 9, 12 |
| | | | Cybersecurity training coverage - OT divisions (hours provided) | | 656 | / | / | | 3,800 | Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, Presider, Defim Orsogril, FERALPI STAHL, Saexpa Group | |
| | | | % of time the Board devotes to ESG issues (in meetings and induction sessions)/year | 2022 | 24% | 35% | / | 2030 | 35% | Feralpi Siderurgica *UNDER MONITORING* | |

**Industrial commitment**

| Product and service quality | Improving **product and service quality** by optimising processes through inclusive and sustainable industrialisation<br>Enhancing **technological capabilities** through research and development activities<br>Creating **value for the community** by valuing work, safeguarding the cultural and natural heritage and contributing to sustainable urban development |
|---|---|

*[4] On the total production of hot rolled products.*
*[5] Alpifer Group and Feralpi Algérie not included.*
*[6] Considering both electrical and thermal energy.*
*[7] Including those administered.*
*[8] Share of economic activities aligned with the activities eligible under the Taxonomy Regulation.*

# 4.2 STATE OF IMPLEMENTATION OF STRATEGIC INVESTMENTS

In order to execute the Business Plan, investment projects were carried out during the year 2025, some of which are a continuation of initiatives already started in previous years.

## Steel for Construction Italy business unit

### Feralpi Siderurgica S.p.A.

#### Steel mill

The installation of an internal vision and logistical support system for scrap handling has been completed. This technology aims, through AI systems, to recognise the types of scrap and to guide employees in the logistical management of the material.

A new digital electrode regulation (TDR) has been installed at the furnace outlet for the liquid steel reheating process.

#### Rolling mills

The new spooler production line, capable of producing spools weighing up to 8 tonnes, has been brought up to full capacity.

The storage area for the spools produced by the new spooler line at Rolling Mill 2 has been expanded.

The "electro-conduction" reheating system at Rolling Mill 2 has been completed, and the initial testing phases of the system have begun. The new conduction reheating machine aims to reduce methane consumption at the reheating furnace, scale, Scope 1 $CO_2$ emissions and optimise the mixed charge.

A new vertical warehouse has been installed to serve the new spooler line.

#### Derivatives Area

The installation of a 10-tonne overhead crane for handling coils for the production of electro-welded mesh has been completed.

The installation of a scale recovery and evacuation system in the drawing department has been completed.

The installation of mesh machine no. 6 (for diameters from 4.5 to 12 mm and mesh size 10x10 to 20x30 cm) has been completed.

A tensile tunnel structure has been installed outside the derivatives hall to cover the area where the rewound product is tied onto the trucks.

#### Logistics and infrastructure

The construction of a new shed to cover the electroconduction machine was completed.

A new canteen has been built in the administration building.

A part of the "ex-Brasstech" shed has been equipped and used as a general warehouse, and new shelves were installed for material storage.

### Presider S.p.A.

In the first months of 2025, the "special project" at the Pomezia site has been completed (construction of a new production warehouse and redefinition of the layout of the production machinery). At the same time, a new pile cage machine was installed.

Also at the Pomezia site, two new machines have been installed (a Coil 20 stapler and a Barwiser), improving the production process and reducing the environmental impact.

At the Misterbianco (CT) site, the necessary activities have been carried out to start production in the external areas (arrangement of the green areas, preparation of welding areas and stations, electrical system). The works were carried out inside the shed, specifically the construction of the runways, the installation of the overhead cranes, the electrical, hydraulic and compressed air systems, and the construction of the rooms and service equipment (stalls for the warehouse, weighing area, offices). This work allowed production to start with the shaping machines as well from September.

## Steel for Construction Germany business unit

### ESF Elbe-Stahlwerke Feralpi GmbH

#### Steel mill

In 2025, the investment plan to increase energy and material efficiency and occupational safety continued. Two manipulators were installed at the electric arc furnace (**EAF**), one for the treatment of the slag door and one for sampling and temperature measurement.
This investment is part of the "*no man on the floor*" approach and aims to optimise downtime in the melting process.

The new control room for the ladle furnace (**LF**) has been commissioned. This activity is part of the plan to increase the production capacity of the steel mill.

Preparatory work is underway for the complete renovation of the billet discharge area in the continuous casting plant. The project, which is scheduled to be implemented in 2026/2027, involves the installation of new billet oxyfuel cutting machines and new transport systems, including insulated hoods. The aim of the project is to reduce billet temperature losses and, consequently, save energy during rolling in both rolling mills.

**Rolling mill**

Preparatory work is underway for the complete renewal of the automation system of Rolling Mill A, with implementation scheduled to begin in December 2027.

The new rolling mill equipped with a K-Spooler system, capable of producing 8-tonne coils, has been put into operation. A connection has been established with the existing continuous casting plant, thanks to which the billets are transferred directly via a 300-metre-long roller track and induction heating, avoiding direct $CO_2$ emissions.

**Logistics and infrastructure**

The construction of a new electrical substation has been completed. This will increase the efficiency of the electrical systems and provide the necessary power for the plant, also in light of the increased need resulting from the start of spooler production. Activities to connect all users are currently underway.

A new project relating to the plant's logistics is underway. This project aims to optimise the flow of vehicles entering and leaving the facility, integrating the changes to the plant and layout implemented together with Rolling Mill B (production of spoolers). The project will continue until 2030, with the aim of increasing the use of rail both for the supply of scrap and for the shipment of finished products.
The improved logistics layout will also improve worker safety, thanks to the separation of logistics operations from production. Specific areas will be created in order to reduce the necessary movements within the plant.

## Specialities Business Unit

### Acciaierie di Calvisano S.p.A.

Two outdoor parks for photovoltaic power generation have been installed to achieve a total capacity of about 4.0 MW.

The installation of a new regenerative heating system was completed to replace the trolley for the fourth hole with the aim of optimising the heating of the ladles by reducing gas consumption compared to the previous system.

The compressed air optimisation project was completed, which saw the replacement of the last compressor with the use of a modulating system, reducing the energy used.

The employee changing room was expanded in order to increase the space available to them and to provide suitable spaces for new employees.

The engineering and installation phases were completed, and the start-up of two new basket wagons for loading scrap was initiated in order to optimise the process of loading scrap into the furnace.

The installation of a new robot for EBT opening was completed. In addition to standardising EBT opening and cleaning activities, this process makes it possible to manage these activities from a remote control panel with respect to the intervention area without human intervention.

### Arlenico S.p.A.

In the 2025 financial year, the construction and commissioning of the new coil bar plant was completed.

A new flue gas recovery boiler was installed to enable continuation of the activities related to the district heating site.

**KEY**

Industrial commitment
Social commitment
Environmental commitment
Product quality

A new overhead crane was installed for handling billets, increasing operational efficiency and adopting a state-of-the-art lifting system.

A new robot for labelling the rolls was installed in order to ensure maximum traceability of the product destined for end customers.

## Diversified Products Business Unit

### Saexpa S.A.

The first half of 2025 was focused on the completion of the plants and auxiliary works of the new production site (power distribution, cooling, air conditioning and automation). The works relating to the structural and plant engineering part were completed in July, and the operational transfer is scheduled for September 2026 when the connection to the electricity grid will be activated. To optimise timing, the company has reshaped the business plan by bringing forward to the second half of the year the investments in automation that were initially planned for after the transfer. Technological revamping work was carried out on the existing presses and two new robotic islands were installed for machine servicing. This strategy has made it possible to increase productivity and reduce manual processing, preserving the competitive advantage despite the logistical delay.

### Defim Orsogril S.p.A.

The 2025 financial year was marked by the investment in the new EVG welding plant, a technological investment aimed at enhancing grating production and saving energy. The new production line aims at a significant upgrade in grating production technology, raising quality standards and production efficiency. The project also involved all the complementary works necessary for its operation, i.e. structural foundations, electrical systems and the cooling system. In order to optimise the production process, an Alpha robot was also relocated and an accessory butt welding machine was acquired.

## Energy Division

Feralpi Group recognises the centrality of the steel core business and the simultaneous strategic importance of investing directly in power generation, which, in combination with the purchase of Guarantees of Origin, helps bolster a mix of actions that are fundamental to achieving the goal of reducing $CO_2$ emissions (Scope 2).

In the year 2025, Feralpi Power On S.r.l. completed the purchase of the shares of the corporate vehicle that owns the necessary permissions to build a 4.0 MWp photovoltaic power plant located in the municipality of Castenaso (Bologna).

At the start of 2026, Feralpi Power On S.r.l. purchased all the shares of the corporate vehicle that holds the permits to build a photovoltaic plant with a capacity of 4.18 MWp in the municipality of Collesalvetti (Livorno).

Photovoltaic plants located in areas where steel production and processing activities are carried out have been largely completed; the plants that are not yet operational are expected to become operational in the coming months.

In light of the significant regulatory changes concerning support for energy-intensive companies, particularly Energy Release, the fluctuating electricity market prices, the ongoing uncertainties related to the approval times for building renewable energy plants, and the very long and uncertain connection times for the plants once they have been built and are ready to produce, the Group has revised its portfolio of investment initiatives.

**KEY**

- Industrial commitment
- Social commitment
- Environmental commitment
- Product quality

# 5. Research and development activities

During the year, the following R&D projects are highlighted, some of which started in previous years.

## Steel for Construction Italy business unit

### Feralpi Siderurgica S.p.A.

**The Coralis project**, co-financed by the European HORIZON 2020 programme, has completed the phase of defining processes for reclaiming slag and residues by producing ferro-alloys and charging materials. Subsequently, tests were conducted in an external pilot plant, aimed at the recovery of metal fractions through oxide reduction. The activities included the selection of the most suitable by-product mixes, the development of compaction methods and the preparation of the size, also thanks to the collaboration with an external company for briquetting, useful for future applications. The results of the activities led to the preparation of a technical-economic feasibility analysis for the industrial continuation of the project proposal, both through a dedicated external plant and in EAF, supplemented by environmental, scenario and dissemination studies in cooperation with partners. The Coralis project, which ended in March 2025, demonstrated both the industrial symbiosis between industry, research and institutions and an enabling factor for the activation of circular economy pathways and the optimisation of recovered materials.

**The "Steel Zero Waste" project**, co-funded by the MISE and launched in 2021, aims to improve the environmental sustainability of the steel-making process through innovative technologies aimed at reducing waste and solid, liquid and gaseous emissions. In 2025, testing and evaluation activities were completed on the heating of billets via electrical induction with hot charge and welding, as well as the development of a system for the dewatering of production sludge, useful for reducing its volumes and promoting its reuse. In a parallel fashion, tests were completed for the recovery of white and black slag as building materials and trials on the use of plastic materials as a substitute for traditional polymers and fossil carbon in EAF. Analyses were also carried out on the performance of the scrap shredding machine, with the aim of optimising melting and increasing the recovery of oxides, by integrating an acoustic monitoring system for melting in EAF. The project ended in April 2025.

The **ModHeaTec project** (Modular HEATing Technology through renewable resources for steel production), launched as part of the European R&S Horizon – Twin Transition call, continued in 2025 at Feralpi Siderurgica in collaboration with other production sites and research bodies. The initiative aims to develop and test alternative heating systems to gas, based on electrical sources, with the aim of significantly reducing $CO_2$ emissions in steel production. During the year, Feralpi Siderurgica completed the evaluations and basic design for the construction of a small-scale experimental plant for billet heating by means of next-generation electrical conduction. The solution, whose implementation and experimental testing phase will be completed in 2026, aims to improve the technology of electric conduction heating and improve process control as well as the reliability of the technology. At the same time, ESF Elbe-Stahlwerke Feralpi GmbH, in agreement with the project consortium, also started experimenting with electric induction heating technology and began collaborating with Feralpi Siderurgica, contributing with tests and experiments on its billet samples and assessing the potential application of the technology in its plant configuration.

**Modiplant Project**, (MODular hybrId technology in the Steel PLANT production), continued in 2025 and conducted by Feralpi Siderurgica with the participation of ESF Elbe-Stahlwerke Feralpi GmbH, within the European programme RFCS-2022-CSP-Big Tickets for Steel. The initiative aims to develop an innovative system for billet heating by electricity, as an alternative to induction, to be implemented in an industrial-scale demonstration. During the year, analyses and operational simulations were carried out, and a cycle simulator was developed to define the most efficient configuration in terms of consumption and costs, in relation to the different productivity levels of the line. During the year, the operating and setting tests of the system's working cycles were started. The objective of this phase is to evaluate the functionality and acquire know-how regarding the new heating method, with a view to maximising its use within Feralpi's rolling cycle.

**Project Sunshine**, launched in 2024, aims to improve the quality of billets, with a focus on shape and rhomboid defects, through the introduction of innovative technologies and advanced monitoring approaches. The activities include the adoption of new casting practices with dedicated ingot moulds, the implementation of advanced sensors for continuous control such as the measurement of billet shape, the development of advanced solidification models and the application of artificial intelligence criteria to identify the causes of defects. The ultimate objective is to optimise the geometric quality of the billets, with positive effects not only in the casting phase but also in the subsequent rolling process. In 2025, the measurement instrumentation was acquired, the new monitoring system was tested, and new casting configurations were implemented. In addition, thanks to collaborations with research partners, data analysis was initiated to enable the identification of correlations between shape defects and continuous casting management.

**KEY**

Industrial commitment Environmental commitment

The **E-Ecodownstream project** ("Development of heating technologies for the Efficient renewable Energy COnsumption of $CO_2$-neutral DOWNSTREAM-processes"), launched in 2025 and co-financed under the Horizon Europe Twin Transition Call, aims to promote the use of alternative energy resources to methane and consequently reduce $CO_2$ and greenhouse gas emissions. The project also aims to reduce consumption through the study of energy recovery methods associated with rolling mills or other dispersed plant sources. To this end, a mapping of the dispersed energies was carried out to assess possible reuses. A heating burner was also configured to be converted to the use of H2, to be tested in a pilot plant owned by the research partners.

The **Thelma project** ("THErmochemicaL conversion of Municipal biowaste into a sustainable, biogenic coal Alternative"), launched in 2025 and co-funded under the RFCS (Research Fund for Coal and Steel) call, aims to promote the construction of an industrial plant for the production of Biocoal within the consortium. It aims to test this material on an industrial scale with the main consequence of minimising $CO_2$ emissions to the environment. During 2025, the activity with the research partners were set up.

## Steel for Construction Germany business unit

### ESF Elbe-Stahlwerke Feralpi GmbH

**ModHeaTec Project** - ESF Elbe-Stahlwerke Feralpi GmbH is continuing its support activities for Feralpi Siderurgica in defining the configuration of the pilot plant to be built and in assessing a potential test phase, taking into account the production processes and layout of ESF's plants. The tests will use samples of blums from ESF to evaluate both the impact on product quality and the technical, economic and scalability aspects of the proposed solutions. The project was started in 2023. In 2025, ESF participated in the machinery design phases in collaboration with Feralpi Siderurgica.

**Modiplant project**. ESF Elbe-Stahlwerke Feralpi GmbH has started analysis activities regarding the plant engineering solution for an innovative electric billet reheating system. Specifically, the company is supporting Feralpi Siderurgica S.p.A. in evaluating the industrial implementation of this technology and in monitoring the testing phase. The aim is to verify the feasibility of replicating the solution at the ESF plant, taking into account both the know-how acquired and the plant constraints, while simultaneously exploring various possible installation configurations within the rolling mill department. The project was started in 2023. In 2025, ESF participated in the plant developments for Feralpi Siderurgica, which also included monitoring the test phases to evaluate the potential application within the production layout defined for ESF.

**FlexHybHeat Project**. This project focuses on simulating billet heating using various energy sources (such as electricity, hydrogen, natural gas or ammonia) and assessing potential combinations to determine the most suitable technological mix and ensure maximum flexibility for a future heating concept. This assessment is ongoing during 2025. A second area of activity concerns the development of a new heating control system, which includes the calculation of $CO_2$ emissions and a real-time cost analysis, simultaneously considering the stability of the electricity grid and the quarterly fluctuations of the energy market.

**InduGasHeat project**. The InduGasHeat project, launched in July 2025, focuses on the implementation of innovative gas heating systems based on ultra-high temperature induction (UHT-TJ) and aims to test this technology by replacing fossil fuel burners both in preheating furnaces for forging and in ladle preheating stations, demonstrating the feasibility of a *plug-and-play* implementation. At the ESF Elbe-Stahlwerke Feralpi plant in Riesa, the project involves the complete replacement of a gas-fired ladle preheating station with an equivalent electric solution, demonstrating a total reduction in $CO_2$ emissions and an improvement in energy efficiency in the preheating phase.

**KEY**

Industrial commitment Environmental commitment

## Specialities Business Unit

### Acciaierie di Calvisano S.p.A.

**The MultisensEAF project** (*"Multi-Sensor Systems for an optimised EAF Process Control"*), launched in 2023, aims to develop innovative strategies for optimising the EAF process through the integration of advanced sensors, process simulators and control systems based on artificial intelligence techniques. During 2025, the implementation of the online process simulator, developed with internal resources, was completed, and the testing of the main sensors continued: acoustic for electric arc coverage and monitoring of scrap melting; radar in the LF (Ladle Furnace) for the position and stability of the liquid bath; "OES" and "Fast Slag Analysis" systems for real-time analysis of slag; and water flow sensors in the cooling panels. At the same time, management rules based on the composition of the slag were refined, with the aim of optimising the coverage of the electric arc, reducing the erosion of the refractory and supporting decisions relating to additions during the tapping phase. Also in 2025, the development phases of predictive modelling in EAF were completed, together with the integration of the sensor systems under development. In particular, the estimated temperature of the steel in the EAF was made available to operators to support the management of the production cycle. In addition, adaptation to different steel grades is underway with the aim of optimising the model created for the different configurations of scrap charge mixes.

**The Biorecast project**, launched in 2023, aims to develop innovative solutions to replace the coal injected into EAFs with alternative materials such as biocoal and polymers. The aim is to contribute to the improvement of the slag foaming process and the coverage of the electric arc, with particular attention to the production of special steels and the reduction of the environmental impact. As part of the project, Acciaierie di Calvisano plays a central role in the study and validation of these substitute materials, through tests aimed at evaluating their effects and operational performance under real conditions. To support these activities, the plant has implemented an innovative EAF material storage and propulsion system, which made it possible to carry out an extensive experimental campaign during the year. In 2025, tests were completed that made it possible to collect useful data for the analysis of the reference conditions with the injection of polymers as an alternative to coal, with the aim of proceeding with the comparison with the tests to be carried out with Biocoal during the project. In a parallel fashion, all the elements for defining the necessary characteristics for Biocoal obtained from the recovery of other production processes were provided, and the first samples were received for validating the necessary characteristics for injecting the material into the EAF.

# 6. Production

The production **of billet steel** and **finished product in the year 2025** is increasing compared to the value reported in the previous year; the growth was particularly significant at the Calvisano site. The volumes of **finished products and cold processing** in 2025 are also up compared to the values achieved in the year 2024.

| | Production | | | |
|---|---|---|---|---|
| **Billet Steel** (tonnes) | **Nation** | **2025** | **2024** | **% change** |
| Feralpi Siderurgica S.p.A. - Lonato del Garda | Italy | 1,211,411 | 1,164,368 | 4.0% |
| Acciaierie di Calvisano S.p.A. - Calvisano | Italy | 511,338 | 425,592 | 20.1% |
| ESF Elbe-Stahlwarke Feralpi GmbH - Riesa | Germany | 982,917 | 994,266 | (1.1%) |
| **Total** | | **2,705,667** | **2,584,227** | **4.7%** |

| | Production | | | |
|---|---|---|---|---|
| **Finished Product** (rebar in bars - rebar in coil - Wire rod) - (tonnes) | **Nation** | **2025** | **2024** | **% change** |
| Feralpi Siderurgica S.p.A. - Lonato del Garda | Italy | 1,461,362 | 1,347,244 | 8.5% |
| Caleotto S.p.A. | Italy | 226,742 | 265,115 | (14.5%) |
| ESF Elbe-Stahlwerke Feralpi GmbH - Riesa | Germany | 877,293 | 863,718 | 1.6% |
| **Total** | | **2,565,397** | **2,476,077** | **3.6%** |

| | Production | | |
|---|---|---|---|
| **Cold processing - Derivatives** (tonnes) | **2025** | **2024** | **% change** |
| **Total** | **1,499,057** | **1,343,571** | **11.6%** |

# 7. Non-GAAP indicators

In order to allow for a better analysis of management performance, additional income statement and balance sheet indicators are presented in addition to those already provided for by IFRS. These indicators are not to be regarded as alternatives to IFRS indicators, whose calculation is not required by the accounting standards.

In particular, the **alternative performance indicators** used in this document are as follows:

## EBITDA (or GOP)

An indicator used by the Group as financial targets in internal and external reports, and is a useful unit of measure for assessing the operating performance of the Group as a whole and of individual companies. This indicator is in addition to the operating profit. EBITDA is an intermediate economic indicator derived from the operating result, excluding depreciation, amortisation, provisions and any impairment of tangible and intangible assets.

## Net Working Capital

This item consists of the value of inventories, trade receivables, current tax receivables and other receivables, from which the value of trade payables, tax payables and other payables are subtracted.

## Net Invested Capital

This is the value of Net Working Capital plus the value of intangible and tangible fixed assets, equity interest, other fixed assets, and deferred tax assets, from which deferred tax liabilities, employee benefits and provisions for contingent liabilities and charges are subtracted.

## Net Financial Position

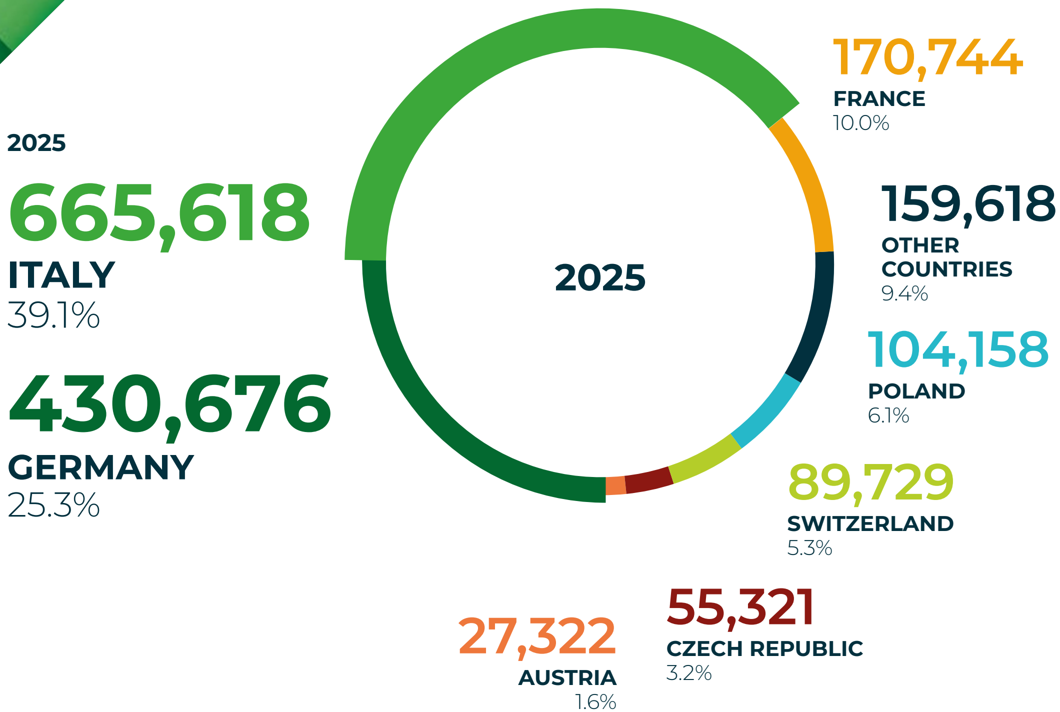
This measure is the gross financial debt less cash and cash equivalents and other current financial receivables. The net financial position was determined in accordance with paragraph 175 of ESMA Recommendation 32-382-1138 of 4 March 2021.

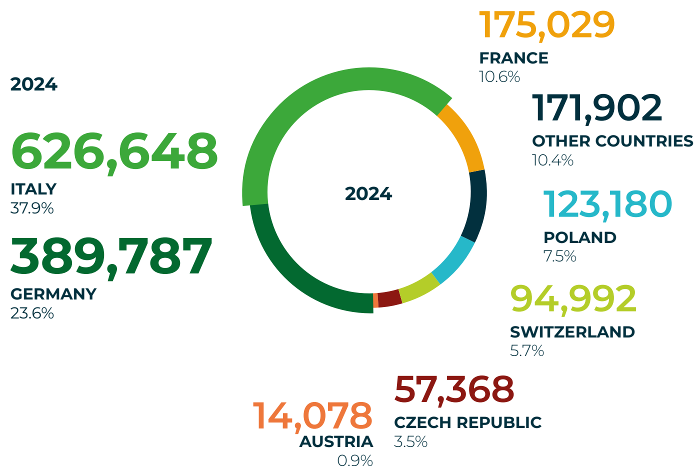
## Workforce

This is given by the number of employees on the register on the last day of the reporting period.

# 8. Analysis of the economic and financial situation

**REVENUES**
BY GEOGRAPHICAL AREA
(€/000)



# 8.1 REVENUES BY GEOGRAPHICAL AREA

| | 2025 (€/000) | 2024 (€/000) | % change | tot 2025 | tot 2024 |
|---|---|---|---|---|---|
| Italy | 665,618 | 626,648 | 6% | 39.1% | 37.9% |
| Germany | 430,676 | 389,787 | 10% | 25.3% | 23.6% |
| France | 170,744 | 175,029 | (2%) | 10.0% | 10.6% |
| Switzerland | 89,729 | 94,992 | (6%) | 5.3% | 5.7% |
| Austria | 27,322 | 14,078 | 94% | 1.6% | 0.9% |
| Poland | 104,158 | 123,180 | (15%) | 6.1% | 7.5% |
| Czech Republic | 55,321 | 57,368 | (4%) | 3.2% | 3.5% |
| Other countries | 159,618 | 171,902 | (7%) | 9.4% | 10.4% |
| **Total** | **1,703,187** | **1,652,984** | **3%** | **100%** | **100%** |

The revenues reported in the year 2025 are on the rise compared to the values reported in the year 2024. The growth was achieved with higher sales volumes, accompanied by a contraction in sales prices. Revenue growth was significant in Germany, Italy and Austria, while the other main markets reported a contraction. However, Poland and the Czech Republic remain among the Group's main markets.

# 8.2 RECLASSIFIED ECONOMIC SITUATION

| **Reclassified income statement** (summary) | 2025 | % | 2024 | % | Change % |
|---|---|---|---|---|---|
| Revenues from contracts with customers | 1,703,187 | 100.0% | 1,652,984 | 100.0% | 3.0% |
| **EBITDA** | **87,242** | **5.1%** | **27,644** | **1.7%** | **>100%** |
| Depreciation, amortisation and write-downs | (71,637) | (4.2%) | (70,306) | (4.3%) | 1.9% |
| **EBIT** | **15,605** | **0.9%** | **(42,662)** | **(2.6%)** | **<100%** |
| Net interest expenditure | (14,231) | (0.8%) | (6,477) | (0.4%) | >100% |
| Exchange gains and (losses) | 231 | 0.0% | (144) | (0.0%) | <100% |
| Share of profit of associates and joint ventures | 531 | 0.0% | 3,069 | 0.2% | (82.7%) |
| **Pre-tax result** | **2,136** | **0.1%** | **(46,214)** | **(2.8%)** | **<100%** |
| Income taxes | (1,735) | (0.1%) | 8,472 | 0.5% | <100% |
| **Net result** | **401** | **0.0%** | **(37,742)** | **(2.3%)** | **<100%** |
| Minority interest result* | 2,588 | | 56 | | |
| Result for the Group | (2,187) | | (37,798) | | |

** Result attributable to minority shareholders*

The expectations of uncertainty evident at the start of 2025 have manifested their effects on the market environment. Nevertheless, Feralpi Group achieved a significant recovery in operating profitability. This result was driven by an increase in sales volumes together with growth in the benefits associated with the fixed components of the cost of energy and the reduction in the cost of scrap. These effects had a greater positive impact than the reduction in sales prices. It should also be noted that during the year 2025, the Alpifer Group was consolidated using the line-by-line method. In this regard, for more information, refer to paragraphs 2 and 4 of the "Consolidated Annual Financial Report as at 31 December 2025" in this document.

Despite an increase in net interest expenditure, in the year 2025 the Group achieved a slightly positive overall Net Result, resulting in a turnaround compared to the result achieved in the year 2024.

# 8.3 RECLASSIFIED STATEMENT OF FINANCIAL POSITION

| Reclassified statement of financial position (€/000) | 31.12.2025 | % Revenues | 31.12.2024 | % Revenues | Change % |
|---|---|---|---|---|---|
| Net Fixed Assets | 872,475 | 51.2% | 809,380 | 49.0% | 7.9% |
| *Inventories* | *409,785* | *24.1%* | *375,983* | *22.7%* | *9.0%* |
| *Trade receivables* | *191,229* | *11.2%* | *292,202* | *17.7%* | *(34.6%)* |
| *Trade payables* | *(406,797)* | *(23.9%)* | *(438,084)* | *(26.5%)* | *(7.1%)* |
| **Commercial Working Capital** | **194,217** | **11.4%** | **230,101** | **13.9%** | **(15.6%)** |
| **Net Non-Commercial Working Capital** | **45,056** | **2.6%** | **11,721** | **0.7%** | **>100%** |
| **Net Invested Capital** | **1,111,748** | **65.3%** | **1,051,202** | **63.6%** | **5.8%** |
| **Net financial position** | **196,943** | **11.6%** | **155,552** | **9.4%** | **26.6%** |
| **Shareholders' equity** | **914,805** | **53.7%** | **895,650** | **54.2%** | **2.1%** |
| **Total Sources** | **1,111,748** | **65.3%** | **1,051,202** | **63.6%** | **5.8%** |

Net Invested Capital as at 31 December 2025 increased compared to the value reported as at 31 December 2024 due to the increase in Net Fixed Assets, as a result of the investment activities in progress at the main Group companies. Commercial Working Capital as at 31 December 2025, on the other hand, reported a reduction in absolute value and as a percentage of revenues, compared to the values reported as at 31 December 2024.

| **NFP Consob** Amounts in thousand euros | 31/12/2025 | 31/12/2024 |
|---|---|---|
| A Cash | 121,749 | 50,720 |
| B Cash equivalents | - | - |
| C Other current financial assets | - | - |
| **D Liquidity(A+B+C+D)** | **121,749** | **50,720** |
| E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | 5,063 | 4,057 |
| F Current part of non-current financial debt | 98,744 | 107,545 |
| **G Current financial debt (E + F)** | **103,807** | **111,601** |
| **H Net current financial debt (G - D)** | **(17,942)** | **60,881** |
| I Non-current financial debt (excluding current portion and debt instruments) | 214,885 | 94,671 |
| J Debt instruments | - | - |
| K Trade and other non-current payables | - | - |
| **L Non-current financial debt (I + J + K)** | **214,885** | **94,671** |
| **M Total financial debt (H + L)** | **196,943** | **155,552** |

As at 31 December 2025, the consolidated Net Financial Position showed a net debt value of €196.9 million, compared to €155.6 million as at 31 December 2024. The increase is due to investment activities carried out during the year, even if accompanied by a reduction in working capital.

# 9. Significant transactions and events during the year

In accordance with the industrial plan, new plants were launched during 2025 and a new company was made operational in Sicily with the aim not only of expanding the range of products with a reduced environmental impact, but also of strengthening the verticalisation process with a greater presence in markets in which an increase in the infrastructure sector is expected.

In fact, Feralpi completed and inaugurated a new "spooler" rolling mill at the Riesa site in Germany in May. The plant is at the forefront of the global steel industry, being the first in Germany to operate with zero direct emissions (Scope 1) thanks to electrically powered induction furnaces replacing traditional methane gas furnaces to accelerate decarbonisation. Feralpi has also become the first company in the world to produce spoolers with a format of up to 8 tonnes, ensuring that customers can optimise their production processes.

Also with a view to extending the range, a new spooler line was started up at the Lonato del Garda production site with innovative technology that increases production flexibility and the quality of the finished product, contributing to reduced waste and increased productivity for shaping centres and end customers.

In the spirit of verticalisation, the new Presider pre-shaping centre was launched in Misterbianco (Catania). The investment responds to a precise logic of geographical proximity to the market of southern Italy, an area with high potential thanks to the expansion cycle marked by the construction sector.

On 22 July 2025, Feralpi Power On S.r.l. completed the purchase of the shares of the corporate vehicle that owns the necessary permissions to build a 4.0 MWp photovoltaic power plant located in the municipality of Castenaso (Bologna).

# 10. 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.

| | | F | E | S | G |
|---|---|---|---|---|---|
| **STRATEGIC** RISKS | Deterioration of the global macroeconomic environment | ◆ | ◆ | ◆ | ◆ |
| | Price fluctuation and shortage of commodities | ◆ | ◆ | ◆ | |
| | 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 Statement | ◆ | | | ◆ |

## Strategic Risks

### Deterioration of the global macroeconomic and geopolitical environment

Feralpi Group companies are exposed to the risks associated with the economic trends of the specific markets in which they conduct their business activities. Sales of the Group's products are mainly influenced by investment activities in infrastructure, but also in residential housing and investments in the industrial sectors targeted by the Group's products. Economic events such as an economic recession, high inflation and persistent high interest rates together with unpredictable events such as pandemics or environmental disasters could lead to a reduction in the volume of purchases and/or a reduction in the sales prices of the Group's products and affect the health and safety of people and the continuity of production, causing absenteeism and blocking of the production system as well as having a significant negative effect on the Group's economic, financial and equity situation. In addition, the emergence of global wars and crises, the imposition of economic sanctions and embargoes on certain countries, anti-dumping and anti-subsidy tariffs, the establishment of protectionist policies in export countries, and possible restrictions on exports, could lead to difficulties in sourcing inputs with subsequent delays or business interruptions and the loss of markets and customers.

Feralpi Group has no operations in territories where there are ongoing wars or in countries characterised by major political instability. In addition, the Group does not trade in these markets. However, ongoing war events and geopolitical crises lead to indirect impacts on operating costs in view of trends in the cost of electricity and gas.

In response to past emergencies, the Group formed specific task forces and promptly took necessary measures to prevent, manage, and limit the negative impacts arising from such events, while also striving to ensure production continuity wherever possible. This approach, already effective in that circumstance, is configured as a replicable model for dealing with future emergencies in an equally timely and structured manner.

### Price fluctuation and shortage of commodities

These risks arise from the fluctuations, including significant, that the price of strategic raw materials, such as ferrous scrap and ferro-alloys, can experience even in the short term. Such cost increases may originate from supply market dynamics as well as inflationary trends.

The current conflicts, the regulatory developments on the ecological transition and logistical constraints have aggravated the difficulties in sourcing raw materials and further increased price volatility with consequences for supply obligations.

Given the current market environment, it is not always possible for the Company to increase, even if not in full, the selling price of the finished product as a result of the increase in the cost of ferrous scrap and ferro-alloys, while safeguarding its contribution margin. In addition, significant increases in sales prices could lead to losses in market share. Hedging transactions are assessed in light of the liquidity of the official markets where the main trades are executed and the visibility of sell orders.

In addition, the Company's responsible management of supplier relations and careful control of raw material quality are key to preventing risk and customer dissatisfaction, as well as offering opportunities in the circular economy and generating positive impacts on competitiveness and availability risk management.

### Energy sector dependence, price fluctuation and supply discontinuity

Energy risks include possible disruptions, price volatility and taxation of energy-intensive activities. Geopolitical evolution and regulatory developments, aimed at the transition to renewable energy sources, have increased the risk of price volatility. The steel sector is highly exposed: on the one hand, it has rethought its energy strategy (supply and efficiency measures) to contain costs and meet decarbonisation targets, and on the other, it is preparing for possible energy supply disruptions and consequent production stoppages.

The need to reduce energy costs and consumption remains the main priority for Feralpi in terms of business continuity. The Company is committed to continuously exploring different options to reduce its energy consumption and increase the efficiency of its processes.

### Transition to a sustainable product

The regulatory, social and economic environment makes it necessary to develop increasingly sustainable products in order to maintain a high level of competitiveness on the market. Feralpi Group believes that the development of a competitive offer linked to sustainability is of fundamental importance in order to meet growing customer expectations and to prepare adequately for possible sudden changes in market demands.
The complexity of this path is reflected in the need for major investments, difficulties in forecasting and evolving market demand, and significant regulatory uncertainty combined with bureaucratic complexity for environmental authorisations.

Indeed, any failure to meet product sustainability requirements could result in the loss of strategic suppliers, contracts and customers. To systematically address this challenge, the Group has crafted a strategy to offer its customers a full spectrum of low-carbon products.

The certification framework for steel, with the definition of various standards, primarily aims to enhance transparency and sustainability; however, it remains complex and fragmented, with the risk of divergent standards and implementation difficulties for producers.

### Customer concentration and business relations

The target markets are characterised by a relatively small number of global and regional players and a high number of customers. Also due to the volatility of market prices, customer relations are mainly based on specific purchase orders in the absence of long-term contracts; this situation makes it difficult for the Group to make medium-term sales forecasts. The occurrence of such risks could lead to a reduction in revenues with significant negative effects on the Group's economic, financial and equity situation.

Feralpi has established and maintained long-lasting business relations with its customers; however, it cannot be ruled out that the Group may have difficulties in the future in maintaining business relations with current customers or in developing business relations with new customers. Constant commercial supervision, continuous dialogue with long-standing and newly acquired customers, and the ability to provide high quality products at competitive costs and adequate service levels are elements that mitigate exposure to the aforementioned risk.

### Physical impacts of climate change

The uncontrollable phenomena include physical aspects resulting from ongoing climate change. These risks have special characteristics that must be taken into account, such as the magnitude of the impact in terms of scope and scale, an uncertain and longer-term time horizon, and dependence on short-term initiatives. Physical risks from climate change are divided into:

- **Acute**: event-based risks, including an aggravation of extreme weather events such as storms, hail, fire, heat waves, etc.). These events are happening more frequently both regionally and globally.
- **Chronic**: refer to risks associated with long-term changes in climate, such as changes in temperature, wind and precipitation patterns, water stress and sea level rise. They can be identified as change processes rather than single events and are bound to become more significant in the long run.

Feralpi Group is most exposed to transition risk, described below, but also considers physical risks for business continuity and the resilience of its business plan and sustainability strategy. Recently, the first physical climate risk assessment was conducted to understand short- and long-term exposure and to take management measures for the sites most at risk. The first phase involved a Climate Self Risk Assessment and verification of prospective climate indicators according to an ensemble of three GCM-RCM (Global Circulation Model - Regional Climate Model) models guided by the RCP 8.5 scenario for sites included in the scope of the Taxonomy Regulation[9] in the short and long term. Subsequently, the Lonato del Garda and Riesa sites were analysed in detail, using various climate scenarios to understand the evolution of the risk up to 2050, with possible indications of worsening by the end of the century. A further detailed analysis was then carried out, based on different climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5) on the plants considered most strategically relevant: Lonato del Garda and Riesa. The assessment was expressed through the following metrics:

I. Maximum Value-At-Risk (MVAR): the MVAR corresponds to the estimated value in economic terms of the potential damage caused by a climate risk. The overall MVAR represents the aggregation of the estimated Value-At-Risk (VAR) for each physical risk.

II. Maximum Annual Loss (MAL): estimated value of damage to an asset for all climate risks combined, expressed in current currency, without discounting or adjustment for other transaction costs.

III. Failure Probability (FP): annual probability that a climate risk may cause disruption or malfunction of an asset with or without damage.

The Climate Self Risk Assessment indicated that the company's assets present a medium to low physical risk from climate change. The more specific risks to which the Group will pay more attention through preventive mitigation actions mainly concern extreme wind conditions and flash floods from heavy rain and thunderstorms.

The in-depth analysis, according to MVAR% metrics, assessed the overall risk for the Lonato del Garda site as medium. As far as the Riesa site is concerned, however, the overall risk is rated as low.

### Impacts of the energy transition

Transition risks in the context of Feralpi Group indicate the potential financial loss that the company may suffer, both directly and indirectly, during the process of adapting to a low-carbon and more environmentally and socially sustainable economic model. The continuous evolution of climate and environmental regulations, technological developments and changes in market expectations and preferences (Green Steel) can have a major impact on the Group's economic performance.

[9] *For more details on the European Taxonomy, refer to Section 20. Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).*

These risks can be divided into the following types:

- **Executive Risks**: arising from delays or lack of expertise in strategic projects, which may result in strategic projects not being identified or slowing down their implementation, also due to a lack of skills to manage them.
- **Regulatory Risks**: arising from evolving regulatory actions to limit negative impacts or promote adaptation to climate change, including potential litigation;
- **Technological Risks**: related to the introduction of new technologies that support the transition to a low-carbon economy, with possible interference on existing business systems;
- **Market Risks**: related to possible changes in the demand for products and services by the Group's customers.

The adoption of a climate transition strategy, which is fundamental to Feralpi Group's industrial strategy, requires close attention to be paid to this type of risk. The Group has therefore conducted an analysis to identify and assess the types of risk, as defined above, probability (low, medium, high) and severity (low, medium, high) - of the risks associated with this process, as well as to develop strategies to effectively mitigate and manage the risks. The risks to which the Group will pay more attention are related to possible difficulties in implementing its strategy of self-generation of renewable energy and to the evolving context regarding the use of alternative fuels such as biomethane and hydrogen.

## Operational risks

### Product quality and liability

The Group's products must comply with different quality, safety and regulatory standards, including through a careful selection of suppliers, consistent with the regulations required in the countries where they are marketed. If products do not meet the requirements of the different applicable regulations, it may be legitimate to return them, which could lead to increased costs and possible damage to the image of Group companies and also negatively affect their ESG performance. This type of risk is most relevant for the Specialities Business Unit, where product quality is crucial for the safety of the end consumer (automotive).
To this end, the Group carries out strict controls on its products: each production company has a quality risk management protocol, with specific control activities and procedures. There are dedicated functions at production units and audits at major scrap suppliers. In addition, the Group has product liability insurance coverage.

However, it is not possible to exclude the possibility of manufacturing defects or, in certain circumstances, the inadequacy of the above-mentioned insurance coverage.

### Computer systems operation / cybersecurity

The growing use of digital technologies increases the cybersecurity risk, with possible impacts on business continuity, data protection and privacy. Cyber attacks or human error can compromise confidentiality, reliability, information integrity and corporate reputation. Failure to comply with regulatory requirements can lead to sanctions and loss of reliability, affecting relations between employers and employees. A cyber attack could also endanger the health and safety of workers and cause environmental damage by compromising software and monitoring equipment. Any errors, malfunctions and/or unauthorised access to the Group's software and related systems of suppliers and/or customers may also damage the production activities of the Group's suppliers and/or customers. The occurrence of such risks could have an adverse material effect on the Group's economic, financial and equity situation.

The Group considers the operational continuity of its management and operational information systems to be of major importance; therefore, it has carried out a specific risk analysis concerning internal and external attacks on information systems aimed at blocking their normal operation, or at extracting or corrupting Group information. In addition, the Group is finalising the implementation of a framework for managing these risks, with the aim of ensuring business continuity, availability, integrity and confidentiality of data, while also enabling compliance with the European GDPR regulation and applicable national regulations in individual EU member states, with particular reference to NIS2 regulations.
The centrality of information systems, as a lever of value for the Group, is also testified by the considerable investments made to update and digitalise systems and processes; in this context, the launch of programmes to optimise processes and automate certain activities, also through Robotic Process Automation solutions and solutions based on Business Intelligence and "data analytics" was emphasised in particular.

### Pollution from radiation sources and radioactive materials

Pollution due to radioactive isotope decay could affect the input scrap, the melting furnace process and the finished products. This can lead to non-compliance with environmental and health and safety regulations, contamination of water, soil and air, fines and reputational damage, as well as production stoppages for clean-up operations.
The Group has adopted specific procedures, as part of its management system, to define and implement radioactivity control measures throughout the production chain, right from the material input stage.

### Waste disposal
Monitoring risks related to regulatory changes in the use of by-products is crucial; keeping up with these developments prevents production slowdowns, economic and reputational damage. Strategic pavement and sealing maintenance is essential to prevent soil and groundwater contamination.

The Group's management of waste and production residues mainly involves recovery and/or qualification as by-products, with only residual disposal in landfills. Processes and facilities are organised to minimise the volumes to be landfilled. The Group is also committed to reducing the handling of raw materials and production residues, to reducing inputs and to raw material substitution.

### Occupational health and safety
Health and safety risks to workers include exposure to chemical agents, physical agents, equipment, and for Acciaierie di Calvisano and Feralpi Siderurgica, major accident hazards. An inadequate level of control over health and safety risks present in plants and workplaces can cause injuries, occupational diseases, fires, and explosions, with social, legal, and reputational consequences. The company risks facing penalties for non-compliance with safety regulations, which may include shortcomings in risk assessment, training, and the adoption of preventive or protective measures. The failure to control such risks, particularly following incidents leading to physical damage, fire, explosion, or workplace injuries requiring investigations, can also cause production downtime.

The Group carefully monitors the issue of health and safety based on its own Group policy and following the regulations of the countries where its plants operate, and it has different management approaches depending on the type of production processes in place. Feralpi Siderurgica S.p.A. has an Occupational Health and Safety Management System certified according to the international ISO 45001 standard. This system ensures the constant monitoring of risks and the identification of improvement measures. The system was also extended to Acciaierie di Calvisano S.p.A., Arlenico S.p.A. and Caleotto S.p.A., with certification obtained in May 2025 and the official certificate issued in June 2025.

### Lack of professionalism and expertise
The current market presents risks related to the difficulty of attracting, developing and retaining key skills and appropriate professionalism. Business success depends on a qualified and motivated management team. Failures in this area could lead to production slowdowns, reduced innovation and product quality. Dependence on external suppliers of core competencies exposes the company to risks, as the disruption of such business relationships could seriously damage strategies and production activities. Lack of staff knowledge and skills can also reduce competitiveness, resulting in a loss of attractiveness. Adaptation to new systems and technologies and knowledge transfer are crucial.

Feralpi Group is committed to enhancing people's skills as a key factor for business success. With a view to Talent Attraction, the Group has developed eight different recruitment and selection formats to foster the placement of young talent by offering a practical choice for professional development. As far as talent development is concerned, Feralpi has implemented a framework to map, monitor and efficiently manage the skills - technical and organisational - of its staff and act on any gaps through a series of internal training offers and in cooperation with external partners.

## Financial risks

### Credit risk
Feralpi is exposed to credit risk arising from the business relations it establishes with its customers. Failure by customers to meet payment deadlines could jeopardise the Group's overall financial situation.

Commercial credit risk is mitigated by the application of the Credit Policy, the related Group procedures and guidelines for the selection and assessment of the customer portfolio, the definition of credit limits, the monitoring of expected collection flows and any recovery actions. In addition, the Group takes out insurance policies with counterparts of primary standing and, in some cases, requires customers to provide additional guarantees. Credit risk management and monitoring are the tasks entrusted to Group Credit Management, which is committed to ensuring the effectiveness of the policies adopted and to identifying possible areas for improvement. Credit risk is also mitigated by the use of the non-recourse rotary assignment instrument to specialised financial operators.

### Interest rate fluctuation
Changes in interest rates affect the market value of the Group's financial assets and liabilities as well as net financial expenses. The interest rate risk to which the Group is exposed originates mainly from long-term financial payables which, at the date of this report, are at variable rates and partly hedged by Interest Rate Swaps and Collars. Fixed-rate payables expose Feralpi Group to fair value risk.

### Exchange rate fluctuation
Exchange rate risk refers to the possibility that exchange rate fluctuations may adversely affect the value of the Group's assets, profits or financial exposure. Feralpi Group's exposure to exchange rate risk is structurally modest given the almost total denomination of commercial transactions in euro.

### Liquidity risk
Liquidity risk refers to the ability of available financial resources to meet payment commitments to commercial or financial counterparts on pre-established terms and deadlines. Prudent management of liquidity risk, arising from the Group's normal operations, involves maintaining an adequate level of cash and cash equivalents as well as funds available through committed credit lines. The

Administration, Finance, and Control Department (AFC) of the Group undertakes financial planning aimed at equipping the Group with adequate credit lines that are consistent with the business's cash-generating capacity over the planning period. Additionally, the AFC Department monitors forecasts for the utilisation of the Group's liquidity reserves, starting with the analysis of expected cash flows, and arranges the necessary credit lines (Business Plan, Budget, Forecast, Report).

#### Risks associated with possible covenant breaches

In order to support the investment plan, the Group has medium- to long-term loan agreements in place; these loan agreements require compliance with certain financial and commitment covenants. The Group has reporting mechanisms in place to monitor historical and prospective compliance with the signed covenants and to define, where necessary, appropriate action plans aimed at preventing and mitigating any impacts related to covenant non-compliance.

### Legal and compliance risks

#### Antitrust and business ethics

This risk refers theoretically to the possibility of conduct in breach of antitrust or competition law. As a result, the Group may face legal costs and reputational damage to stakeholders; in addition, it may receive sanctions, with similar impacts to those described above.

As a countermeasure, the Group has developed a compliance programme aimed at putting in place preventive measures relating to possible antitrust offences, including through the appointment of a top-level person who plays the role of "antitrust officer" and who has the task of verifying compliance with regulations by monitoring the individual conduct of the persons who could most expose the Group's companies to this risk.

#### Compliance with environmental and occupational health and safety regulations

The Group's industrial production is subject to administrative authorisations. Failure to renew or issue such authorisations could lead to legal-administrative liabilities of various kinds, resulting in production stoppage. The Group's main plants have started the process to obtain ISO 50001 certification for energy efficiency, while in the environmental field the EMAS and ISO 14001 certifications have already been obtained. All of the Group's production plants are required to adopt prevention and protection measures defined by current national regulations.

Furthermore, evolving European environmental regulations expose companies to the risk of late alignment, with negative business consequences and potential cost increases and business limitations. The biggest risks concern developments in the Emission Trading Scheme (ETS) and the adoption of a Carbon Border Adjustment Mechanism (CBAM).

Any workplace accidents, even minor ones, caused by non-compliance with the aforementioned regulations, could lead to criminal and administrative sanctions, with even serious consequences if they involve bans, even for limited periods, financial losses and/or reputational damage. The issuance of additional regulatory provisions applicable to companies, or changes to the regulations currently in force in the countries in which the Group operates, could require the Group to adopt stricter standards, also entailing costs for adapting production facilities.

Compliance with management measures and procedures reduces these risks and prevents emergency scenarios.

#### Violation of human rights or discrimination

The risks associated with inclusion and integration, arising from incidents of mobbing, harassment and discrimination based on nationality, faith, gender, or age, as well as those related to the protection of human rights, although generally more limited, require constant monitoring. The occurrence of such situations may lead to reputational damage, with possible financial repercussions and legal action.

### Planning and reporting risks

#### Financial Reporting and Voluntary Consolidated Sustainability Statement

These risks are related to the possible negative impacts that irrelevant, untimely or incorrect information could have on the Group's strategic, operational and financial decisions. In order to mitigate the risk associated with financial information, some time ago now, the Group initiated a number of projects, including the implementation of a Corporate Performance Management tool for the preparation of the Consolidated Financial Statements, the Budget and the Business Plan. The Group has also adopted an Accounting Manual and materiality thresholds for the audit of the Consolidated Financial Statements have been used that conform to those applicable to public interest companies. In addition, to meet the requirements of process governance, a gap analysis was carried out related to the areas Information Technology General Controls and Segregation Of Duties. Finally, in order to better prepare for the Corporate Sustainability Reporting Directive (CSRD), to whose obligations the Group will be subject from the 2025 reporting, Feralpi is in the process of adopting integrated tools capable of monitoring the reporting and consolidation of financial and non-financial data in the ESG domain.

# 11. Other information

## 11.1 ORGANISATION AND HUMAN RESOURCES

In 2025, there was an overall increase in the workforce of 174 employees compared to 2024, with the consolidated figure rising from 1,972 to 2,146. This increase is largely due to the consolidation of Alpifer, with an average workforce of 116.

In addition to the above, in the Italian plants, staff growth was 25, mainly driven by the stabilisation of staff previously employed on temporary contracts and to a lesser extent by the recruitment of staff in training for specific projects in the technical and production areas. In the foreign plants, staff growth was 33, linked to the strengthening of the technical-production area for the Rolling Mill B plant in Riesa.

The table below shows the average number of employees for each company, comparing the figures for 2025 with those for 2024:

| Company | Average 2025 | Average 2024 |
|---|---|---|
| Presider S.p.A. (Italy) | 93 | 90 |
| Caleotto S.p.A. (Italy) | 7 | 6 |
| Arlenico (Italy) | 101 | 106 |
| Feralpi Siderurgica S.p.A. (Italy) | 554 | 538 |
| Presider Armatures (France) | 4 | 4 |
| Acciaierie di Calvisano S.p.A. (Italy) | 151 | 137 |
| Defim Orsogril S.p.A. (Italy) | 77 | 82 |
| Alpifer (Italy)** | 116 | - |
| ESF Elbe-Stahlwerke Feralpi GmbH (Germany) | 824 | 797 |
| Industria Expositores y parrillas S.A.(Spain) | 91 | 87 |
| Wire applications SL (Spain) | 0 | 0 |
| P.R. Soldadura SL (Spain) | 12 | 12 |
| Feralpi Stahlhandel GmbH (Germany) | 9 | 10 |
| Feralpi-Logistik GmbH (Germany) | 31 | 29 |
| Feralp-Algérie Sarl (Algeria) | 13 | 13 |
| Feralpi-Praha Sro (Rep. Republic) | 46 | 39 |
| Feralpi-Hungária Kft (Hungary) | 16 | 22 |
| **Total** | **2,145** | **1,972** |

*** consolidated in 2025*

The analysis by geographical area, thanks to the consolidation of Alpifer, shows the prevalence of employees in Italian companies compared to foreign companies. The average breakdown is as follows:

| **Average workforce** by geographical area | Average 2025 | Average 2024 |
|---|---|---|
| Italy | 1,099 | 959 |
| Foreign | 1,046 | 1,013 |
| **Total** | **2,145** | **1,972** |

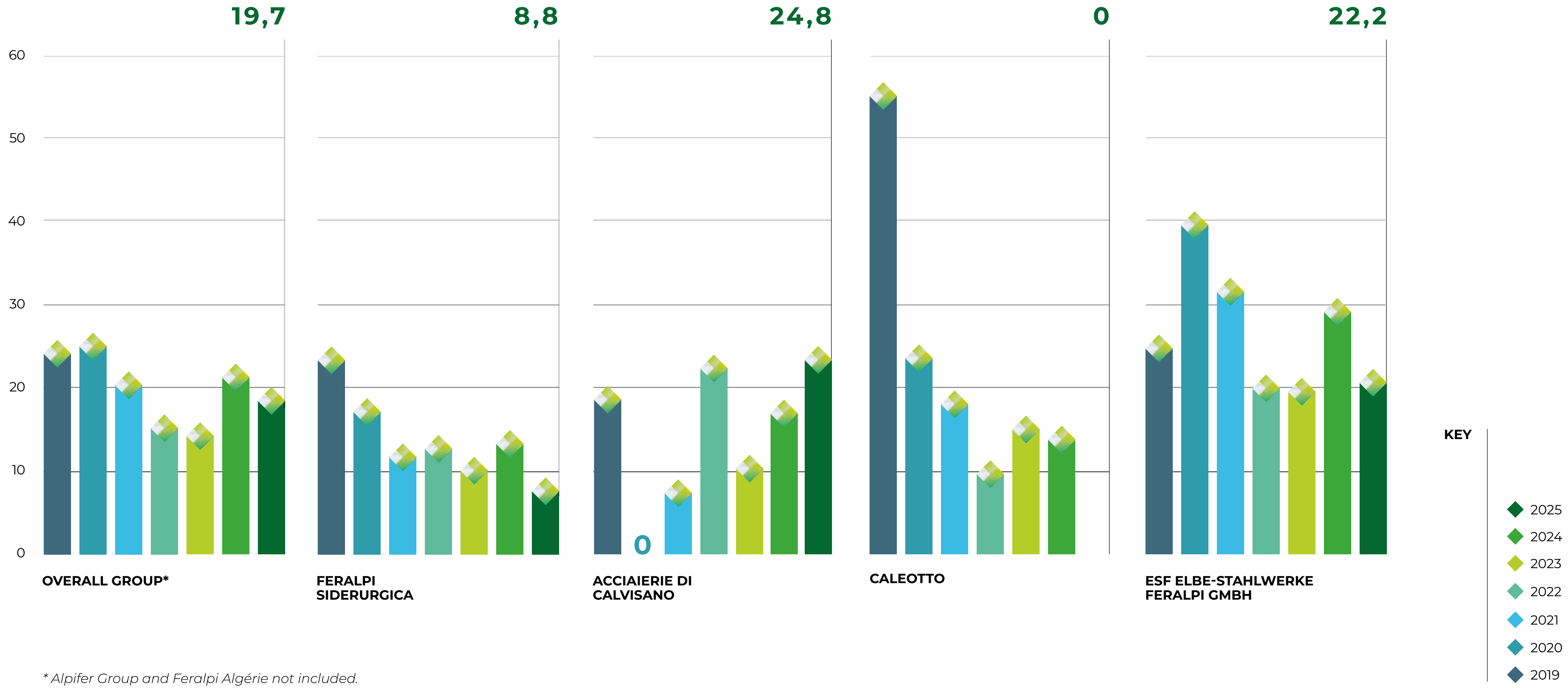
At the end of the year, the total number of employees increased by 187, from 1,986 to 2,173. The specific distribution by category is as follows:

| Description | 2025 | 2024 |
|---|---|---|
| Executives | 42 | 38 |
| White-collars and middle managers | 606 | 575 |
| Blue-collars | 1,525 | 1,373 |
| **Total** | **2,173** | **1,986** |

## Accident frequency index

The following graphs show the historical trend, from 2019 to 2025, of the frequency indices of the production companies within the scope of the consolidated financial statements, the most relevant figure being the value of the accident frequency index of 0 in 2025 for the companies that carry out service activities. In particular, the first graph relates to the companies where the primary production of steel and its rolling take place, where most of the staff working in the group are employed. It should be noted that, within these, the Arlenico mill achieved the "0 accidents" target in 2025, and the parent company Feralpi Siderurgica achieved the lowest value in the entire historical series, with the index standing at 8.8. Both graphs show a comparison with the overall value for the entire Group *, which is 19.7.

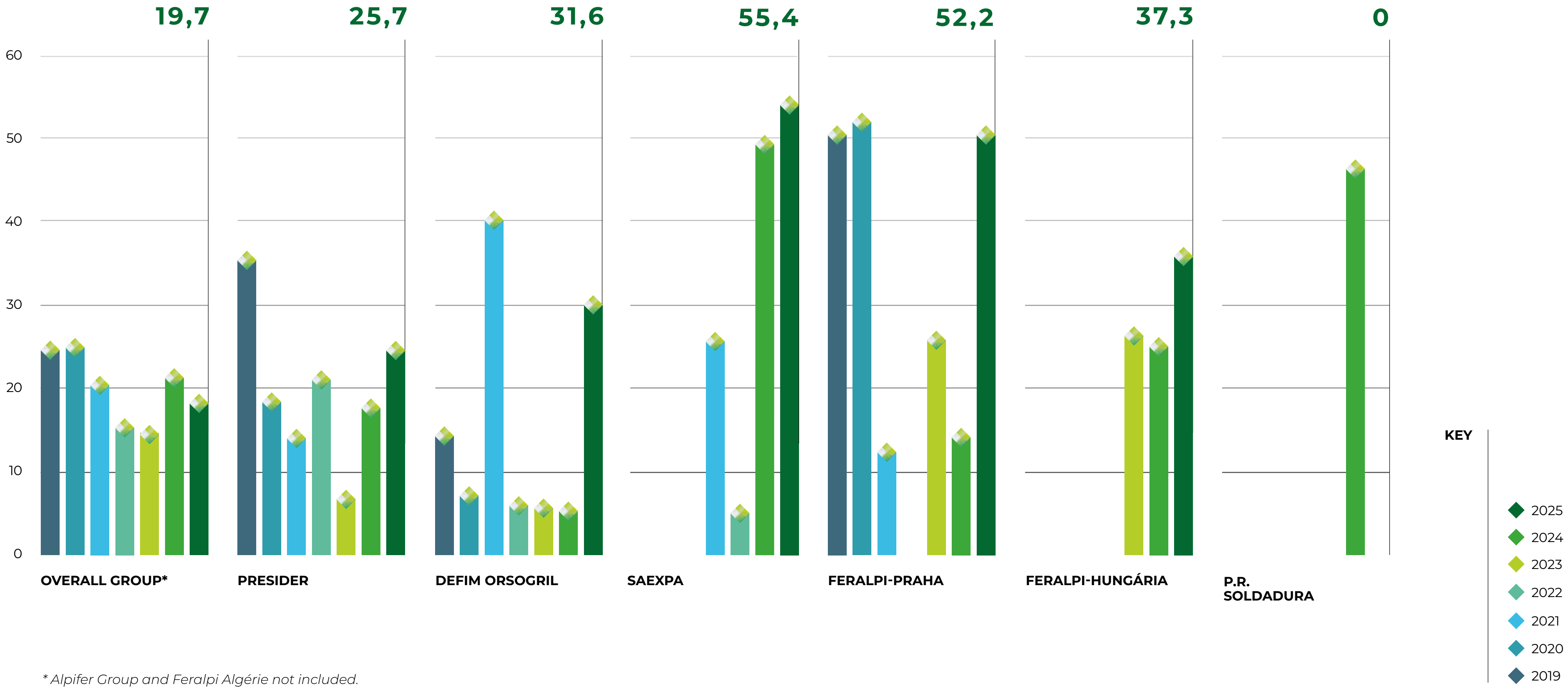
LTIFR
**HOT PRODUCTION**
STEEL MILLS AND ROLLING MILLS




** Alpifer Group and Feralpi Algérie not included.*

It should be noted that the companies Feralpi-Praha, Feralpi-Hungária, and P.R. Soldadura have a reduced number of workers and hours worked during the year. For this reason, the frequency rate varies greatly from year to year and even a single injury incident results, in some years, in a high rate value.

LTIFR
**COLD PROCESSING**
MESH, DRAWN, REWOUND, SHAPED, DERIVATIVES




** Alpifer Group and Feralpi Algérie not included.*

## 11.2 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties do not qualify as either atypical or unusual, as they are part of the ordinary course of business of Group companies. Such transactions, when not concluded on standard terms or dictated by specific regulatory conditions, are in any case settled on market terms. For details of the economic and equity effects of transactions with related parties as at 31 December 2025, please refer to the relevant section of the explanatory notes to the consolidated financial statements.

## 11.3 NATIONAL TAX CONSOLIDATION, GROUP VAT AND TAX LIABILITY

Feralpi Group's individual companies operate in compliance with local tax regulations. The Group has not received any notifications from its stakeholders concerning tax matters, and if any were to arise, they would be managed by the appropriate corporate departments. The Group companies provide the competent Authorities with all the necessary information in terms of completeness, correctness, and timeliness in accordance with the principles of the Group's Code of Ethics. The Administration and Finance Department of the Parent Company Feralpi Siderurgica S.p.A. plays a supervisory, guidance and coordination role with regard to intercompany relations in tax matters, while responsibility for compliance in this respect lies with the Administration and Finance functions of each individual subsidiary.

It should also be noted that Feralpi Siderurgica S.p.A., as consolidating company, has adhered for the 2025 financial year to the national tax consolidation scheme pursuant to Articles 117-129 of the T.U.I.R.

As can be seen in the OP section of the Modello Unico (single tax return form) sent on 17 December 2025, other Group companies have adhered to this procedure: Acciaierie di Calvisano S.p.A., Defim Orsogril S.p.A., Fer-Par S.r.l., Presider S.p.A, Immobiliare Feralpi S.r.l, Caleotto S.p.A. and Arlenico S.p.A.

Each company participating in the tax consolidation scheme transfers taxable income or a tax loss to Feralpi Siderurgica S.p.A., which recognises a receivable (equal to the IRES to be paid) from the companies that transfer taxable income, or a payable to the companies that transfer a tax loss.

Feralpi Siderurgica S.p.A., as consolidating company, is liable not only for any higher taxes assessed and related penalties and interest referred to its own individual total income, but also for any amounts that may be due, with reference to the consolidated tax return, also as a result of "formal control" activities pursuant to Article 36-ter of Presidential Decree no. 600/73, as well as, jointly and severally, for the amounts due corresponding to penalties imposed on companies participating in the consolidation that committed the breach in determining the individual position. Similarly, the consolidated companies are jointly and severally liable to Feralpi Siderurgica S.p.A., as consolidating company, for the higher taxes assessed in relation to the consolidated company's income tax return referring to adjustments to the income resulting from its own tax return, also as a result of "formal control" activities pursuant to Article 36-ter of Presidential Decree no. 600/1973. All this, as regulated by the Fiscal Consolidation Agreement stipulated and signed on 16 February 2026.

As for VAT, Feralpi Siderurgica S.p.A. opted into the Group VAT regime on 18 April 2025, as the "controlling entity or company", in section VK of form 2025 for the year 2024. This optional regime allows a single taxable entity to be considered for VAT purposes, offering certain benefits such as the simplification and reduction of tax obligations, the balancing of credit and debit positions of individual companies, the optimisation of liquidity management, and the reduction of the total financial burden.

The Group companies participating in this tax regime are the following: Acciaierie di Calvisano S.p.A., Defim Orsogril S.p.A., Fer-Par S.r.l., Presider S.p.A., Caleotto S.p.A., Arlenico S.p.A. and Feralpi Villasor S.r.l..

It should be noted that the German companies Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH also adhere to the tax consolidation scheme in Germany where the consolidating company is ESF Elbe-Stahlwerke Feralpi GmbH.

## 11.4 NUMBER AND PAR VALUE OF SHARES OF THE PARENT COMPANY HELD BY THE COMPANY AND ITS SUBSIDIARIES

None of the Group companies hold shares in the company Feralpi Siderurgica S.p.A.

# 12. Subsequent events

On 15 January 2026, Feralpi Power On S.r.l. purchased all the shares of the corporate vehicle that holds the permit to build a photovoltaic plant with a capacity of 4.18 MWp in the municipality of Collesalvetti (Livorno).

# 13. Business outlook

The year 2026 is expected to be influenced by elements of geopolitical instability, trade tensions, persistent inflation (especially in services) and high public debt, accompanied by volatility in energy prices, effects related to the monetary policy of central banks and the sustainability of investments in Artificial Intelligence. An additional source of uncertainty, which also impacts the competitiveness of steel producers, including those in Italy, is determined by the dynamics related to the export of scrap.

If resolved, some of these elements could lead to an increase in steel demand. On the other hand, in 2026, Italian steel prices could benefit from a combination of the effects of the Safeguard and the CBAM, if approved quickly, together with the expected recovery in Germany as a result of the investment plan announced by the German government. These elements could show their positive effects in the second half of the year.

For the year 2026, the Group expects economic results in line with industry dynamics.

For the coming years, the long-term growth drivers, mainly related to infrastructure, continue to be confirmed. In order to capture these growth opportunities, Feralpi Group's management plans to leverage its strong market presence, an expansive and varied product portfolio, high operational efficiency, an organisation-wide commitment to ESG principles, and a stable capital foundation. The substantial investments already made and those underway aim to further strengthen the focus on growth drivers and the Group's commitment as outlined in the ESG Scorecard.

2

# VOLUNTARY CONSOLIDATED SUSTAINABILITY STATEMENT ACCORDING TO THE ESRS STANDARD

# SUSTAINABILITY STATEMENT

## List of relevant disclosure requirements

*[IRO-2 56]*

[10] *Disclosure requirement subject to the phasing-in clause provided for in Delegated Regulation (EU) 2023/2772, based on the amendments introduced by Delegated Regulation (EU) 2025/1416.*

[11] *Disclosure requirement subject to the phasing-in clause provided for in Delegated Regulation (EU) 2023/2772, based on the amendments introduced by Delegated Regulation (EU) 2025/1416.*

## List of information elements referred to in the cross-cutting and thematic principles deriving from other EU legislative acts

*[IRO-2 56]*

| Disclosure requirement and corresponding information element | SFDR reference | Third pillar reference | Reference to the Benchmarks Regulation | EU climate legislation reference | Material | Document section |
|---|---|---|---|---|---|---|
| **ESRS 2 GOV-1** | | | | | | |
| Gender diversity on the board, paragraph 21(d) | Annex I, Table 1, Indicator no. 13 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | GOV-1 – Role of the administrative, management and supervisory bodies |
| Percentage of independent members of the board of directors, paragraph 21, letter e) | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | GOV-1 – Role of the administrative, management and supervisory bodies |
| **ESRS 2 GOV-4** | | | | | | |
| Due diligence statement, paragraph 30 | Annex I, Table 3, Indicator no. 10 | | | | Yes | GOV-4 – Due diligence statement |
| **ESRS 2 SBM-1** | | | | | | |
| Involvement in activities related to activities in the fossil fuel sector, paragraph 40, letter d), point i) | Annex I, Table 1, Indicator no. 4 | Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 – Qualitative information on environmental risk and Table 2 – Qualitative information on social risk | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | SBM-1 – Strategy, business model and value chain |
| Involvement in activities related to the production of chemicals, paragraph 40, letter d), point ii) | Annex I, Table 2, Indicator no. 9 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | SBM-1 – Strategy, business model and value chain |
| Participation in activities related to controversial weapons, paragraph 40, letter d), point iii) | Annex I, Table 1, Indicator no. 14 | | Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816 | | Yes | SBM-1 – Strategy, business model and value chain |
| Involvement in activities related to the cultivation and production of tobacco, paragraph 40, letter d), point iv) | | | Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816 | | Yes | SBM-1 – Strategy, business model and value chain |

| **Disclosure requirement** and corresponding information element | SFDR reference | Third pillar reference | Reference to the Benchmarks Regulation | EU climate legislation reference | Material | Document section |
|---|---|---|---|---|---|---|
| **ESRS E1-1** | | | | | | |
| Transition plan to achieve climate neutrality by 2050, paragraph 14 | | | | Article 2, paragraph 1 of Regulation (EU) 2021/1119 | Yes | E1-1 Transition plan for climate change mitigation |
| Companies excluded from the Paris-aligned benchmarks, paragraph 16, letter g) | | Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity | Article 12, paragraph 1, letters d) to g) and paragraph 2 of Delegated Regulation (EU) 2020/1818 | | Yes | E1-1 Transition plan for climate change mitigation |
| **ESRS E1-4** | | | | | | |
| GHG emission reduction targets, paragraph 34 | Annex I, Table 2, Indicator no. 4 | Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics | Article 6 of Delegated Regulation (EU) 2020/1818 | | Yes | E1-4 Targets related to climate change mitigation and adaptation |
| **ESRS E1-5** | | | | | | |
| Energy consumption from fossil fuels disaggregated by source (only sectors with a high climate impact), paragraph 38 | Annex I, Table 1, Indicator no. 5 and Annex I, Table 2, Indicator no. 5 | | | | Yes | E1-5 Energy consumption and energy mix |
| Energy consumption and energy mix, paragraph 37 | Annex I, Table 1, Indicator no. 5 | | | | Yes | E1-5 Energy consumption and energy mix |
| Energy intensity associated with activities in sectors with a high climate impact, paragraphs 40 to 43 | Annex I, Table 1, Indicator no. 6 | | | | Yes | E1-5 Energy consumption and energy mix |

| **Disclosure requirement** and corresponding information element | **SFDR reference** | **Third pillar reference** | **Reference to the Benchmarks Regulation** | **EU climate legislation reference** | **Material** | **Document section** |
|---|---|---|---|---|---|---|
| **ESRS E1-6** | | | | | | |
| Gross Scope 1, 2, 3 emissions and total GHG emissions, paragraph 44 | Annex I, Table 1, Indicators nos. 1 and 2 | Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity | Article 5, paragraph 1, Article 6 and Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818 | | Yes | E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions |
| Gross GHG emissions intensity, paragraphs 53 to 55 | Annex I, Table 1, Indicator no. 3 | Article 449 bis of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics | Article 8, paragraph 1 of Delegated Regulation (EU) 2020/1818 | | Yes | E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions |
| **ESRS E1-7** | | | | | | |
| GHG removals and carbon credits, paragraph 56 | | | | Article 2, paragraph 1 of Regulation (EU) 2021/1119 | Yes | E1-7 GHG removals and GHG emission mitigation projects financed with carbon credits |
| **ESRS E1-9** | | | | | | |
| Exposure of the benchmark portfolio to physical climate-related risks, paragraph 66 | | | Annex II to Delegated Regulation (EU) 2020/1818 and Annex II to Delegated Regulation (EU) 2020/1816 | | No | |
| Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a)<br><br>Location of significant assets at material physical risk, paragraph 66(c) | | Article 449 bis of Regulation (EU) no. 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; template 5: Banking book – Indicators of potential physical risk related to climate change: exposures subject to physical risk | | | No | |

| **Disclosure requirement** and corresponding information element | SFDR reference | Third pillar reference | Reference to the Benchmarks Regulation | EU climate legislation reference | Material | Document section |
|---|---|---|---|---|---|---|
| **ESRS E1-9** | | | | | | |
| Breakdown of the carrying amount of its real estate assets by energy efficiency classes, paragraph 67, letter c) | | Article 449 bis of Regulation (EU) no. 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book – Indicators of potential transition risk related to climate change: loans secured by real estate – Energy efficiency of collateral | | | No | |
| Degree of exposure of the portfolio to climate-related opportunities, paragraph 69 | | | Annex II to Delegated Regulation (EU) 2020/1818 | | No | |
| **ESRS E2-4** | | | | | | |
| Quantity of each pollutant listed in Annex II to the E-PRTR (European Pollutant Release and Transfer Register) Regulation emitted into the air, water and soil, paragraph 28 | Annex I, Table 1, Indicator no. 8; Annex I, Table 2, Indicator no. 2; Annex 1, Table 2, Indicator no. 1; Annex I, Table 2, Indicator no. 3 | | | | Yes | E2-4 Air, water and soil pollution |
| **ESRS E3-1** | | | | | | |
| Marine waters and resources, paragraph 9 | Annex I, Table 2, Indicator no. 7 | | | | Yes | E3-1 Policies related to water and marine resources |
| Dedicated policy, paragraph 13 | Annex I, Table 2, Indicator no. 8 | | | | Yes | E3-1 Policies related to water and marine resources |
| Sustainability of the oceans and seas, paragraph 14 | Annex I, Table 2, Indicator no. 12 | | | | Yes | E3-1 Policies related to water and marine resources |
| **ESRS E3-4** | | | | | | |
| Total recycled and reused water, paragraph 28, letter c) | Annex I, Table 2, Indicator no. 6.2 | | | | Yes | E3-4 Water consumption |
| Total water consumption in $m^3$ compared to net revenues from own operations, paragraph 29 | Annex I, Table 2, Indicator no. 6.1 | | | | Yes | E3-4 Water consumption |

| **Disclosure requirement** and corresponding information element | **SFDR reference** | **Third pillar reference** | **Reference to the Benchmarks Regulation** | **EU climate legislation reference** | **Material** | **Document section** |
|---|---|---|---|---|---|---|
| **ESRS 2 IRO-1** | | | | | | |
| E4 paragraph 16, letter a), point i) | Annex I, Table 1, Indicator no. 7 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| E4 paragraph 16, letter b) | Annex I, Table 2, Indicator no. 10 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| E4 paragraph 16, letter c) | Annex I, Table 2, Indicator no. 14 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| **ESRS E4-2** | | | | | | |
| Sustainable agricultural/land use policies or practices, paragraph 24, letter b) | Annex I, Table 2, Indicator no. 11 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| Sustainable sea/ocean use practices or policies, paragraph 24, letter c) | Annex I, Table 2, Indicator no. 12 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| Policies to address deforestation, paragraph 24, letter d) | Annex I, Table 2, Indicator no. 15 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |

| **Disclosure requirement** and corresponding information element | **SFDR reference** | **Third pillar reference** | **Reference to the Benchmarks Regulation** | **EU climate legislation reference** | **Material** | **Document section** |
|---|---|---|---|---|---|---|
| **ESRS E5-5** | | | | | | |
| Non-recycled waste, paragraph 37, letter d) | Annex I, Table 2, Indicator no. 13 | | | | Yes | E5-5 Resource outflows |
| Hazardous waste and radioactive waste, paragraph 39 | Annex I, Table 1, Indicator no. 9 | | | | Yes | E5-5 Resource outflows |
| **ESRS 2 – SBM3 – S1** | | | | | | |
| Risk of forced labour, paragraph 14, letter f) | Annex I, Table 3, Indicator no. 13 | | | | Yes | SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model |
| Child labour risk, paragraph 14, letter g) | Annex I, Table 3, Indicator no. 12 | | | | Yes | SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model |
| **ESRS S1-1** | | | | | | |
| Political commitments on human rights, paragraph 20 | Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11 | | | | Yes | S1-1 Policies related to the company's own workforce |
| Due diligence policies on issues covered by International Labour Organisation core conventions 1 to 8, paragraph 21 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | S1-1 Policies related to the company's own workforce |
| Procedures and measures to prevent human trafficking, paragraph 22 | Annex I, Table 3, Indicator no. 11 | | | | Yes | S1-1 Policies related to the company's own workforce |
| Prevention policy or management system for accidents at work, paragraph 23 | Annex I, Table 3, Indicator no. 1 | | | | Yes | S1-1 Policies related to the company's own workforce |
| **ESRS S1-3** | | | | | | |
| Mechanisms for handling complaints/grievances, paragraph 32, letter c) | Annex I, Table 3, Indicator no. 5 | | | | Yes | S1-3 Processes to remediate negative impacts and channels for company workers to raise concerns |

| Disclosure requirement and corresponding information element | SFDR reference | Third pillar reference | Reference to the Benchmarks Regulation | EU climate legislation reference | Material | Document section |
|---|---|---|---|---|---|---|
| **ESRS S1-14** | | | | | | |
| Number of deaths and number and rate of work-related injuries, paragraph 88, letters b) and c) | Annex I, Table 3, Indicator no. 2 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | S1-14 Health and safety metrics |
| Number of days lost due to injuries, accidents, fatal accidents or illnesses, paragraph 88, letter e) | Annex I, Table 3, Indicator no. 3 | | | | Yes | S1-14 Health and safety metrics |
| **ESRS S1-16** | | | | | | |
| Adjusted gender pay gap, paragraph 97, letter a) | Annex I, Table 1, Indicator no. 12 | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | S1-16 Compensation metrics (pay gap and total compensation) |
| Excessive pay gap in favour of the CEO, paragraph 97, letter b) | Annex I, Table 3, Indicator no. 8 | | | | Yes | S1-16 Compensation metrics (pay gap and total compensation) |
| **ESRS S1-17** | | | | | | |
| Incidents related to discrimination, paragraph 103, letter a) | Annex I, Table 3, Indicator no. 7 | | | | Yes | S1-17 Incidents, complaints and serious human rights impacts |
| Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD, paragraph 104, letter a) | Annex I, Table 1, Indicator no. 10 and Annex I, Table 3, Indicator no. 14 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 | | Yes | S1-17 Incidents, complaints and serious human rights impacts |
| **ESRS 2 SBM-3 – S2** | | | | | | |
| Serious risk of child labour or forced labour in the labour chain, paragraph 11, letter b) | Annex I, Table 3, indicators nos. 12 and 13 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| **ESRS S2-1** | | | | | | |
| Political commitments on human rights, paragraph 17 | Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |

| **Disclosure requirement** and corresponding information element | **SFDR reference** | **Third pillar reference** | **Reference to the Benchmarks Regulation** | **EU climate legislation reference** | **Material** | **Document section** |
|---|---|---|---|---|---|---|
| **ESRS S2-1** | | | | | | |
| Policies related to workers in the value chain, paragraph 18 | Annex I, Table 3, indicators nos. 11 and 4 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19 | Annex I, Table 1, Indicator no. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| Due diligence policies on issues covered by International Labour Organisation core conventions 1 to 8, paragraph 19 | | | Commission Delegated Regulation (EU) 2020/1816, Annex II | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| **ESRS S2-4** | | | | | | |
| Human rights issues and incidents in its upstream and downstream value chain, paragraph 36 | Annex I, Table 3, Indicator no. 14 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| **ESRS S3-1** | | | | | | |
| Political commitments on human rights, paragraph 16 | Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| Failure to comply with the United Nations Guiding Principles on Business and Human Rights, the ILO principles or the OECD guidelines, paragraph 17 | Annex I, Table 1, Indicator no. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |
| **ESRS S3-4** | | | | | | |
| Human rights issues and incidents, paragraph 36 | Annex I, Table 3, Indicator no. 14 | | | | Yes | Disclosure requirement subject to a phase-in clause as per Delegated Regulations (EU) 2023/2772 and 2025/1416. |

| Disclosure requirement and corresponding information element | SFDR reference | Third pillar reference | Reference to the Benchmarks Regulation | EU climate legislation reference | Material | Document section |
|---|---|---|---|---|---|---|
| **ESRS S4-1** | | | | | | |
| Policies related to consumers and end users, paragraph 16 | Annex I, Table 3, Indicator no. 9 and Annex I, Table 1, Indicator no. 11 | | | | No | |
| Failure to comply with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17 | Annex I, Table 1, Indicator no. 10 | | Annex II to Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1 of Delegated Regulation (EU) 2020/1818 | | No | |
| **ESRS S4-4** | | | | | | |
| Human rights issues and incidents, paragraph 35 | Annex I, Table 3, Indicator no. 14 | | | | No | |
| **ESRS G1-1** | | | | | | |
| United Nations Convention against Corruption, paragraph 10, letter b) | Annex I, Table 3, Indicator no. 15 | | | | Yes | G1-1 Business conduct policies |
| Protection of whistleblowers, paragraph 10, letter d) | Annex I, Table 3, Indicator no. 6 | | | | Yes | G1-1 Business conduct policies |
| **ESRS G1-4** | | | | | | |
| Fines imposed for violations of laws against corruption and bribery, paragraph 24, letter a) | Annex I, Table 3, Indicator no. 17 | | Annex II to Delegated Regulation (EU) 2020/1816 | | Yes | G1-4 Confirmed incidents of corruption and bribery |
| Rules on tackling corruption and bribery, paragraph 24, letter b) | Annex I, Table 3, Indicator no. 16 | | | | Yes | G1-4 Confirmed incidents of corruption and bribery |

# 14. ESRS 2 - General disclosures

## SBM-1 – Strategy, business model and value chain

*[ESRS 2 SBM-1 38]*

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 its 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.

Consistently with this philosophy, and 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. This approach enables the Group not only to access specific market segments but also to **support its customers** in complying with the environmental standards they must meet, by providing **increasingly comprehensive, integrated, and sustainable steel solutions**.

*[ESRS 2 SBM-1 40.a iii]*

Feralpi Group's workforce, mainly employed at the operating sites in Italy and Germany, totals 2,173 employees as at 31 December 2025. For more information about this, refer to ESRS S1-6.

*[ESRS 2 SBM-1 40.b; ESRS 2 SBM-1 40.c]*

The breakdown of revenues for the significant ESRS sectors is not reported as it is subject to a phase-in period. The same applies to the list of significant additional ESRS sectors.

*[ESRS 2 SBM-1 42.a]*

With regard to the data used and the methods of collection, processing and protection, refer to sections ESRS 2 BP-1 and ESRS 2 BP-2 in addition to what is reported in the thematic ESRSs regarding the metrics.

*[ESRS 2 SBM-1 40.a i; ESRS 2 SBM-1 40.a ii; ESRS 2 SBM-1 40.e; ESRS 2 SBM-1 40.f; ESRS 2 SBM-1 40.g; ESRS 2 SBM-1 42.b; ESRS 2 SBM-1 42.c]*

For more information relating to Feralpi Group's strategy, business model and value chain, as referred to in this disclosure requirement, refer to sections 2 - The Group structure, 3 - The Feralpi Group's business and 4.1 - Strategic Guidelines of the Report on Operations, of which this Voluntary Sustainability Statement forms an integral part. The table in ESRS 2 BP-2 provides further, more detailed information on the cross-references between the Voluntary Sustainability Statement and the Report on Operations.

## BP-1 – General basis for preparation of sustainability statements

Through its Sustainability Statement, Feralpi Group aims to provide its stakeholders with a true and fair view of the most significant commitments, practices and results of its sustainability journey.

*[ESRS 2 BP-1 5.a]*

This document, prepared voluntarily on a consolidated basis in accordance with the European Sustainability Reporting Standards (ESRSs), developed by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission with EU Delegated Regulation 2023/2772, forms an integral part of the Report on Operations included in the 2025 Integrated Report.

*[ESRS 2 BP-1 5.b]*

The scope of the report coincides with the Consolidated Financial Statements as at 31 December 2025. Unlike in previous years, it also includes the Alpifer Group, which is active in the processing and transformation of steel for the construction industry. Information on Feralpi Power On, Feralpi Villasor, Feralpi Cellere, Oriolo and Cosina, active in energy production, is reported in qualitative form as they lack production facilities and personnel.

Data consolidation includes subsidiaries, excluding associates.

The environmental indicators cover the main operating companies: Feralpi Siderurgica S.p.A. (Lonato del Garda, BS); Acciaierie di Calvisano S.p.A. (Calvisano, BS); Arlenico S.p.A. with Caleotto S.p.A. (Lecco, LC); ESF Elbe-Stahlwerke Feralpi GmbH with the associates Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH (Riesa, Saxony).

The environmental impacts of production units located in Italy (Alzate Brianza, Anzano del Parco, Borgaro Torinese, Nave, Pomezia, Misterbianco), France (Saint-Soupplets), the Czech Republic (Kralupy), Hungary (Csepel) and Spain (Barcelona, Girona) are also monitored. Companies lacking production plants and employing fewer than 15 employees, as well as Faeco Ambiente S.r.l. and Eco-Trading S.r.l., which are inactive, are excluded from environmental report.

Regarding the quantitative information pertaining to the Alpifer Group, this report includes only the data concerning its own workforce. Data of an environmental nature was not considered for the purposes of the material indicators, as they are not relevant since the company Unifer operates in cold processing, while Steelfer is an exclusively commercial company. In addition, the evaluations necessary for their integration into Feralpi Group's information flows are still ongoing.

For more information regarding the companies included in the perimeter, refer to Section 1 of the Report on Operations.

The following definitions are adopted in the document:

- Feralpi Group/Feralpi/the Group: all the companies included in the Consolidated Financial Statements of Feralpi Siderurgica S.p.A.
- Feralpi Siderurgica: the operations at the Lonato del Garda site.
- Acciaierie di Calvisano: the operations at the Calvisano site.
- Arlenico: the operations at the Lecco site.
- FERALPI STAHL: the operations at the Riesa, Kralupy and Csepel sites.
- Alpifer Group: the operations at the Unifer sites in Villanova sull'Arda and Ceprano and at the Steelfer sales company.

*[ESRS 2 BP-1 5.c; ESRS 2 BP-1 5.d]*

The information reported concerns the value chain to the extent necessary to report material impacts, risks and opportunities in accordance with the requirements of ESRS 1. The extent to which the policies, actions, metrics and targets reported go beyond Feralpi Group's own operations is reported, where relevant, in each thematic section. There are no omissions with regard to information on intellectual property, know-how and innovation results.

## Approval of the Voluntary Consolidated Sustainability Statement

On 31 March 2025, the Board of Directors approved the Voluntary Consolidated Sustainability Statement, subsequently submitting it to the Shareholders' Meeting for approval and publication. This disclosure is subject to voluntary limited independent review by EY S.p.A., in accordance with the ISAE 3000 (Revised) standard of the International Auditing and Assurance Standards Board (IAASB).

The quantitative indicators relating to EU Regulation 852/2020 (Taxonomy Regulation) have not been the subject of limited voluntary review by EY S.p.A.

## BP-2 – Disclosure in relation to specific circumstances

*[ESRS 2 BP-2 9.a; ESRS 2 BP-2 9.b]*

In accordance with ESRS 1, the time horizons have been defined as follows: the short term as one year; the medium term as one to five years; and the long term as more than five years. These definitions are consistent with those used in financial reporting.

*[ESRS 2 BP-2 10.a; ESRS 2 BP-2 10.b; ESRS 2 BP-2 10.c]*

This Sustainability Statement does not include value chain metrics estimated from indirect sources, with the exception of Scope 3 GHG emissions. For more information about this, refer to the relevant methodology note presented in ESRS E1-6.

*[ESRS 2 BP-2 11.a; ESRS 2 BP-2 11.b]*

For the purposes of reporting forward-looking information in accordance with the ESRSs, the preparation of such information is carried out on the basis of assumptions, described in the Sustainability Statement, regarding events that may occur in the future and possible future actions by the Company. Due to the uncertainty associated with the occurrence of any future event, both in terms of the event materialising and the extent and timing of its occurrence, the deviations between the final data and the forward-looking information could be significant.

Scope 3 greenhouse gas emission information is subject to greater inherent limitations than Scope 1 and 2 information, due to the limited availability and relative accuracy of the data used to define such information, both quantitative and qualitative, relating to the value chain.

Any uncertainties relating to the quantitative metrics and monetary amounts reported are described in the sections dedicated to the thematic ESRSs. The same applies to any calculation factors used and their references.

*[ESRS 2 BP-2 13.a; ESRS 2 BP-2 13.b; ESRS 2 BP-2 13.c]*

In this document, Feralpi Group voluntarily adopts for the first time the ESRS standards provided for by the European Commission's Delegated Regulation (EU) 2023/2772. The quantitative information relating to the 2024 financial year, where available, coincides with that reported in the 2024 Integrated Report, net of any reclassifications, indicated in the respective paragraphs, which are necessary to meet the ESRS disclosure requirements.

*[ESRS 2 BP-2 14.a; ESRS 2 BP-2 14.b; ESRS 2 BP-2 14.c]*

For the same reason, comparisons with the previous reporting period are reported only for the quantitative information for which the relevant data is available. No material errors relating to the previous year were identified.

*[ESRS 2 BP-2 15]*

For the reconciliation between the disclosures reported in this document and the requirements of other regulations containing sustainability reporting obligations, refer to IRO-2.

*[ESRS 2 BP-2 16]*

With regard to the following disclosure requirements, Feralpi Group makes use of the option of inclusion by reference to other sections of the 2025 Integrated Report, of which this Sustainability Statement forms an integral part, as illustrated on the following page.

| ESRS | Section |
|---|---|
| SBM-1 40.a. i | Section 3. The Feralpi Group's business (Report on Operations) |
| SBM-1 40.a.ii | Section 3. The Feralpi Group's business (Report on Operations) |
| SBM-1 40.e | Section 4.1. Strategic guidelines (Report on Operations) |
| SBM-1 40.f | Section 4.1. Strategic guidelines (Report on Operations) |
| SBM-1 40.g | Section 4.1. Strategic guidelines (Report on Operations) |
| SBM-1 42.a | Section 3. The Feralpi Group's business (Report on Operations) |
| SBM-1 42.b | Section 3. The Feralpi Group's business (Report on Operations) |
| SBM-1 42.c | Section 3. The Feralpi Group's business (Report on Operations) |
| SBM-3 19.a | Section 10. Risk management (Report on Operations) |
| SBM-3 19.b | Section 10. Risk management (Report on Operations) |
| SBM-3 19.c | Section 10. Risk management (Report on Operations) |
| IRO-1 20.b | Section 10. Risk management (Report on Operations) |
| IRO-1 20.c | Section 10. Risk management (Report on Operations) |
| IRO-1 21 | Section 10. Risk management (Report on Operations) |
| E1-9 | SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model |
| E2-6 | SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model |
| E3-5 | SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model |
| E4-6 | SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model |
| E5-6 | SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model |

*[ESRS 2 BP-2 17]*

With regard to the disclosure requirements under the thematic standards *ESRS E4 Biodiversity and ecosystems, ESRS S2 Workers in the value chain, ESRS S3 Affected communities*, Feralpi Group makes use of the phase-in clause provided for in Delegated Regulation (EU) 2023/2772[12] Appendix C, based on the changes introduced by Delegated Regulation (EU) 2025/1416[13]. The same applies to specific information from ESRS S1 *Own workforce* indicated in the relevant section of the document.

[12] *https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=OJ:L_202302772*
[13] *https://eur-lex.europa.eu/legal-content/en/TXT/HTML/?uri=OJ:L_202501416*

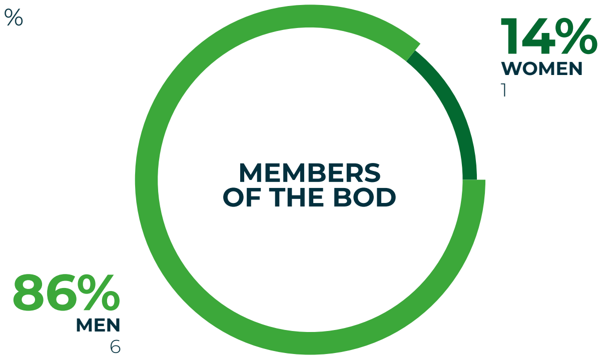
## GOV-1 – Role of the administrative, management and supervisory bodies

*[ESRS 2 GOV-1 19; ESRS 2 GOV-1 20.a; ESRS 2 GOV-1 21.a; ESRS 2 GOV-1 21.b; ESRS 2 GOV-1 21.d; ESRS 2 GOV-1 21.e]*

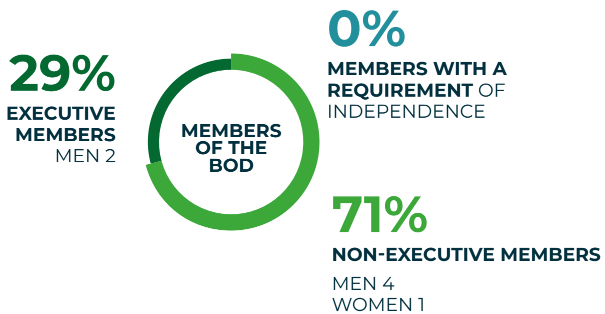
The Board of Directors (BoD) of Feralpi Siderurgica S.p.A. consists of seven members, five of whom are non-executive and two executive. Board members also hold positions in Feralpi Group investees and external companies. Currently, there are no representatives of under-represented social groups or workers on the Board.

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.

**COMPOSITION**
OF THE BOD
%




**OF WHICH:**




*[ESRS 2 GOV-1 20.c; ESRS 2 GOV-1 21.c; ESRS 2 GOV-1 23.a; ESRS 2 GOV-1 23.b]*

Board members have experience mainly in the steel sector in relation to the company's products and the geographical areas in which the Group carries out its activities, including aspects relating to environmental, energy, legal, commercial and supply chain topics, and in the financial sector.

Furthermore, with regard to sustainability issues, the Board of Directors is supported in its work by the Sustainability Management Committee, which, if necessary, makes use of specialist consultants.

### Sustainability governance

*[ESRS 2 GOV-1 20.b; ESRS 2 GOV-1 22.a; ESRS 2 GOV-1 22.c i; ESRS 2 GOV-1 22.c ii; ESRS 2 GOV-1 22.c iii]*

The monitoring of impacts, risks and opportunities involves the participation of various corporate bodies and functions, as indicated below.

The sustainability governance structure of Feralpi Group is led by the Board of Directors of the Parent Company, Feralpi Siderurgica S.p.A., supported by the Sustainability Management Committee and the Sustainability and Communications Department.

**The Board of Directors** of the Parent Company coordinates the development and implementation of the Group's ESG and sustainability strategy to create a resilient and flexible company capable of ensuring business continuity and generating shared value. It is entrusted with the responsibility of ensuring alignment between the organisation's goals and the UN SDGs through the approval and constant monitoring of ESG objectives, and it also has the task of promoting a culture of transparency and accountability within the organisation.

**The Sustainability Management Committee** has the task of assisting, with proposal-making and advisory functions, the Board of Directors in assessing and deciding on sustainability and corporate social responsibility issues, evaluating and proposing current and future activities related to ESG matters that are material to the organisation.

The Committee is currently composed of eight internal members (including the CFO and managers for HR, Environment, Health and Safety, and Sustainability) and one external member, who holds the position of Chairman of the Committee. All members are experts in environmental, social, and governance topics. With regard to the specific topics for discussion by the committees, participation is also extended to any other relevant roles involved, and there are four permanent invitees: three representatives of the majority shareholder and the Group Technical Manager.

The **Sustainability and Communications Department** supports the Parent Company's Board of Directors and the Sustainability Management Committee in defining the sustainability strategy and objectives, ensuring they are aligned with current and pending regulations, while also coordinating the Units and functions for their practical implementation. It manages the process of collecting data and information for the **Voluntary Consolidated Sustainability Statement** and the Taxonomy Regulation, while also coordinating and strengthening relationships with internal and external stakeholders in order to understand and meet their expectations, promote transparency, and ensure a continuous and constructive dialogue.

The results of the double materiality analysis, coordinated by the Sustainability and Communications Department, are approved by the Board of Directors after being shared with the Sustainability Management Committee and the Board of Statutory Auditors. For more information on the process of identifying and assessing material impacts, risks and opportunities, refer to ESRS SBM-3 and ESRS IRO-1.

In addition, Feralpi Group has adopted an Internal Control and Risk Management System (SCIGR) which, inspired by the best reference practices, enables the identification, measurement, management and monitoring of the main corporate risks, including those relating to sustainability matters. The administrative body is central to the risk management system, in terms of policy-making, evaluation of the process and of the systems in place, and is supported by all the risk owners in the main corporate functions, each according to their respective competencies. For more information, refer to Section 10 - Risk management of the Report on Operations.

*[ESRS 2 GOV-1 22.b]*

Management of material impacts, risks and opportunities is integrated into the main corporate documents, such as the mission, board mandates and corporate policies, ensuring a clear alignment between sustainability and governance.

Each function is responsible for defining and supervising the corporate policies related to sustainability matters material to its areas of competence. More information on these policies is available in the sections dedicated to the thematic ESRSs. In addition, sustainability is an integral part of Feralpi Group's overall strategy, as described in Section 4.1 - Strategic Guidelines of the Report on Operations.

*[ESRS 2 GOV-1 22.d]*

The Group's administrative, management and supervisory bodies define the sustainability objectives, aligning them with the company's priorities and the reference context. They are monitored through Feralpi's ESG Scorecard, which is updated and made public when the Integrated Report is published. For more information on the Scorecard, refer to Section 4.1 - Strategic Guidelines of the Report on Operations.

## GOV-2 – Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

*[ESRS 2 GOV-2 26.a; ESRS 2 GOV-2 26.b]*

The Board of Directors of Feralpi Siderurgica is informed about sustainability matters, including risks, impacts, opportunities (ESG), metrics and targets, through the work of the Sustainability Committee. In this way, the Board of Directors is able to take these topics into account in the performance of its activities.

The Committee has the specific task of updating the Board of Directors on material ESG topics and any emerging critical issues. The Chair of the Committee informs the Board at the earliest opportunity and, in any case, at least three times a year. To ensure a constant and adequate flow of information, the Committee itself meets at least six times a year.

In addition, as reported in ESRS 2 GOV-1, participation in the Sustainability Committee is extended to the relevant functions according to the topics under discussion. Permanent invitees include representatives of the majority shareholder and members of the Board of Directors. The results of the double materiality analysis, before being submitted to the Board of Directors for approval, are shared with both the Sustainability Committee and the Board of Statutory Auditors.

In line with the Code of Ethics, Feralpi Group's management is actively committed to pursuing a fair balance of recognised interests in its relationships with all stakeholders. Similarly, compromises that sacrifice the protection of the environment and people are not permitted, in line with the sustainable development goals that the Group has set itself.

*[ESRS 2 GOV-2 26.c]*

For more information regarding the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies during the reporting period, refer to ESRS 2 SBM-3.

## GOV-3 – Integration of sustainability-related performance in incentive schemes

*[ESRS 2 GOV-3 29.a; ESRS 2 GOV-3 29.b; ESRS 2 GOV-3 29.c; ESRS 2 GOV-3 29.d; ESRS 2 GOV-3 29.e]*

As for the managerial level, **a formalised performance management system (MBO - Management By Objectives)** is in place for the Group's companies in Italy and Germany, based on objective quantitative and qualitative indicators, including ESG objectives. As a rule, ESG MBOs must cover at least 10% of the individual MBO and are approved by Feralpi Group's Top Management. The ESG MBOs are instrumental in achieving the targets of Feralpi Group's ESG Scorecard, without however precluding other KPIs that are functional or enabling for the Group's sustainability strategy. For information on the objectives of the ESG Scorecard, refer to Section 4.1 of the Report on Operations.

## GOV-4 – Due diligence statement

*[ESRS 2 GOV-4 30; ESRS 2 GOV-4 32]*

Over the past few years, Feralpi Group has worked to integrate a process aimed at adopting structured due diligence procedures. With this in mind, a Supplier Code of Conduct has been drawn up which, once disseminated, will act as a clear guide for the Group's suppliers, establishing the principles that govern collaboration and setting clear expectations on key topics such as ethics, sustainability, safety, human rights, and environmental protection, thereby extending its responsibility throughout the entire supply chain. For more information, refer to ESRS G1-2.

The table below shows the elements integrated into the Disclosure Requirements that help illustrate the management of the impacts that Feralpi Group generates or could generate in the environmental, social and governance areas.

| Fundamental elements of due diligence | Paragraphs in the Sustainability Statements |
|---|---|
| Integration of due diligence into governance, strategy and business model | ESRS 2 GOV-1<br>ESRS 2 GOV-2<br>ESRS 2 GOV-3<br>ESRS 2 SBM-3<br>ESRS G1-2 |
| Stakeholder engagement at all key stages of due diligence | ESRS 2 GOV-1<br>ESRS 2 GOV-2<br>ESRS 2 SBM-2<br>ESRS 2 IRO-1<br>Thematic ESRSs |
| Identification and assessment of negative impacts | ESRS 2 IRO-1<br>ESRS 2 SBM-3 |
| Interventions to address negative impacts | Thematic ESRSs |
| Monitoring the effectiveness of interventions and communication | ESRS 2 GOV-2<br>ESRS 2 SBM-3<br>Thematic ESRSs |

## GOV-5 – Risk management and internal controls on sustainability reporting

*[ESRS 2 GOV-5 36.a; ESRS 2 GOV-5 36.b; ESRS 2 GOV-5 36.c; ESRS 2 GOV-5 36.d; ESRS 2 GOV-5 36.e]*

In order to mitigate the risk associated with non-financial information, Feralpi Group has implemented a corporate procedure for the preparation and dissemination of the Sustainability Statement, which was shared internally with the company's front lines during a Technical Talk dedicated to the evolution of European ESG legislation.

Feralpi Group has defined a process that, at the same time as sharing sustainability information with the Sustainability Department, provides for its formal approval by the responsible functions. In addition, the reporting is subject to an external attestation process by a leading independent auditor.

The Group's sustainability information control and reporting system is subject to a continuous process of updating and maintenance in order to ensure that the preparation of the Sustainability Statement is aligned with non-financial reporting requirements and consistent over time.

## SBM-2 – Interests and views of stakeholders

*[ESRS 2 SBM-2 45.a; ESRS 2 SBM-2 45.b; ESRS 2 SBM-2 45.d]*

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**[14] 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.

### LISTENING

Listening to **stakeholders' needs** and anticipating possible critical issues.

### RESPONSIBILITY

Building dialogue relationships based on **ethics**, **integrity** and **honesty**.

### TRANSPARENCY

Creating and maintaining long-lasting, stable and transparent **relationships of trust**.

### COLLABORATION

Promoting **partnerships** that **create value** for all partners involved.

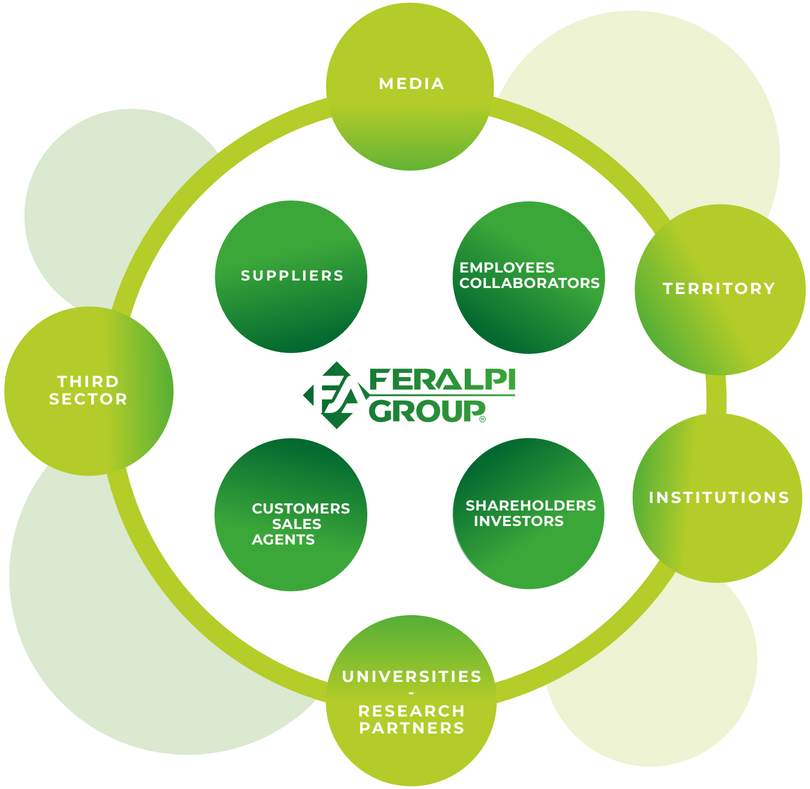
[14] *https://www.feralpigroup.com/en/group/governance/group-policy*

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

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.

In addition, Feralpi Group's stakeholders were involved in the double materiality analysis process in order to identify the priority topics for themselves and for their activities. The results of the double materiality analysis were presented to the Sustainability Management Committee and subsequently submitted to the Board of Directors for formal approval. For more information regarding the materiality analysis, refer to ESRS 2 IRO-1.

## THE **RELATIONSHIP** WITH **STAKEHOLDERS**

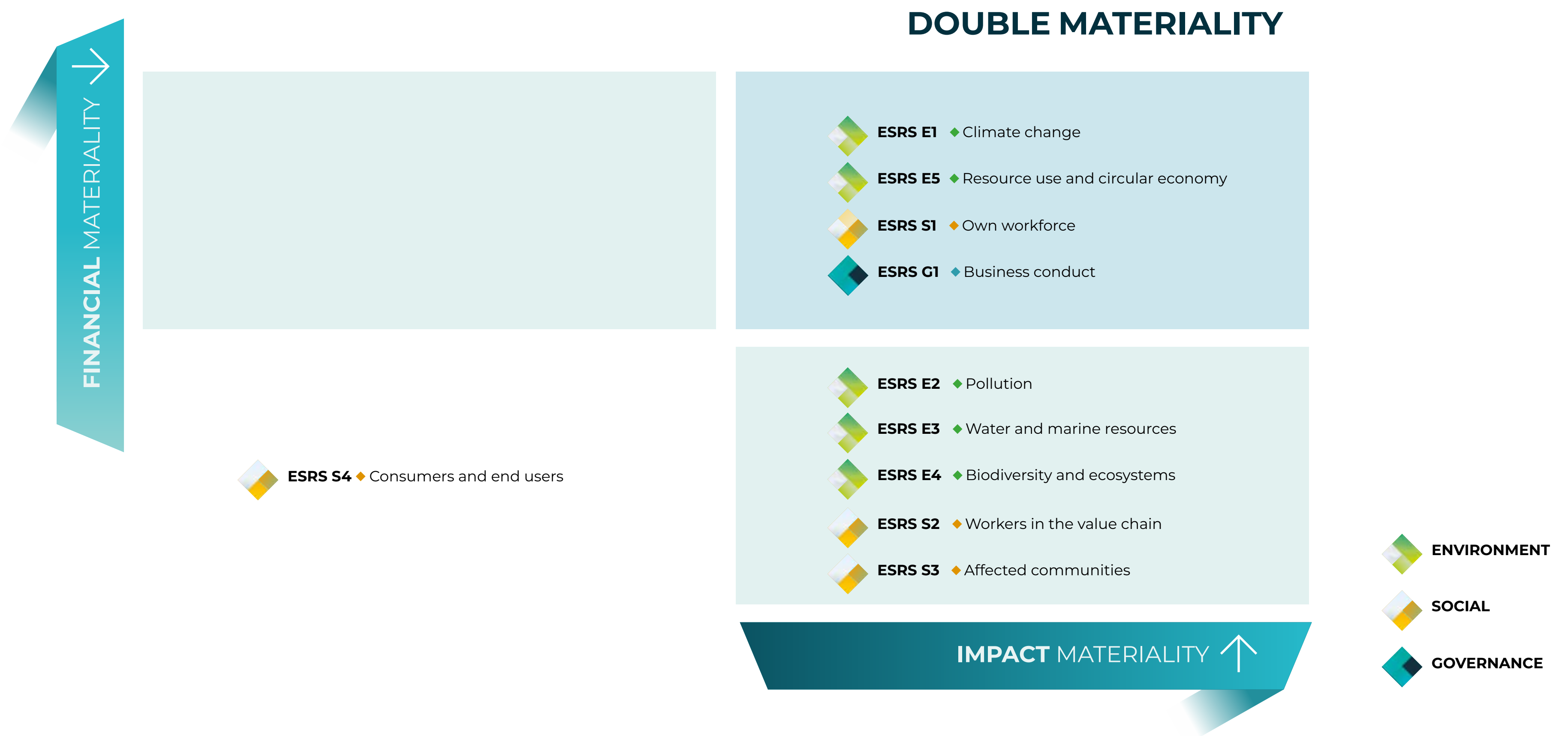


## SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and business model

Based on the experience gained in recent years, Feralpi Group has conducted a double materiality exercise on a voluntary basis according to the ESRS and in accordance with the requirements of the CSRD, to whose obligations it will be subject starting from the 2027 financial year.

The analysis identified the importance of ESG topics by assessing the significant negative or positive, current or potential impacts generated by the Group on the environment and society, and the risks and opportunities that may affect Feralpi's activities.

Below is the Feralpi Group's double materiality matrix for 2025, indicating the materiality of the ESRS thematic standards based on the impact and financial perspectives. A summary of the impacts, risks and opportunities that emerged from the analysis is presented on the following pages.



*[ESRS SBM-3 48.a; ESRS SBM-3 48.b]*

| ESRS TOPIC | SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|---|
| **ESRS E1 Climate change** | Climate change adaptation | Risk of exposure of company assets to acute weather events as a result of climate change | Risk | Feralpi operations | Short |
| | | Risk of business interruptions due to extreme weather events | Risk | Feralpi operations | Short |
| | | Business continuity and/or related activity risk linked to chronic climate risks | Risk | Feralpi operations | Long |
| | Climate change mitigation | Contribution to climate change through climate-changing emissions from the Group's activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | | Risk that the market is not yet ready to guarantee rewards to the steel industry on the basis of the environmental performance of products | Risk | Feralpi operations | Short, Medium, Long |
| | | Risk that the achievement of decarbonisation goals is compromised by an unfavourable development of public policies and the economic environment | Risk | Feralpi operations | Medium, Long |
| | | Business opportunities arising from the increasing focus on products with a low impact in terms of $CO_2$ emissions | Opportunity | Feralpi operations | Medium |
| | Energy | Undermining of the energy transition due to the continued use of fossil energy sources | (-) Impact | Feralpi operations, Value chain | Medium, Long |
| | | Opportunities in terms of cost reduction resulting from energy efficiency and the use of renewables | Opportunity | Feralpi operations | Medium |
| | | Risk in terms of costs to maintain the competitiveness of steel products with a reduced environmental impact | Risk | Feralpi operations | Medium |
| **ESRS E2 Pollution** | Air pollution | Pollutant emissions into the air from production activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | Water pollution | Pollutant emissions into water from production activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | Soil pollution | Soil pollution as a result of accidental events | (-) Impact | Feralpi operations | Long |
| **ESRS E3 Water and marine resource** | Water | Negative impact on the availability of water resources for all stakeholders, due to their use for production activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |

IRO: **RISK** **OPPORTUNITY** **IMPACT**

+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN: **FERALPI OPERATIONS** **VALUE CHAIN**

TIME HORIZON: **SHORT** **MEDIUM** **LONG**

| ESRS TOPIC | SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|---|
| **ESRS E4 Biodiversity and ecosystems** | Impacts on the extent and condition of ecosystems | Loss of natural areas and biodiversity and ecosystems due to the infrastructural expansion of production sites | - Impact | Feralpi operations, Value chain | Medium, Long |
| **ESRS E5 Circular economy and use of resources** | Resource inflows, including the use of resources | Positive impact on the circularity of economic activities through the production of steel from scrap, contributing to the reuse of resources and the extension of their life cycle. | + Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | | Negative impact on the progressive depletion of natural resources, due to the consumption of raw materials necessary for the Group's steel activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | | Risk of disruption to production processes caused by external shocks to the supply chain that could lead to instability in the supply of raw materials and scrap | Risk | Feralpi operations | Short |
| | | Risk in terms of costs to maintain the competitiveness of steel products with a reduced environmental impact | Risk | Feralpi operations | Medium |
| | | Opportunities for savings from more efficient use of raw materials in production processes | Opportunity | Feralpi operations | Medium |
| | Outflows of resources related to products and services | Potential negative impact on the ecological transition due to possible products or services with inadequate quality standards | (-) Impact | Feralpi operations, Value chain | Medium, Long |
| | | Positive impact on circularity through the development of industrial products from by-products and waste | + Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | | Positive impact on the circularity of economic activities thanks to the reduction of resource outflows, through the recovery and optimisation of residues generated in production processes | + Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | | Risk that the market is not yet ready to guarantee rewards to the steel industry on the basis of the environmental performance of products | Risk | Feralpi operations | Short, Medium |
| | | Opportunity to forge links with other companies to pursue joint research projects and expand existing networks for by-products | Opportunity | Feralpi operations | Medium |
| | Waste | Production of waste and residues due to production activities | - Impact | Feralpi operations, Value chain | Medium, Long |
| | | Opportunities for savings from reduced waste generation through more efficient production processes | Opportunity | Feralpi operations | Medium |

IRO
**RISK** **OPPORTUNITY** **IMPACT**

\+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
\- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN
**FERALPI OPERATIONS** **VALUE CHAIN**

TIME HORIZON
**SHORT** **MEDIUM** **LONG**

| ESRS TOPIC | SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|---|
| **ESRS S1 Own workforce** | Working conditions | Negative impact on the health and safety of employees due to the risk of injuries/accidents and the development of occupational diseases inherent to the nature of the business | (-) Impact | Feralpi operations | Medium, Long |
| | | Potential negative impact on well-being due to work environments that are not very welcoming and stimulating, failure to listen to needs and difficulties in work-life balance | (-) Impact | Feralpi operations | Short, Medium |
| | | Potential negative impact on the performance of work activities and, consequently, on the well-being of the workforce resulting from excessively slow digitalisation and automation processes. | (-) Impact | Feralpi operations | Short, Medium, Long |
| | | Positive impact on health and well-being through work-life balance measures and health and prevention initiatives | + Impact | Feralpi operations | Short, Medium, Long |
| | | The integration of digital technologies improves activities in terms of efficiency and speed, allowing staff to devote themselves to activities with greater added value and fostering their continuous development | + Impact | Feralpi operations | Short, Medium |
| | | Potential negative impact on general working conditions for staff if collaborative relations with trade union representatives are not maintained | (-) Impact | Feralpi operations | Short, Medium, Long |
| | | Risk of being subject to legal proceedings and penalties as a result of non-compliance with occupational safety regulations or in the event of accidents due to non-compliance. | Risk | Feralpi operations | Medium |
| | Equal treatment and opportunities for all | Potential negative impact on staff well-being if a more inclusive and diversity-conscious working environment is not promoted | (-) Impact | Feralpi operations | Short, Medium, Long |
| | | Positive impact on the sense of fulfilment and motivation of employees through the continuous development of their skills and professional growth paths | + Impact | Feralpi operations | Short, Medium |
| | | Opportunities arising from improving well-being in the workplace through attention to D&I topics in terms of improving attractiveness and retention | Opportunity | Feralpi operations | Medium |
| **ESRS S2 Workers in the value chain** | Working conditions | Negative impact on the health and safety of workers in the value chain due to the risk of injuries/accidents and the development of occupational diseases inherent to the nature of the business | (-) Impact | Value chain | Medium, Long |
| | | Potential negative impact resulting from the possible presence, along the supply chain, of socially unsustainable practices, including labour exploitation and human rights violations, and their perpetuation in the absence of effective controls or adequate policies | (-) Impact | Value chain | Short, Medium |
| **ESRS S3 Affected communities** | Economic, social, and cultural rights of communities | Positive impact on the economic and social development of communities, through sourcing from local suppliers, employment, DEI awareness-raising initiatives and support for local associations and organisations | + Impact | Feralpi operations, Value chain | Short, Medium, Long |

IRO: **RISK** **OPPORTUNITY** **IMPACT**

VALUE CHAIN: **FERALPI OPERATIONS** **VALUE CHAIN**

TIME HORIZON: **SHORT** **MEDIUM** **LONG**

\+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
\- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

| ESRS TOPIC | SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|---|
| ESRS G1 Business conduct | Corporate culture | Potential negative impact resulting from a corporate culture not fully oriented towards principles of integrity and responsibility, which can result in unethical conduct and improper practices in relations with stakeholders | (-) Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | | Reputational risk arising from incorrect or out-of-context interpretations of sustainability information and its potential instrumental use | Risk | Feralpi operations | Medium |
| | Management of relations with suppliers, including payment practices | Possible presence along its supply chain of socially unsustainable practices and their continuation in the event of a lack of controls / absence of adequate policies | (-) Impact | Feralpi operations, Value chain | Short, Medium |
| | | Opportunity to strengthen corporate reputation through the progressive extension of sustainable qualification criteria to the entire supplier base, promoting more transparent relationships | Opportunity | Feralpi operations | Medium |
| | Corruption and bribery | Potential negative impact linked to inadequate governance models and internal procedures, which may encourage corrupt behaviour and other unethical practices in relations with stakeholders | (-) Impact | Feralpi operations, Value chain | Short, Medium |

IRO: RISK · OPPORTUNITY · IMPACT

\+ POSITIVE CURRENT · (+) POSITIVE POTENTIAL · - NEGATIVE CURRENT · (-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS · VALUE CHAIN

TIME HORIZON: SHORT · MEDIUM · LONG

*[ESRS 2 SBM-3 48.b]*

Feralpi Group adopts an integrated approach that, with a view to creating shared value with all its stakeholders, takes into account the material impacts, risks and opportunities related to sustainability matters. The Board of Directors of Feralpi Siderurgica receives the relevant information through the Sustainability Committee, so that it can take it into account in the performance of its activities. These aspects, when necessary, may lead to adjustments to the Group's strategy, business model and organisation.

The actions related to these aspects are dealt with in the chapters relating to the thematic standards provided for by the ESRS.

*[ESRS 2 SBM-3 48.c.i; ESRS 2 SBM-3 48.c.ii; ESRS 2 SBM-3 48.c.iii; ESRS 2 SBM-3 48.c.iv]*

In the materiality analysis process, several aspects were considered, including the possible consequences of significant impacts on people and the environment, their position within the value chains of which Feralpi Group is a part, and the expected time horizons, in line with what is indicated in ESRS 2 BP-2. Since the production of steel from scrap is characterised by production processes that require considerable amounts of energy, constant inflows of scrap and other materials, and presents operational risks inherent in the necessary activities, these topics are intrinsically linked to the Group's business model.

*[ESRS 2 SBM-3 48.d; ESRS 2 SBM-3 48.e]*

The risks and opportunities identified were considered to be potential, and Feralpi Group therefore does not disclose the current financial effects for the reporting year. With regard to the expected ones, the Group makes use of the possibility of omitting the relevant information provided for by Delegated Regulation (EU) 2023/2772[15] and by the additional clauses introduced by Delegated Regulation (EU) 2025/1416[16].

[15] *https://eur-lex.europa.eu/eli/reg_del/2023/2772/oj*
[16] *https://eur-lex.europa.eu/eli/reg_del/2025/1416/oj*

*[ESRS 2 SBM-3 48.f]*

Within the Group, the Group HSE function, in coordination with the other business areas, carries out context analyses relating to risks and opportunities, including those related to sustainability aspects. These assessments are reviewed annually and reassessed in the event of organisational changes, regulatory changes, market trends and new collaborations or partnerships with relevant suppliers. In this way, it is possible to ensure the resilience of the strategy to impacts and risks, while also strengthening Feralpi Group's ability to seize significant opportunities.

*[ESRS 2 SBM-3 48.g]*

Unlike the previous reporting, which was drawn up in accordance with the requirements of the GRI Standards, this year Feralpi Group carried out a double materiality analysis aligned with the ESRSs. Specifically, the main differences from the analysis carried out in the previous report relate to the performance of the financial materiality analysis. To the extent that the two different methodologies can be compared, no significant discrepancies were found.

*[ESRS 2 SBM-3 48.h]*

Feralpi Group's 2025 voluntary Sustainability Statement also includes the disclosures "Direct economic value generated and distributed" and "Proportion of spending on local suppliers", referring respectively to material impacts, risks and opportunities for the communities concerned and for the management of relations with suppliers. This information has been prepared in accordance with GRI Standards 201-1 and 204-1, in continuity with the Group's previous reports and in line with the materiality of these topics for its stakeholders.

## IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The double 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 materiality of IROs**;
4. **Prioritisation of the most significant IROs** for reporting purposes;
5. **Definition of the material ESRS topics** from the perspective of impact materiality, financial materiality, or both.

The first phase identified ten megatrends related to sustainability, a list and description of which can be found in Section 3.1 of the Report on Operations.

*[ESRS 2 IRO-1 53.h]*

Compared to the previous year, a new methodology was introduced for the analysis of financial materiality, aligned with the requirements of the reference standard and the related guidelines "EFRAG IG 1: Materiality Assessment Implementation Guidance"[17]. However, the methodology adopted does not yet allow precise determination of the financial materiality in economic-monetary terms of significant risks and opportunities. With regard to impact materiality, the relevant methodology has been further refined to ensure the correct prioritisation of any consequences on human rights in the event of potential negative impacts.

Feralpi Group updates its double materiality analysis annually. Over the next few years, the methodologies used, in particular that relating to financial materiality, may undergo further changes with a view to improving adherence to the ESRS standards and their evolution.

*[ESRS 2 IRO-1 53.a; ESRS 2 IRO-1 53.b.i; ESRS 2 IRO-1 53.b.ii; ESRS 2 IRO-1 53.b.iii; ESRS 2 IRO-1 53.b.iv]*

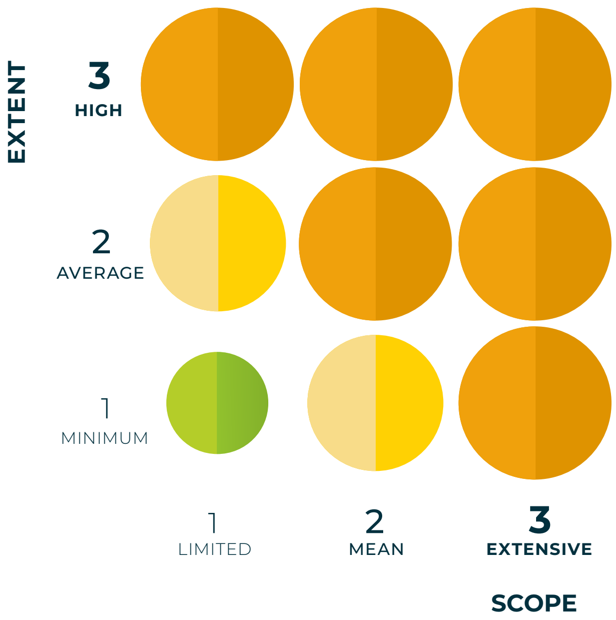
The internal contact persons of the Group companies have identified the actual and potential impacts generated by corporate operations on the environment and society, assessing their entity and extent and, for negative impacts, the degree of irremediability, as well as the probability of occurrence in t he case of potential impacts.

For each impact, the location along the value chain was analysed, distinguishing between the Group's own activities, upstream or downstream activities, or a combination of these. Finally, both the reference time horizon, in terms of the duration and persistence of the effects in the short, medium and long term, and any direct or indirect consequences on human rights were taken into account.

[17] *https://www.efrag.org/en/projects/esrs-implementation-guidance-documents*

To prioritise the current negative impacts, severity was first considered, i.e. the combination of the parameters of magnitude and scope, according to a scoring scale from one to three.

SEVERITY OF **IMPACTS**




The severity was obtained by combining the assessment of the severity, shown in the matrix, with the dimension of the remediability of the impact according to the following methods:

- in the case of simple or short-term remediability, the impacts corresponding to the orange cells were considered material;
- in the case of medium or medium-term remediability, the impacts corresponding to the yellow cells were also considered material;
- In the case of difficult or long-term remediability, as well as impossibility of being remedied, the negative impacts were considered material regardless of the extent and scope scores.

The assessment of potential negative impacts was based primarily on whether or not there were further consequences for human rights. In the first case, negative impacts with significant severity were considered material regardless of likelihood. If, on the other hand, these additional effects on human rights are not present, impacts with significant severity and assessed as more than likely were classified as material.

With regard to current and potential positive impacts that are more than likely, those corresponding to the orange cells of the matrix were considered relevant. As regards the less-than-likely potential positive impacts, they were classified as material in the case of at least medium-level magnitude and scope.

The impacts identified and assessed as material for the individual production sites were consolidated at Group level into twenty-seven significant impacts. For a full list of material impacts, refer to SBM-3.

In addition, according to the Group's stakeholder engagement policy, in 2025, Feralpi involved its external stakeholders in order to assess the perceived importance of ESG topics and to establish targeted objectives and engagement methods based on the identified areas of alignment or misalignment.

Through an on-line questionnaire, they were asked to prioritise the sustainability topics identified as material the previous year. Participants were also given the opportunity to supplement the assessments provided with open-ended, in-depth answers. The questionnaire was sent to **409 external stakeholders**, selected to ensure representativeness, by cluster, of all Group companies. The response rate of the questionnaire was 36%.

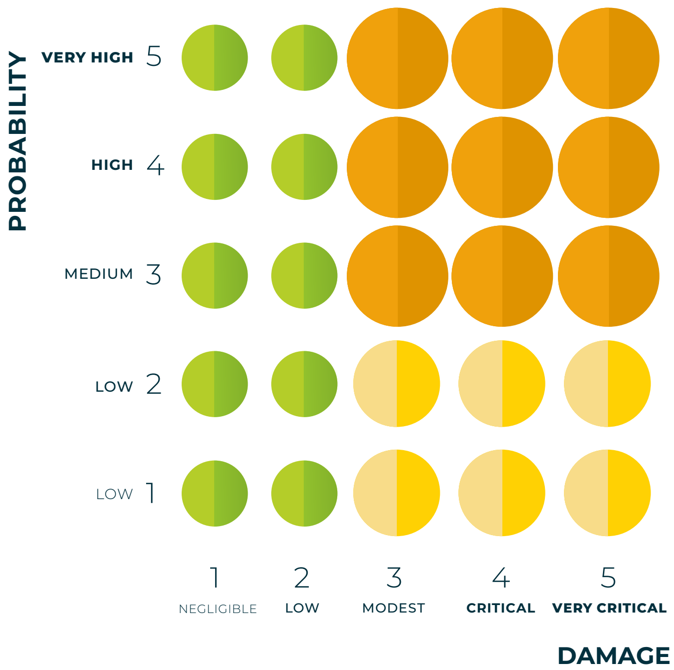
Although the results of the questionnaire did not contribute to the assessment of double materiality, Feralpi Group ensured continuity of dialogue with its external stakeholders in the current phase of regulatory transition. In preparation for the next reporting, the Group plans to review and update the questionnaire so as to make it functional for the requirements of the ESRS standards.

*[ESRS 2 IRO-1 53.c; ESRS 2 IRO-1 53.c.i; ESRS 2 IRO-1 53.c.ii; ESRS 2 IRO-1 53.c.iii; ESRS 2 IRO-1 53.e; ESRS 2 IRO-1 53.f; ESRS 2 IRO-1 53.g]*

As regards financial materiality, the identification and assessment process was based on the context analyses prepared internally by the HSE function as part of the certification processes, which take into account Feralpi's activities, business relationships, the context in which they take place and the main stakeholders. From these analyses, a number of risks and opportunities were identified, from which those relating to ESG topics were extrapolated for the purpose of assessing financial materiality.

The materiality of the risks thus identified was assessed as a combination of the magnitude and probability parameters, derived respectively from the "Damage" and "Probability" parameters used in the context analyses and which have a scoring scale from one to five.

MATERIALITY OF THE **RISKS AND OPPORTUNITIES**




The reference time horizon was integrated into the assessment of these parameters shown in the matrix in the following ways:

- in the case of short- or medium-term risks, those with damage and probability at least modest and possible respectively, corresponding to the orange cells, were considered material;
- for the long term, all risks with at least modest damage, corresponding to the orange and yellow cells of the matrix, were considered material.

Regarding opportunities, those classified as significant in the context analyses were considered material, and were associated with a magnitude and probability of three, corresponding respectively to "Modest" and "Possible", thus placing them in the orange section of the matrix.

The risks and opportunities identified and assessed as material were consolidated into eleven significant risks and seven significant opportunities. For a full list of material risks and opportunities, refer to SBM-3.

*[ESRS 2 IRO-1 53.d]*

At the end of the assessment and consolidation process, the outcome of the double materiality analysis and the related methodology were shared with the Sustainability Committee for review and, if necessary, the addition of further observations, and with the Board of Statutory Auditors for information and identification of any ideas for improvement. Finally, the results were formally approved by the Board of Directors of Feralpi Siderurgica, which, supported by the Sustainability Committee and the Sustainability and Communication Department, is responsible for the double materiality analysis.

## IRO-2 – ESRS disclosure requirements covered by the undertaking's sustainability statement

*[ESRS 2 IRO-2 58]*

For the purposes of this report, the thematic standard "ESRS S4 Consumers and end users", a topic other than climate change, was not material in the context of the double materiality analysis. All disclosure requirements provided for therein are therefore omitted. This appears consistent with the nature of Feralpi Group's activities, which are exclusively Business-to-Business (B2B). Information on the qualitative characteristics of the Group's products is reported in "ESRS E5 Resource use and circular economy" as the production of steel from scrap is intrinsically linked to the circularity of resources.

*[ESRS 2 IRO-2 59]*

Feralpi Group has defined materiality thresholds based on the assessments of impacts, risks and opportunities, described in the IRO-1 53 disclosure requirement. The impacts, risks and opportunities have been associated with the topics and subtopics provided for in the thematic ESRS, in order to determine the material information to be disclosed for the purposes of this report. In addition, as described in SBM-3 48.h, this document includes the disclosures "Direct economic value generated and distributed" and "Proportion of spending on local suppliers", prepared according to GRI Standards 201-1 and 204-1, referring respectively to material impacts, risks and opportunities for the affected communities and for the management of relationships with suppliers.

# 15. ESRS E1 - Climate change

## Governance

For the **steel sector**, the transition to a low-carbon economy represents a structural challenge. In fact, it is a "**hard-to-abate**" sector, i.e. one that presents significant challenges in reducing emissions as the relevant production processes are complex and require large amounts of high-temperature energy.

In this context, Feralpi Group has developed an ambitious **climate strategy** over the years, supported by the continuous search for advanced technical and technological innovations and by targeted long-term investments. By doing so, the Group intends to establish itself as a point of reference in the steel industry for the transition towards more efficient, resilient and environmentally friendly industrial models.

*[ESRS 2 GOV-3]*

Given the importance of the issue, a formalised performance management system (MBO) is in place for the managerial level in the Group's companies in Italy and Germany, based on objective quantitative and qualitative indicators. These include the objectives in the Feralpi Group ESG Scorecard, which includes targets relating both to decarbonisation, in terms of specific $CO_2$ emissions (Scope 1, 2 and 3 core boundary) and absolute emissions (Scope 3 non-core boundary), and to the use of renewable energy.

These targets are crucial to align with global emission reduction commitments and to contribute to collective efforts against climate change.

For further details on remuneration schemes, refer to paragraph ESRS 2 GOV-3 in Section 14.

## Strategy

### E1-1 Transition plan for climate change mitigation

*[ESRS E1-1 14]*

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 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).

*[ESRS E1-1 16.a]*

Feralpi Group has divided the climate transition plan into two time horizons, short term (2030) and long term (2050), with the aim of helping to limit the global temperature increase to within 1.5°C. To ensure the alignment of Feralpi Group's decarbonisation targets with the Paris Agreement, they were developed following the guidelines relating to the steel sector published by the **Science-based Targets Initiative (SBTi)**[18], an organisation that independently evaluates and approves the company's greenhouse gas objectives.

For more information on the decarbonisation goals, refer to ESRS E1-4.

*[ESRS E1-1 16.b]*

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. This identified the following levers:

- Scope 1 emissions: Process electrification; Heat recoveries and energy efficiency; Use of Green Fuels and coal substitute materials.
- Scope 2 emissions: Energy efficiency and heat recovery; Self-production from renewable plants; Purchase of Guarantees of Origin and Green PPA.

Details of the solutions identified are available in Section 4.1 of the Report on Operations.

With regard to Scope 3 emissions, Feralpi Group promotes awareness in the supply chain through constant and constructive dialogue with suppliers, aimed at sharing primary data and promoting decarbonisation actions in its supply chain.

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[19].

In addition, the Group is engaged in numerous **Research and Development** activities to contribute to the introduction of new technologies capable of further mitigating its environmental impacts . For more information, refer to Section 5 of the Report on Operations.

ENVIRONMENT

[18] www.sciencebasedtargets.org

[19] The strategy of the new German government envisages a reshaping of the energy transition with a view to adapting to the current geopolitical and economic situation. The hydrogen backbone network has received the go-ahead from both the federal and state governments, but the completion date has been postponed to beyond 2030.

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 Section 4.2 of the Report on Operations.

*[ESRS E1-1 16.c; ESRS E1-1 16.e]*

Information relating to investments and financing that support the implementation of Feralpi's transition plan, as well as the targets and plans (CapEx, CapEx plans, OpEx) aimed at aligning its economic activities (revenues, CapEx, OpEx) with the criteria set out in Commission Delegated Regulation 2021/2139, has not been disclosed in relation to the 2024 financial year. However, investments related to climate change mitigation and energy efficiency are included in the disclosure related to the European Taxonomy Regulation.

*[ESRS E1-1 16.d]*

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.

As far as Feralpi Group is concerned, the expected share of "locked-in" emissions, linked to the process and the current situation of other complementary sectors, is not expected to compromise the pursuit of the decarbonisation goals.

*[ESRS E1-1 16.h]*

Based on their financial materiality, or at the request of the administrative, management and supervisory bodies, the investments of the Group companies may be subject to analysis of any impact on the indicators included in the ESG Scorecard. In this way, Feralpi Group intends to ensure consistency between investments and its environmental, social and governance sustainability objectives, including those of decarbonisation.

In addition, these objectives are also included in the remuneration schemes for the managerial level, as illustrated in ESRS 2 GOV-3.

*[ESRS E1-1 16.i]*

The Group's decarbonisation objectives have been formally approved by the Board of Directors of the Parent Company, Feralpi Siderurgica, which is periodically updated on their achievement and on the current and prospective trend of Scope 1, 2 and 3 emissions.

*[ESRS E1-1 16.j]*

The improvements in the Group's absolute emissions in 2025 compared to 2024 are attributable to several key factors. With regard to Scope 2, there was an increase in the percentage of electricity purchased from renewable sources. This increase was driven in particular by the contribution of the Riesa site, which now far exceeds the minimum consumption coverage required by European legislation. For Scope 3 – Category 1 (Raw Material Procurement), more precise primary data was used to characterise some incoming raw materials. A significant impact resulted from the use of specific emission factors, obtained from the Environmental Product Declarations (EPD) of lime suppliers, reflecting intensive work to engage and raise awareness in the supply chain. Finally, with reference to Scope 3 – Category 3 (Energy Carriers), the main source of renewable energy purchased in 2025 was hydroelectric, which has a lower specific impact than other solutions.

For the purposes of the climate transition plan, Feralpi Group has adopted a conservative approach and only the technologies that are feasible and available to date have been taken into account in the emission reduction estimates. In this way, the potential risk of not achieving the approved emission reduction targets is mitigated.

## ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

*[ESRS 2 SBM-3 18]*

In carrying out the double materiality analysis, the following impacts, risks and opportunities related to the topics of climate change and the energy transition were identified as relevant.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Climate change adaptation | Risk of exposure of company assets to acute weather events as a result of climate change | Risk | Feralpi operations | Short |
| | Risk of business interruptions due to extreme weather events | Risk | Feralpi operations | Short |
| | Business continuity and/or related activity risk linked to chronic climate risks | Risk | Feralpi operations | Long |
| Climate change mitigation | Contribution to climate change through climate-changing emissions from the Group's activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | Risk that the market is not yet ready to guarantee rewards to the steel industry on the basis of the environmental performance of products | Risk | Feralpi operations | Short, Medium, Long |
| | Risk that the achievement of decarbonisation goals is compromised by an unfavourable development of public policies and the economic environment | Risk | Feralpi operations | Medium, Long |
| | Business opportunities arising from the increasing focus on products with a low impact in terms of $CO_2$ emissions | Opportunity | Feralpi operations | Medium |
| Energy | Undermining of the energy transition due to the continued use of fossil energy sources | (-) Impact | Feralpi operations, Value chain | Medium, Long |
| | Opportunities in terms of cost reduction resulting from energy efficiency and the use of renewables | Opportunity | Feralpi operations | Medium |
| | Risk in terms of costs to maintain the competitiveness of steel products with a reduced environmental impact | Risk | Feralpi operations | Medium |

IRO: RISK, OPPORTUNITY, IMPACT
+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS, VALUE CHAIN

TIME HORIZON: SHORT, MEDIUM, LONG

For further details on how the double materiality analysis was carried out and its results, refer to paragraphs ESRS 2 SBM-3 and ESRS 2 IRO-1 in Section 14.

*[ESRS 2 SBM-3 19.a; ESRS 2 SBM-3 19.b; ESRS 2 SBM-3 19.c]*

In addressing the climate transition, Feralpi Group is committed to assessing and mitigating the associated risks as described in Section 10 of the Report on Operations.

## Management of impacts, risks and opportunities

### ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to climate

*[ESRS 2 IRO-1 20; ESRS 2 IRO-1 20a]*

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 makes up the bulk of steel production worldwide. Feralpi Group, as an *energy-intensive* and *hard-to-abate* steel company, is aware of its impact on the climate through the climate-altering emissions generated by its activities.

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.

This awareness guided the assessments made during the materiality analysis, which was conducted as described in paragraphs ESRS 2 SBM-3 and ESRS 2 IRO-1 in Section 14.

*[ESRS 2 IRO-1 20.b; ESRS 2 IRO-1 20.c; ESRS 2 IRO-1 21]*

As part of its Internal Control and Risk Management System (SCIGR), Feralpi Group conducted an assessment of physical climate risks in 2023 based on different climate scenarios for the resilience of its business plan and sustainability strategy. In addition, the impact of the energy transition on the Group's operations was assessed.

For further details, refer to Section 10 of the Report on Operations.

### ESRS E1-2 Policies related to climate change mitigation and adaptation

*[ESRS E1-2 22; ESRS E1-2 25.a; ESRS E1-2 25.b; ESRS E1-2 25.c; ESRS E1-2 25.d; ESRS E1-2 25.e]*

Although there is no Group policy specifically dedicated to climate change mitigation and adaptation, these topics are addressed within the policies related to the environment and energy[20] for the companies certified respectively ISO 14001 (Feralpi Siderurgica, Acciaierie di Calvisano, Presider, Arlenico, ESF Elbe-Stahlwerke Feralpi GmbH) and ISO 50001 (Feralpi Siderurgica, Acciaierie di Calvisano, ESF Elbe-Stahlwerke Feralpi GmbH, Feralpi Stahlhandel GmbH, Feralpi-Logistik GmbH). In 2026, Feralpi-Praha will also obtain ISO 14001 certification. Feralpi Siderurgica, Acciaierie di Calvisano, and ESF Elbe-Stahlwerke Feralpi GmbH are also EMAS registered.

These policies establish the commitment of the Group companies to reducing environmental impacts, reducing the consumption of raw materials and energy, and improving energy and environmental performance. At sites without certified systems, there are procedures in place to ensure the proper monitoring of environmental aspects based on the same principles. All system procedures for all sites are referred to in the 231 Model, present and operational in all Feralpi Group companies.

[20] *https://www.feralpigroup.com/en/group/governance/governance-system*

In 2025, the **Group's sustainability Policy** was drafted and approved. Once disseminated, it will constitute a further reference for all Feralpi Group companies, regardless of any certifications in place. The new policy is scheduled to be disseminated in 2026.

In addition, Feralpi Group, in its Code of Ethics[21], is committed to the continuous improvement of technologies and production practices with a view to the utmost respect for the environment inside and outside its plants, to protect all stakeholders.

The environmental management of the production processes is entrusted to the individual sites, involving plant managers, management system managers, the Ecological and Energy Transition Unit, the Group HSE Manager, and the Sustainability and Communications Department. The Group Energy Department manages regulatory and strategic aspects for energy-intensive companies and supports the others on supply contracts and regulatory aspects.

Group policies and those relating to individual sites are available on Feralpi Group website[22].

## ESRS E1-3 Actions and resources related to climate change policies

*[ESRS E1-3 26; ESRS E1-3 28; ESRS E1-3 29.a]*

Feralpi Group annually adopts new energy efficiency measures, reducing the use of fossil fuels and increasing energy from renewable sources in order to reduce greenhouse gas emissions resulting from its production and transport processes.

In addition, operations in relation to the cleaning of the scrap continue constantly in order to improve the quality of the input material and consequently make the process even more efficient in terms of energy and material separation. Similarly, at the Lonato del Garda, Calvisano and Riesa sites, activities are being carried out to replace coal with polymeric materials.

**Feralpi Siderurgica**

| LEVER | ACTION |
| --- | --- |
| **Process electrification** | Start-up of the new spooler line which, in addition to completing the product range, has lower $CO_2$ emissions than the normal cold rewinding cycle as the contribution of the natural gas heating furnace is eliminated, replaced by induction furnaces. |
| **Heat recovery and energy efficiency** | Start-up of a new secondary compressor room, serving the new spooler line, which has made it possible to lower the load on the main room, improving overall efficiency. |
| **Process electrification** | At Rolling Mill 2, the necessary work has been completed for the new electrically conducted billet heating system, which will come on stream in 2026. Through electrification, the new system should lead to a reduction in methane consumption and a reduction in the associated emissions of $CO_2$ and other pollutants. |

[21] *https://www.feralpigroup.com/en/group/governance/governance-system*

[22] *https://www.feralpigroup.com/en/group/governance/governance-system*

Through constant dialogue and lasting relationships, Feralpi intends to collaborate with its partners in the transition to a low-emission economy. With regard to Scope 3 emissions, Feralpi Group has worked to raise awareness in its supply chain. Meetings were organised with a number of suppliers, selected on the basis of environmental impact criteria, in order to share the importance of environmental sustainability for the Group and to better understand the production and logistical characteristics of the different materials. From 2026, thematic working parties will be set up to address the reduction of Scope 3 emissions associated with raw materials and transport.

| LEVER | ACTION |
|---|---|
| **Acciaierie di Calvisano** | |
| Self-production from renewable plants | Two outdoor parks for photovoltaic power generation have been commissioned to achieve a total capacity of about 4.0 MW. |
| Heat recovery and energy efficiency | A new regenerative burner was installed for drying and heating the ladles, which made it possible to reduce natural gas consumption by optimising the production and preheating cycles. |
| Heat recovery and energy efficiency | The compressed air optimisation project was completed, which saw the replacement of the last compressor with the use of a modulating system, reducing the energy used. |
| **Arlenico** | |
| Heat recovery and energy efficiency | In 2025, the new internal heat recovery system of the reheating furnace went into operation, which made it possible to optimise its cycles, improving energy consumption and reducing heat loss into the environment. |
| Heat recovery and energy efficiency | In addition, the installation of a heat recovery exchanger was completed, which is used to transfer thermal waste to the district heating plant. |
| **Presider** | |
| Self-production from renewable plants<br>Purchase of GdO / Green PPA | Presider uses 100% renewable energy, guaranteed by a mix of self-production through photovoltaic panels and the purchase of guarantees of origin. |
| Heat recovery and energy efficiency | New machinery with improved energy efficiency was installed at the Pomezia site, a Coil 20 stirrup bender and a Barwiser for shaping rebar in rolls. |
| **Defim Orsogril** | |
| Heat recovery and energy efficiency | Installation of a new EVG welding plant, a machine intended to boost the production of gratings while improving the energy efficiency of the production process. |
| **FERALPI STAHL** | |
| Process electrification | In 2025, the new Rolling Mill B was completed and inaugurated, the first with a K-Spooler plant in Germany capable of producing 8-tonne coils. The roller path was built with induction furnaces and, therefore, the rolling mill is totally free of direct emissions. |
| Process electrification | Work continued on the new power plant that will provide the energy needed for the new production layout and will be operational in the first half of 2026. The blue GIS (Gas Insulated Switchgear) technology from Siemens was used for its construction, which involves replacing fluorinated gases with an insulator based on pure air that can be released directly into the atmosphere. |

## Heat recovery from waste for energy generation

The Lonato del Garda and Riesa plants recover heat from the cooling water and melting furnace respectively. Feralpi Siderurgica uses it to heat internal buildings and, in cooperation with the local administration, also public and private facilities.

The system at ESF Elbe-Stahlwerke Feralpi GmbH produces up to 30 t/h of steam, which is supplied to Goodyear Dunlop Tires through the Riesa town utility company (Stadtwerke Riesa - 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. In 2025, further studies were conducted on the use of waste heat from the new spooler plant to generate district heating or, alternatively, cooling. In addition, in cooperation with SWR, a project is being considered to recover up to 4 MW of waste heat from the cooling tower for use in district heating managed by SWR. In 2025, the feasibility analysis and basic engineering phases were carried out, while in January 2026, the process for approval and implementation was launched in collaboration with the municipal utilities.

A district heating project is underway at the Arlenico site, which includes a plant to recover heat from the thermal waste from rolling, flanked by a second hub in Valmadrera, where heat from waste-to-energy will be reused instead of being dispersed.

## Sustainable mobility

With a view to reducing atmospheric emissions, Feralpi Group believes it is essential to pursue actions aimed at developing increasingly sustainable mobility.

In recent years, the Group has focused on **gradually increasing the use of rail and intermodal transport** to manage the movement of products to and from its production sites, in order to reduce road travel. The aim is to provide the key facilities - Lonato del Garda, Calvisano, Lecco, and Riesa - with an efficient railway connection, gradually increasing rail freight volumes to decrease greenhouse gas emissions and lessen the traffic impact on the communities where the sites operate in terms of pollution and road safety. However, in recent years, uncertainties persisted in both the infrastructural and social spheres, largely because of numerous rail strikes and the train transport costs in Germany, making rail transport more challenging. The Group is also investigating the contribution that alternative fuels, such as e-fuels and biofuels, may have on the indirect emissions associated with the Group's inbound and outbound transport.

At the Lonato del Garda, Calvisano and Riesa sites, **recharging stations for electric vehicles** are available, as well as at Presider, at the Borgaro Torinese, Pomezia and Nave sites.

For Presider, at the Borgaro Torinese plant, the **Home-to-Work Travel Plan (PSCL)** is active, led by a **Mobility Manager**, in accordance with Interministerial Decree no. 179 of 12 May 2021, to reduce the environmental impact of private vehicular traffic in urban areas through the promotion of initiatives for the reorganisation of mobility demand. Both in Arlenico and in Feralpi Siderurgica, despite the fact that there are no obligations for the latter, there is a Mobility Manager, external for the Lecco site and internal for the Lonato del Garda site.

In 2025, the update of the PSCL for the three companies involved in the project was presented, while in 2026 the establishment of an **internal Group Mobility Manager** is planned. This person will be employed within the Parent Company and will coordinate their activities with the contact persons of the establishments for which the adoption of a PSCL is planned.

For **Feralpi-Logistik GmbH**, the only company in the Group that deals with logistics, sustainable mobility is a priority. All vehicles in the fleet meet EURO 6 emission standards as of 2018, and every new purchase must meet the more stringent emission standards with the aim of reducing diesel consumption by 8% by 2030. In 2025, nine trucks were replaced with new vehicles that meet the latest technical standards, equipped with state-of-the-art safety systems and maximum performance in terms of emissions. Further replacements of the vehicle fleet are planned in the coming years.

*[ESRS E1-3 29.b]*

Since Feralpi Group is evaluating how best to integrate the information necessary to describe the result of climate change mitigation actions in terms of GHG emission reductions, implemented or planned, at the level of detail required by the ESRS, this information is not available for the 2025 reporting year.

*[ESRS E1-3 29.c]*

Regarding information on the Feralpi Group's CapEx and OpEx action plans for the 2025 financial year, refer to ESRS E1-1 16c and ESRS E1-1 16e. However, investments related to climate change mitigation and energy efficiency are reflected in the disclosure related to the European Taxonomy Regulation.

## Targets and metrics

### ESRS E1-4 Targets related to climate change mitigation and adaptation

*[ESRS E1-4 30; ESRS E1-4 33; ESRS E1-4 34.a; ESRS E1-4 34.b; ESRS E1-4 34.c; ESRS E1-4 34.d; ESRS E1-4 34.e]*

Feralpi Group has developed its 2030 GHG emission reduction targets following the SBTi guidelines for the steel sector. Their approval by the body in 2024 recognised their alignment with science to contribute to keeping global warming below 1.5°C.

The Group is committed to reducing its Scope 1, 2 and 3 GHG emissions covered by the core boundary[23] of the iron and steel sector by 50% per tonne of hot-rolled steel by 2030, starting from the baseline year 2022.

In addition, Feralpi Group is committed to reducing the remaining absolute Scope 3 GHG emissions from purchased goods and services, fuel and energy activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution, and processing of products sold by 25% by 2030, starting from the base year 2022.

In addition to the decarbonisation targets described above, the Group's ESG Scorecard also includes a target relating to the use of renewable energy sources for at least 50% of total needs by 2030, starting from the base year 2022.

| | BASELINE 2022 | 2025 | % change | TARGET 2030 | SCOPE |
|---|---|---|---|---|---|
| Specific $CO_2$ emissions (Scope 1, 2 and 3 core boundary)[24] | 0.540 $tonCO_2eq/tonne$ | 0.230 $tonCO_2eq/tonne$ | -58% | -50% | Consolidated Feralpi Siderurgica[25] |
| Absolute $CO_2$ emissions (Scope 3 non-core boundary) | 676,404 $tonCO_2eq$ | 702,807 $tonCO_2eq$ | +3.9% | -25% | Consolidated Feralpi Siderurgica[25] |
| Renewable energy[26] | 0.46% | 56% | / | 50% | Consolidated Feralpi Siderurgica[25] |

With a view to improving the robustness of its decarbonisation commitments, Feralpi Group has prepared an emissions inventory 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.

In addition, Feralpi Group aims to strengthen the integration of ESG criteria into the qualification of suppliers, with the goal of improving the evaluation of their performance and promoting sustainable practices along its supply chain. For this reason, the Scorecard also includes a target relating to the ESG mapping of the Group's strategic suppliers. Through a questionnaire, they are asked for information regarding energy and climate performance, as well as the related objectives. For more information, refer to ESRS G1-2.

*[ESRS E1-4 34.f]*

In order to be able to achieve the established commitments, Feralpi has defined a climate transition plan, which incorporates various levers as described in ESRS E1-1. At present, Feralpi Group is not able to describe the contribution of each of them to the achievement of the decarbonisation targets, at the level of detail required by the ESRS. In this regard, the Group is considering how best to integrate the necessary information, which is therefore not available for the 2025 reporting year.

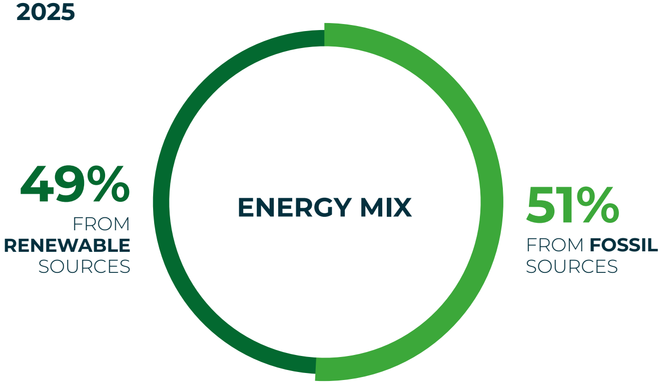
*[23] In view of the different degrees of integration of the players operating along the steel supply chain and in order to ensure that they can set scientifically based and comparable targets, SBTi has defined the Core Boundary, a reporting scope that includes the most important emissions in the supply chain and makes it possible to harmonise the impacts of the different types of companies operating in the world of steel. Details of the emissions considered for SBTi purposes are available in the appendix.*

*[24] On the total production of hot rolled products.*
*[25] Alpifer Group and Feralpi Algérie not included.*
*[26] Considering both electrical and thermal energy.*

## ESRS E1-5 Energy consumption and energy mix

*[ESRS E1-5 37; ESRS E1-5 37.a; ESRS E1-5 37.b; ESRS E1-5 37.c; ESRS E1-5 37.c i; ESRS E1-5 37.c ii; ESRS E1-5 37.c iii; ESRS E1-5 38; ESRS E1-5 38.a; ESRS E1-5 38.b; ESRS E1-5 38.c; ESRS E1-5 38.d; ESRS E1-5 38.e]*

ENERGY **CONSUMPTION** %
**2025**




**2024**


| Energy consumption and energy mix | UoM | 2025 | 2024[27] |
|---|---|---|---|
| Fuel consumption from coal and coal products | MWh | 70,163 | 66,127 |
| Fuel consumption from crude oil and petroleum products | MWh | 19,790 | 26,105 |
| *of which: Diesel* | *MWh* | *19,365* | *25,701* |
| *of which: Petrol* | *MWh* | *425* | *404* |
| Fuel consumption from natural gas | MWh | 601,850 | 710,281 |
| Consumption of fuels from other non-renewable sources | MWh | 78,355 | 100,017 |
| Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired | MWh | 482,703 | 700,601 |
| Total energy consumption from fossil sources | MWh | 1,252,860 | 1,603,131 |
| Share of fossil fuels in total energy consumption | % | 51 | 64 |
| Consumption from nuclear sources | MWh | 0 | 0 |
| Share of nuclear sources in total energy consumption | % | 0 | 0 |
| Consumption of fuels from renewable sources | MWh | 0 | 0 |
| Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired | MWh | 1,201,294 | 892,687 |
| Consumption of self-produced renewable energy without the use of fuels | MWh | 13,366 | 1,119 |
| Total consumption of energy from renewable sources | MWh | 1,214,661 | 893,806 |
| Share of renewable sources in total energy consumption | % | 49 | 36 |
| Total energy consumption | MWh | 2,467,521 | 2,496,936 |

*[ESRS E1-5 40; ESRS E1-5 43]*

| Energy intensity of activities in sectors with a high climate impact | UoM | 2025 | 2024 | % change |
|---|---|---|---|---|
| Total energy consumption from activities in sectors with a high climate impact | MWh | 2,467,521 | 2,496,936 | -1.18 |
| Net revenues from activities in sectors with a high climate impact used to calculate energy intensity | k€ | 1,703,187 | 1,652,984 | 3.04 |
| Net revenues (other) | k€ | 0 | 0 | \ |
| Total net revenues (Financial statements) | k€ | 1,703,187 | 1,652,984 | 3.04 |
| Energy intensity associated with activities in sectors with a high climate impact | MWh/k€ | 1.45 | 1.51 | -3.97 |

[27] *The 2024 figures coincide with those set out in the Feralpi Group's 2024 Integrated Report (GRI 302-1). These values have been converted from GJ to MWh and reclassified as required by the ESRS in the following ways:* Fuel consumption from coal and coal products *includes* Charge Coal; Fuel consumption from crude oil and petroleum products includes Diesel and Petrol; Fuel consumption from natural gas coincides with Natural Gas; Fuel consumption from other non-renewable sources includes Foam Slag and Polymers; Consumption of self-produced renewable energy without the use of fuels corresponds to the item Photovoltaic.
*For the following information, not available in the 2024 report, the data on electricity consumption used for the Feralpi Group's GHG inventory was considered:* Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired *includes electricity covered by Guarantees of Origin (GO);* Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired *corresponds to the share of electricity from the residual mix.*

[ESRS E1-5 42]

According to the provisions of Commission Delegated Regulation (EU) 2022/1288[28], the activities of Feralpi Group fall within the sectors with a high climate impact, namely: Steel activities; Cold forming or folding; Manufacture of wire products; Wholesale of metals and metal ores; Wholesale of hardware; Production of electricity. The energy intensity was therefore calculated taking into account the Group's energy consumption and overall revenues.

[28] https://eur-lex.europa.eu/eli/reg_del/2022/1288/oj

## ESRS E1-6 Gross Scope 1, 2, 3 GHG emissions and total GHG emissions

*[ESRS E1-6 44.a; ESRS E1-6 44.b; ESRS E1-6 44.c; ESRS E1-6 44.d; ESRS E1-6 48a; ESRS E1-6 48b; ESRS E1-6 49a; ESRS E1-6 49b; ESRS E1-6 52.a; ESRS E1-6 52.b]*

| Greenhouse gas emissions (GHG) | UoM | 2025 | 2024 |
|---|---|---|---|
| Gross Scope 1 GHG emissions | $tCO_2eq$ | 196,986 | 208,096 |
| Gross GHG emissions from Emissions Trading Schemes (ETS) | $tCO_2eq$ | 187,294 | 199,048 |
| Percentage of gross Scope 1 GHG emissions from emissions trading schemes | % | 95.08 | 98.65 |
| Gross Scope 2 "location-based" GHG emissions | $tCO_2eq$ | 440,024 | 546,212 |
| Gross Scope 2 "market-based" GHG emissions | $tCO_2eq$ | 215,481 | 337,931 |
| Gross Scope 3 GHG emissions | $tCO_2eq$ | 1,054,261 | 1,242,395 |
| Total "location-based" GHG emissions | $tCO_2eq$ | 1,691,271 | 1,996,703 |
| Total "market-based" GHG emissions | $tCO_2eq$ | 1,466,728 | 1,788,422 |

*[ESRS E1-6 50]*

Both Scope 1 and Scope 2 emissions are entirely attributable to Feralpi Group.

*[ESRS E1-6 51]*

| Greenhouse gas (GHG) emissions (Scope 3) | UoM | 2025 | 2024 |
|---|---|---|---|
| Purchased goods and services | $tCO_2eq$ | 583,758 | 658,857 |
| Capital goods | $tCO_2eq$ | 36,207 | 117,342 |
| Fuel and Energy Related Activities Not Included in Scope 1 or Scope 2 | $tCO_2eq$ | 75,214 | 96,213 |
| Upstream transportation and distribution | $tCO_2eq$ | 196,660 | 195,697 |
| Waste generated during operations | $tCO_2eq$ | 21,080 | 26,587 |
| Downstream transportation and distribution | $tCO_2eq$ | 831 | 1,347 |
| Processing of Sold Products | $tCO_2eq$ | 4,899 | 8,498 |
| End-of-life treatment of products sold | $tCO_2eq$ | 135,612 | 137,854 |
| **Total** | **$tCO_2eq$** | **1,054,261** | **1,242,395** |

*[ESRS E1-6 53; ESRS E1-6 54; ESRS E1-6 55]*

| GHG intensity compared to net revenues | UoM | 2025 | 2024 | % change |
|---|---|---|---|---|
| Total "location-based" GHG emissions | $tCO_2eq$ | 1,691,271 | 1,996,703 | -15.3 |
| Total "market-based" GHG emissions | $tCO_2eq$ | 1,466,728 | 1,788,422 | -17.9 |
| Net revenues used to calculate GHG intensity | k€ | 1,703,187 | 1,652,984 | 3.04 |
| Net revenues (other) | k€ | 0 | 0 | / |
| Total net revenues (Financial statements) | k€ | 1,703,187 | 1,652,984 | 3.04 |
| "Location-based" GHG emissions intensity | $tCO_2eq$/k€ | 0.99 | 1.21 | -17.9 |
| "Market-based" GHG emissions intensity | $tCO_2eq$/k€ | 0.86 | 1.08 | -20.3 |

## Methodology note

The calculation of $CO_2$ equivalent emissions ($tCO_2$ eq), which include $CO_2$, $CH_4$, $N_2$ O, HFCs and PFCs, was carried out in accordance with the provisions of the GHG Protocol using the "operational control" quantification approach. Therefore, all emissions directly and indirectly associated with the facilities over which the organisation exercises operational control have been accounted for, including upstream and downstream processes such as those related to transportation and suppliers.

It is specified that all the relevant emissions generated by Feralpi Group are anthropogenic. The contribution of emissions from the combustion or biodegradation of biomass, so-called biogenic $CO_2$, was therefore excluded from the reporting.

Both primary data, i.e. site-specific data, and secondary data, obtained from literature and estimates, are used to calculate emissions. Feralpi Group favours the use of primary data and, when these are not available, uses generic secondary data.

Two quantification methods were used in Feralpi's greenhouse gas inventory: calculation-based methods, which use company activity data and emission factors to estimate GHG emissions, and expenditure-based methods, in which emissions are estimated by collecting data on the monetary value of purchased goods and services and multiplying them by the relevant emission factors. The latter method was used exclusively for Scope 3 emissions relating to categories 1 and 2.

For the purposes of quantifying GHG emissions, the Ecoinvent 3.12 database was used and, for Scope 3 of energy carriers and in the case of an expenditure-based approach, the DEFRA 2022 database.

Direct greenhouse gas emissions (Scope 1) refer to the activities directly carried out by Feralpi Group. This category includes emissions from the use of fossil fuels, both in steel production processes and in the company fleet, from refrigerant gas leaks from air conditioning systems, and from process emissions related to steel production.

For the purposes of the calculations, the annual natural gas consumption from bills for all plants was taken into account. For plants that do not fall under the ETS, the methane emission factor from the table of national standard parameters was used, increased to also include the contribution of all other climate-altering gases required by the GHG Protocol. As far as fuel consumption is concerned, this is taken from internal records or from the mileage values of the vehicles, appropriately converted using the INEMAR ARPA Lombardia factors. In this case too, the values were increased as described above. For fugitive emissions, the maintenance reports of the air conditioning/refrigeration systems were used, while for process emissions, calculated according to the mass balance, reference was made to the relevant annual reporting forms of the EU ETS system for the Lonato del Garda, Calvisano and Riesa plants.

The national electricity emission factors were used to calculate indirect $CO_2$ emissions resulting from electricity consumption (Scope 2) at the Group's production sites using the location-based method for 2024. For 2025, reference was made to the AIB (Association of Issuing Bodies) production mix. For the calculation using the market-based method, reference was made to the AIB. For 2024, reference was made to the 2023 Residual Mix, while for 2025, reference was made to the 2024 Residual Mix. For Germany, the emission factor of the German energy supplier RWE was used for both years. For photovoltaic energy and the energy certified as renewable (e.g., green certificates) an emission factor of zero was used. For the calculation of the KPIs in the ESG Scorecard for the Specific $CO_2$ Emissions (Scope 1, 2, and 3 core boundary), the 2022 values for all companies included in the perimeter were calculated using the AIB 2022 Residual Mix.

With regard to Scope 3 indirect emissions, i.e., those emissions not included in the previous categories but still linked to Feralpi Group's value chain, the following methodologies were applied:

- **Purchased goods and services**: For each material code that was purchased and entered the plants from suppliers external to Feralpi Group, the total quantities for the reporting year were considered. With regard to intra-group flows, offsets were made in order to avoid double counting.
- **Capital goods**: Emissions from investments were calculated. The annual value was converted into emissions using the DEFRA spend-based factor discounted at the €/£ 2025 exchange rate.
- **Fuel and Energy Related Activities Not Included in Scope 1 or Scope 2**: The upstream emissions of fuels (natural gas, diesel, petrol) and F-GASES were calculated. For electricity, the emission factors differ according to origin: for energy covered by Guarantees of Origin (GO), the appropriate Ecoinvent factor was used, considering technology and country of origin as per cancellation certificates; for energy not covered by GO, the DEFRA database was used. The plant-specific emission factors were increased by network losses.
- **Upstream transportation and distribution**: The kilometres travelled by lorry, ship and train by materials entering the plants from external/internal suppliers to the group were considered; for each item, the goods receipts showing the incoming quantities and the supplier were extracted from the management system. For intra-group flows, transport was counted only once.
- **Waste generated during operations**: With reference to waste disposal, all the EWC codes produced in the reference year were considered, and a disposal scenario was defined for each of them. This category also includes transport from the plant to the recipient, which is not counted in category 4. The data source is the quantity of waste produced together with the distance from the plant to the disposal/recovery site. For waste for which the indicated destination is disposal, different emission factors have been assigned according to the type of treatment undergone.
- **Downstream transportation and distribution**: The kilometres travelled for the shipment of finished products from all Feralpi plants to the recipient, both intra- and extra-group, were considered. In addition, the impacts of the transport of finished products sent from the other plants to external customers only were also calculated. Appropriate offsets were applied for intra-group transport.
- **Processing of Sold Products**: To estimate the $CO_2e$ emissions generated by customers' processing of Feralpi products, mainly billets and wire rod, the following assumptions were made. The impact derives mainly from the consumption of natural gas, for pre-rolling heating, and electricity, for rolling and cold processing. The specific data for rolling furnace 2 and the Derivatives Area at the Lonato del Garda site were used as a reference for consumption. The emission factors considered are the individual customer's national mix for electricity and the national standard tables for natural gas. The quantities of outgoing semi-finished products come from the internal management system.
- **End-of-life treatment of products sold**: With regard to the end of life of the product, the total quantities sold during the reference year by each plant were considered. In this case, the end-of-life scenario was chosen in accordance with the definitions of the "PCR 2019:14 - Construction Products, Version 1.2.3" of the International EPD System, considering modules C1 (Deconstruction, Demolition), C2 (Waste Transport), C3 (Waste Treatment) and C4 (Disposal).

The categories that are not significant, as Feralpi Group has no control over them, nor do they directly affect the Group's business, based on the significance analysis conducted, are: Category 2 - Capital goods, which was nevertheless considered in the inventory in line with SBTi's reporting requirements; Category 6 - Business travel; Category 7 - Employee commuting; Category 8 - Upstream leased assets. The remaining Scope 3 categories were not considered relevant for the purposes of the Feralpi Group GHG inventory. These are: Category 11 - Use of goods sold; Category 13 - Downstream leased assets; Category 14 - Franchising; Category 15 - Investments.

At the date of approval and publication of this Sustainability Statement, there are no events or changes in circumstances after 31 December 2025 that could significantly impact the data on greenhouse gas emissions.

## ESRS E1-7 GHG removals and GHG emissions mitigation projects financed with carbon credits

*[ESRS E1-7 56.a; ESRS E1-7 56.b]*

Feralpi Group, in the context of its climate transition plan, does not currently envisage the use of GHG absorption projects within its operations or in the value chain. Likewise, no carbon credits are purchased for offsetting GHG removals outside the value chain.

## ESRS E1-8 Internal carbon pricing

*[ESRS E1-8 62]*

At present, Feralpi Group does not apply internal carbon pricing systems.

# 16. ESRS E2 - Pollution

### E2 IRO-1 Description of processes to identify and assess material impacts, risks and opportunities related to pollution

*[E2 IRO-1 11.a]*

In carrying out the double materiality analysis, the following impacts related to pollution were identified as significant. Feralpi Group has considered all its production facilities and the entire value chain as described in section ESRS 2 IRO-1 of this document, to which reference should be made for further details on the methodology adopted.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Air pollution | Pollutant emissions into the air from production activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| Water pollution | Pollutant emissions into water from production activities | - Impact | Feralpi operations, Value chain | Short, Medium, Long |
| Soil pollution | Soil pollution as a result of accidental events | (-) Impact | Feralpi operations | Long |

IRO: RISK · OPPORTUNITY · IMPACT

VALUE CHAIN: FERALPI OPERATIONS · VALUE CHAIN

TIME HORIZON: SHORT · MEDIUM · LONG

+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

*[E5 IRO-1 11.b]*

The materiality analysis involved various stakeholders, as indicated in section IRO-1, to which reference should be made for more information. Specifically, with regard to the significance of the impact, an online questionnaire was administered to external stakeholders, including representatives of the local communities affected by Feralpi's activities, which did not, however, contribute to the calculation of the relevant score. As regards the risk and opportunity analysis, however, no direct consultations were conducted with the affected communities.

The topics relating to pollution are material for the activities of the following Feralpi Group companies:

- Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico and FERALPI STAHL, with reference to hot processing;
- Presider, Defim Orsogril and Saexpa, with regard to cold processing.

### E2-1 Policies related to pollution

*[ESRS E2-1 14; ESRS E2-1 15.a; ESRS E2-1 15.b; ESRS E2-1 15.c]*

The steel sector is subject to the EU Integrated Pollution Prevention and Control (IPPC) framework, introduced since 1996 with the first IPPC directive. Feralpi Group carries out its activities in compliance with current legislation: in Italy it operates in line with **Legislative Decree no. 152/2006** and with the specific authorisation requirements of the competent bodies; in Germany with the federal law on the protection of emissions (**BImSchG**), in whose areas they report on any monitoring carried out in accordance with the assigned regulations. Feralpi Group also applies the precautionary principle set out in Article 15 of the Rio Declaration on the environment and development, stating that "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation".

Feralpi Siderurgica and Acciaierie di Calvisano sites are also among those at Risk of Major Accident, according to European Directive 2012/18/EU, regarding dust from steel mill fume abatement, in relation to the authorisation for temporary storage of the same within the site. Management of this risk is integrated into the Environment, Safety and Energy systems. As regards FERALPI STAHL, the Integrated Management System Department of the Riesa sites centrally coordinates and manages all aspects of quality, occupational health and safety, fire protection and explosion risk, environmental protection and waste management. At sites without certified systems, there are procedures in place to ensure the proper monitoring of environmental aspects that have an impact on the production site's performance. All system procedures for all sites are referred to in the 231 Model, which is operational in all Group companies.

Feralpi Group does not currently have a specific Group policy dedicated to pollution; however, these aspects are present **in the environment and energy policies** outlined in ESRS E1-2, to which reference should be made for more information not specified below. Within them, the objectives related to environmental protection and the reduction of environmental impacts on air, water and soil are emphasised.

Feralpi Group's **quality policy** refers to the commitment to reduce significant environmental impacts in all their aspects, while the **Code of Ethics** emphasises the commitment to the continuous improvement of technologies and production practices with a view to the utmost respect for the environment inside and outside the plants. The commitment to protect the environment, in all its forms, is also reflected in the new Group **Sustainability Policy**, which will be disseminated during 2026.

The environmental management of the production processes is entrusted to the individual sites, involving plant managers, management system managers, the Ecological and Energy Transition Unit (UTEE), the Group HSE Manager, and the Sustainability and Communications Department.

Group policies and those relating to individual sites are available on the Feralpi Group website[29].

### E2-2 Actions and resources related to pollution

*[ESRS E2-2 16; ESRS E2-2 18]*

The production of steel inherently involves a risk of pollution due to process emissions released into the air and water, which can adversely affect the environment and local communities if not properly managed.

The Group's commitment to ensuring compliance with atmospheric emission limits is pursued through the use of high-performance technologies and pollutant abatement systems, with the aim of complying with the authorisation requirements and keeping emissions as low as possible with respect to the authorised limits. The plants are equipped with suction, filtration and dust reduction systems capable of alerting operators to any anomalies, enabling them to initiate the required checks and maintenance as per system procedures. In addition, the wastewater from the plants is subject to chemical analysis.

At the Lonato del Garda site, a study was conducted in 2025 on the hybridisation of the heating furnace at Rolling Mill 2 with the aim of reducing NOx and $CO_2$ emissions, in line with the evolution of the new European reference regulations. In addition, work continued to improve the management of white slag with the construction of a new dedicated warehouse, which is scheduled to open in 2026.

[29] *https://www.feralpigroup.com/en/group/governance/group-policy*

The structure, located above the handling area, will effectively contain wind dispersion and preserve the quality characteristics of the material, protecting it from direct exposure to weathering and rainwater runoff.

Feralpi Group purifies the water from the plants before discharge into surface water bodies (Lonato del Garda, Calvisano) or sewers (Riesa, Lecco) and adopts emergency and monitoring procedures. Regular maintenance is carried out on pipelines and seals, and emergency kits are available at the storage sites of hazardous substances. Potentially polluting materials are collected and treated for recycling or disposal. Furthermore, the Group is engaged in the research of eco-friendly lubricants to replace petroleum-based ones with biodegradable alternatives. Substance management follows strict safety and environmental procedures, with regular drills in ISO 14001-certified plants.

Information on Feralpi Group's CapEx and OpEx plans has not been disclosed for the 2025 financial year. The actions listed above relate to the operations of the Group companies.

### E2-3 Targets related to pollution

*[ESRS E2-3 20; ESRS E2-3 22; ESRS E2-3 23; ESRS E2-3 25; ESRS 2 72]*

Feralpi Group is committed to ensuring compliance with the authorisation requirements and to keeping emissions as low as possible below the authorised limits. Currently, the ESG Scorecard, which includes the sustainability targets integrated into the Group's overall strategy, does not contain specific objectives related to pollution. However, there are qualitative and quantitative targets at the level of individual plants in accordance with the relevant environmental management systems, which are not reported as they are not considered to be in line with the requirements of the ESRS for the purposes of this report.

### E2-4 Air, water and soil pollution

*[ESRS E2-4 26; ESRS E2-4 28.a]*

In line with previous Sustainability Statements, Feralpi Group has focused the reporting of pollutant emissions on those into the atmosphere, which are predominant in the Group's steel-making processes.

In fact, emissions related to water and soil are not quantitatively significant, as is shown in particular by the EMAS declarations of the Lonato del Garda, Calvisano and Riesa steel mills, which show parameters below the legal limits.

| Emissions into the atmosphere | UoM | 2025 | 2024 |
|---|---|---|---|
| **Powders[30]** | t | | |
| Feralpi Siderurgica | | 3.33 | 2.27 |
| Acciaierie di Calvisano | | 2.66 | 1.86 |
| Arlenico | | 0.35 | 0.23 |
| Defim Orsogril | | 0.08 | 0.19 |
| FERALPI STAHL | | 3.70 | 1.99 |
| Saexpa | | 0.03 | 0.07 |
| **PM10** | t | | |
| Feralpi Siderurgica | | 1.23 | 2.14 |
| Acciaierie di Calvisano | | 1.32 | 0.75 |
| FERALPI STAHL | | 3.14 | 1.69 |
| **NOX[31]** | t | | |
| Feralpi Siderurgica | | 158.73 | 91.01 |
| Acciaierie di Calvisano | | 59.13 | 43.13 |
| Arlenico | | 32.79 | 27.73 |
| FERALPI STAHL | | 88.33 | 92.79 |

| Emissions into the atmosphere | UoM | 2025 | 2024 |
|---|---|---|---|
| **CO[32]** | t | | |
| Feralpi Siderurgica | | 1,645.04 | 2,732.61 |
| Acciaierie di Calvisano | | 581.67 | 542.00 |
| Arlenico | | 0.52 | 1.67 |
| FERALPI STAHL | | 1,264.76 | 960.72 |
| **Dioxins and Furans** | gI-TOE | | |
| Feralpi Siderurgica | | 0.02 | 0.03 |
| Acciaierie di Calvisano | | 0.06 | 0.02 |
| FERALPI STAHL | | 0.13 | 0.14 |
| **IPA** | kg | | |
| Feralpi Siderurgica | | 0.04 | 0.09 |
| Acciaierie di Calvisano | | 0.09 | 0.09 |
| FERALPI STAHL | | - | - |
| **COT** | t | | |
| Feralpi Siderurgica | | 59.14 | 47.33 |
| Acciaierie di Calvisano | | 18.66 | 26.98 |
| FERALPI STAHL | | - | - |
| **Pb** | kg | | |
| Feralpi Siderurgica | | 43.66 | 61.32 |
| Acciaierie di Calvisano | | 9.76 | 13.66 |
| Arlenico | | 5.74 | 1.50 |
| FERALPI STAHL | | 31.78 | 34.32 |

| Emissions into the atmosphere | UoM | 2025 | 2024 |
|---|---|---|---|
| **Zn** | kg | | |
| Feralpi Siderurgica | | 509.21 | 635.67 |
| Acciaierie di Calvisano | | 357.33 | 219.46 |
| Arlenico[33] | | 248.27 | 4.44 |
| FERALPI STAHL[34] | | 1,276.46 | 677.33 |
| **Hg** | kg | | |
| Feralpi Siderurgica | | 67.44 | 44.96 |
| Acciaierie di Calvisano | | 27.58 | 18.67 |
| Arlenico | | 0.09 | 0.08 |
| FERALPI STAHL | | 107.15 | 117.23 |
| **SOx[35]** | t | | |
| Feralpi Siderurgica | | 42.80 | 12.16 |
| Acciaierie di Calvisano | | 29.06 | 19.25 |
| FERALPI STAHL | | 45.27 | 48.90 |
| **Pcb[36]** | kg | | |
| Feralpi Siderurgica | | 0.01 | 0.00 |
| Acciaierie di Calvisano | | 0.37 | 0.17 |
| FERALPI STAHL | | 0.00 | 0.00 |

*[30] Figure for the site.*
*[31] The variability of NOx values depends on the way the heating furnace is operated in relation to the product being rolled during sampling.*
*[32] Figure for the facility.*
*[33] The variation detected is attributable to the discontinuous monitoring methodology (spot sampling), combined with the variability of the raw materials loaded into the furnace and the operating hours of the rolling mill in the reporting period.*
*[34] The increase in the estimated annual zinc load recorded in 2025 is normal and directly related to the increase in production volumes compared to the previous year.*
*[35] Figure for the facility.*
*[36] Dioxin-like without toxicity factor.*

*[ESRS E2-4 30.a; ESRS E2-4 30.b; ESRS E2-4 30.c]*

The methodologies adopted for monitoring emissions include direct measurement and calculations based on site-specific data, in order to ensure accurate assessments. Emissions are reported by the sites that monitor the chimneys, which are equipped with systems that detect the concentration of dust in real time, while periodic measurement campaigns are conducted for the other air pollutants. Regarding diffuse emissions, monitoring is carried out indirectly through the assessment of outdoor air quality. Wastewater is subject to chemical analysis.

The process of accounting for and reporting environmental data is governed by the Environmental Management Systems in place at the individual production sites. The types of data required include production volumes, continuous readings from flue gas detection equipment, periodic analyses and waste traceability declarations. These sources of information are archived, validated by the Management System Manager and made available to the relevant corporate functions via IT tools.

*[ESRS E2-4 28.b]*

Microplastics were not considered material to Feralpi Group's activities as they do not constitute a significant environmental aspect for the steelmaking production cycle.

### E2-5 Substances of concern and substances of very high concern

*[ESRS E2-5 32]*

As part of its operations, Feralpi Group does not use substances classified as of concern or of very high concern. For information on the flows of materials in and out of the companies in the Group, refer to ESRS E5.

# 17. ESRS E3 - Water and marine resources

### E3 IRO-1 Description of processes to identify and assess material impacts, risks and opportunities related to pollution

*[ESRS E3 IRO-1 8.a]*

In carrying out the double materiality analysis, the following impact related to water resources was identified as significant. Feralpi Group has considered all its production facilities and the entire value chain as described in section ESRS 2 IRO-1 of this document, to which reference should be made for further details on the methodology adopted.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Water | Negative impact on the availability of water resources for all stakeholders, due to their use for production activities | - Impact | Feralpi operations; Value chain | Short; Medium; Long |

IRO: RISK, OPPORTUNITY, IMPACT
+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS, VALUE CHAIN

TIME HORIZON: SHORT, MEDIUM, LONG

*[ESRS E3 IRO-1 8.b]*

The materiality analysis involved various stakeholders, as indicated in section IRO-1, to which reference should be made for more information. Specifically, with regard to the significance of the impact, an online questionnaire was administered to external stakeholders, including representatives of the local communities affected by Feralpi's activities, which did not, however, contribute to the calculation of the relevant score. As regards the risk and opportunity analysis, however, no direct consultations were conducted with the affected communities.

## E3-1 Policies related to water and marine resources

*[ESRS E3-1 9; ESRS E3-1 12.a; ESRS E3-1 12.a i; ESRS E3-1 12.a ii; ESRS E3-1 12.a iii; ESRS E3-1 12.b; ESRS E3-1 12.c]*

Feralpi Group does not currently have a specific Group policy dedicated to the use, management, procurement or treatment of water resources. However, these aspects are present **in the environment and energy policies** outlined in ESRS E1-2, to which reference should be made for more information not specified below.

Within them, the objectives related to optimising the use of resources and continuously improving performance, including from the perspective of water, are emphasised. These principles also inspire the practices adopted by companies without dedicated policies. In the 231 Model, present in all companies, all system procedures for all Group sites are referred to.

The new Group **Sustainability Policy**, which will be disseminated during 2026, also deals with environmental protection in all its forms, as well as environmental policies.

*[ESRS E3-1 13]*

Feralpi Group has assessed the risk of water stress for the sites that use water for production purposes, i.e. Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico and ESF Elbe-Stahlwerke Feralpi GmbH. The relevant sites have their own environment and energy policies. The analysis was based on the **Aqueduct Water Risk Atlas** of the **World Resources Institute**, considering current data and projections to 2050. The risk was assessed on the basis of water stress, i.e. the ratio between human demand and water availability, without considering the specific business activities.

| Site | Water Basin | Water Stress Risk (Current - 2025) | Water Stress Risk (Future - 2050) |
|---|---|---|---|
| Feralpi Siderurgica - Lonato del Garda | Oglio (Po) | High | High |
| Acciaierie di Calvisano - Calvisano | Oglio (Po) | High | High |
| Caleotto - Arlenico | Adda - Lake Como (Po) | Low | Low[1.1][1.2] |
| FERALPI STAHL - Riesa | Elba | Low-Medium | Medium-High |

*[ESRS E3-1 14]*

Feralpi Group has not adopted policies or practices relating to the sustainability of the oceans and seas, as they are not related to its activities.

## E3-2 Actions and resources related to water and marine resources

*[ESRS E3-2 15; ESRS E3-2 17; ESRS E3-2 19]*

The Group's activities that have an impact on water resources include withdrawal for both civil and industrial purposes, especially for cooling steel plants. In Italy, Feralpi Group guarantees the treatment and discharge of water according to Legislative Decree 152/06, thanks to dedicated systems and controls by accredited bodies. In Germany, it operates with specific permits for the discharge into the public wastewater network. The Feralpi Siderurgica and Acciaierie di Calvisano sites are at risk of water stress based on the analysis conducted using the Aqueduct Water Risk Atlas.

The withdrawal at **Feralpi Siderurgica** and **Acciaierie di Calvisano** is taken from the water table by means of wells, while at the plant of **ESF Elbe-Stahlwerke Feralpi GmbH** it is taken from the municipal water network, in addition to the use of wells to supply small quantities for fire-fighting purposes. The plant of **Arlenico** draws water from the River Adda and constantly monitors the wastewater, recording and storing the data. A third party analyses water samples on a monthly basis for compliance with Legislative Decree no. 152/06. A de-oiling system ensures that rainwater is cleaned of polluting hydrocarbons.

At the Lonato del Garda site, evaluations are in progress to extend the sludge treatment facility at Rolling Mill 1 to Rolling Mill 2, which should be completed in 2026. The machinery will not only reduce the volume of solid waste needing recovery but also enhance internal water recycling and, consequently, decrease reliance on the aquifer.

At the Riesa site, construction of the cistern to capture rainwater from the roofs of the Rolling Mill B warehouses was completed in 2025, and it was put into operation at the same time. When fully operational, the facility, with a capacity of 350 m³, will enable the recovery and reintroduction of rainwater in the cooling and process circuits, saving about 6,000 m³ of potable water from the public network each year.

Information on Feralpi Group's CapEx and OpEx plans has not been disclosed for the 2025 financial year.

The actions listed above relate to the operations of the Group companies.

## E3-3 Targets related to water and marine resources

*[ESRS E3-3 20; ESRS E3-3 22; ESRS E3-3 23.a; ESRS E3-3 23.c; ESRS E3-3 25]*

Within the ESG Scorecard, which contains Feralpi Group's voluntary ESG commitments, there is a voluntary target relating to the improvement of specific water consumption, understood as the total volume of water supplied by the Group's production plants, minus the portion returned locally to the environment and in relation to the total production of hot rolled products.

| | BASELINE | 2025 | % change | TARGET | SCOPE |
|---|---|---|---|---|---|
| Specific water consumption | 2022: 1.38 m³/tonne | 1.02 m³/tonne | -36.5% | 2030: -50% | Consolidated Feralpi Siderurgica [37] |

*[ESRS E3-3 23.b]*

The target relating to the improvement of specific water consumption does not concern marine resources as they are not related to the activities of Feralpi Group.

## E3-4 Water consumption

*[ESRS E3-4 28.a; ESRS E3-4 28.b]*

| Water consumption | UoM | 2025 |
|---|---|---|
| Total water consumption | m³ | 2,607,209 |
| Of which areas at water risk, including areas with high water stress[38] | m³ | 1,845,622 |

*[ESRS E3-4 28.e]*

The figure relating to water consumption was calculated as the difference between withdrawals and consumption, obtained through the collection of data from the relevant bills and meter readings. The figure relating to water consumption from water-risk areas refers to the Lonato del Garda and Calvisano sites, the only ones among those that use water for production purposes that fall into this category based on the analysis conducted using the Aqueduct Water Risk Atlas.

*[ESRS E3-4 28.c; ESRS E3-4 28.d]*

As for recycled, reused and stored water, Feralpi Group is developing a methodology for evaluating the relevant data in accordance with the ESRSs. For this reason, the requested information is not available for the 2025 reporting year.

*[ESRS E3-4 29]*

| Water consumption intensity | UoM | 2025 |
|---|---|---|
| Total water consumption | m³ | 2,607,209 |
| Net revenues used to calculate the intensity of water consumption | Mln. € | 1,703.19 |
| Net revenues (other) | Mln. € | 0 |
| Total net revenues (Financial statements) | Mln. € | 1,703.19 |
| Water consumption intensity | m³/Million € | 1,530.78 |

*[37] Alpifer Group and Feralpi Algérie not included.*
*[38] Referring to the Lonato del Garda and Calvisano sites.*

# 18. ESRS E4 - Biodiversity and ecosystems

*[ESRS-2 17]*

With regard to the disclosure requirements under the thematic standard ESRS E4 Biodiversity and ecosystems, Feralpi Group makes use of the phase-in clause provided for in Delegated Regulation (EU) 2023/2772, based on the amendments introduced by Delegated Regulation (EU) 2025/1416.

## Material impacts, risks and opportunities

*[ESRS-2 17.a]*

In carrying out the double materiality analysis, the following impact related to biodiversity and ecosystems was identified as significant. Feralpi Group has considered all its production facilities and the entire value chain as described in section ESRS 2 IRO-1 of this document, to which reference should be made for further details on the methodology adopted.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Impacts on the extent and condition of ecosystems | Loss of natural areas and biodiversity and ecosystems due to the infrastructural expansion of production sites | - IMPACT | FERALPI OPERATIONS, VALUE CHAIN | MEDIUM, LONG |

IRO: RISK, OPPORTUNITY, IMPACT

\+ POSITIVE CURRENT; (+) POSITIVE POTENTIAL; - NEGATIVE CURRENT; (-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS, VALUE CHAIN

TIME HORIZON: SHORT, MEDIUM, LONG

## Targets related to biodiversity and ecosystems

*[ESRS-2 17.b]*

Feralpi Group has not currently set specific targets related to biodiversity and ecosystems. However, in line with the new Sustainability Policy, the Group has set itself the objective of assessing possible actions to be implemented in relation to these topics.

## Policies related to biodiversity and ecosystems

*[ESRS-2 17.c]*

Feralpi Group does not currently have a specific Group policy dedicated to the use, management, procurement or treatment of biodiversity and ecosystems. However, these aspects are present **in the environment and energy policies** outlined in ESRS E1-2, to which reference should be made for more information not specified below.

Within them, the targets related to the reduction of all environmental impacts are emphasised. In addition, the principles underlying the policies inspire the practices adopted by companies without dedicated policies. In the 231 Model, present in all companies, all system procedures for all Group sites are referred to.

The new Group **Sustainability Policy**, which will be disseminated in 2026, also highlights the need to safeguard biodiversity and ecosystems in order to achieve sustainable development, encouraging their conservation and setting the objective of promoting appropriate initiatives in its value chain.

## Actions related to biodiversity and ecosystems

*[ESRS-2 17.d]*

In line with the Taxonomy Regulation, the Group has examined the position of its sites concerning protected areas. The analysis revealed that none of the Group's sites fall within protected natural areas. However, the sites at Arlenico (Lecco), FERALPI STAHL (Riesa), and Feralpi-Hungária (Budapest) are located less than one kilometre from the perimeter of such areas.

The Biodiversity Working Group, established in 2024, includes representatives from all Feralpi Group companies and aims to craft a unified strategy to address the issue and ensure consistent action across the board.

In addition, biomonitoring activities through pollinating insects continue at the Lonato del Garda site, where there are eight hives and a Honey Factory to carry out bio-educational activities.

## Metrics related to biodiversity and ecosystems

*[ESRS-2 17.e]*

The following table shows the Feralpi Group's production sites located less than one kilometre from protected areas, with an indication of their biodiversity and ecosystems value in terms of the number of protected habitats and species. To carry out the study, the "European protected sites"[39] and "Natura 2000 Viewer"[40] databases of the European Environmental Agency were used, which provide a comprehensive overview of protected sites in Europe.

| | | | | | | | Biodiversity and ecosystems value | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | **Site** | **Country** | **Coordinates** | **Activities** | **Dimensions** | **Distance to protected area** | **Area name** | **Code** | **Area type** | **No. Habitat** | **No. Species** |
| Arlenico | Lecco | ITA | 45.85000134412464, 9.399545596508103 | Steel production | 0.106 km² | 459.51 m<br>792.47 m | Adda Nord Nature Park<br>*Monte Barro* | 390486<br>IT2030003 | Site of National Interest (CDDA)<br>Habitats Directive<br>Birds Directive | 5 | 86 |
| ESF Elbe-Stahlwerke Feralpi | Riesa | GER | 51.31293984265011, 13.284907508448773 | Steel production<br>Cold processing/ Derivatives | 0.604 km² | 430 m | Elbtal zwischen Schöna und Mühlberg | DE4545452 | Birds Directive<br>Site of National Interest (CDDA) | 0 | 69 |
| Feralpi-Hungária | Budapest | HU | 47.43372836282799, 19.062947942285895 | Cold processing/ Derivatives | 0.018 km² | 773.38 m | Duna és ártere | HUDI20034 | Habitats Directive | 14 | 30 |

[39] *https://www.eea.europa.eu/en/analysis/maps-and-charts/european-protected-areas-1*
[40] *https://natura2000.eea.europa.eu/*

# 19. ESRS E5 - Resource use and circular economy

### E5 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to the use of resources and the circular economy

*[ESRS E5 IRO-1 11.a]*

In carrying out the double materiality analysis, the following impacts, risks and opportunities related to the use of natural resources and the circular economy were identified as material. Feralpi Group has considered all its production facilities and the entire value chain as described in section ESRS 2 IRO-1 of this document, to which reference should be made for further details on the methodology adopted.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Resource inflows, including the use of resources | Positive impact on the circularity of economic activities through the production of steel from scrap, contributing to the reuse of resources and the extension of their life cycle. | + Impact | ◆ ◆◆ | ◆ ◆◆ ◆◆◆ |
| | Negative impact on the progressive depletion of natural resources, due to the consumption of raw materials necessary for the Group's steel activities | - Impact | ◆ ◆◆ | ◆ ◆◆ ◆◆◆ |
| | Risk of disruption to production processes caused by external shocks to the supply chain that could lead to instability in the supply of raw materials and scrap | Risk | ◆ | ◆ |
| | Risk in terms of costs to maintain the competitiveness of steel products with a reduced environmental impact | Risk | ◆ | ◆◆ |
| | Opportunities for savings from more efficient use of raw materials in production processes | Opportunity | ◆ | ◆◆ |
| Outflows of resources related to products and services | Potential negative impact on the ecological transition due to possible products or services with inadequate quality standards | (-) Impact | ◆ ◆◆ | ◆◆ ◆◆◆ |
| | Positive impact on circularity through the development of industrial products from by-products and waste | + Impact | ◆ ◆◆ | ◆ ◆◆ ◆◆◆ |
| | Positive impact on the circularity of economic activities thanks to the reduction of resource outflows, through the recovery and optimisation of residues generated in production processes | + Impact | ◆ ◆◆ | ◆ ◆◆ ◆◆◆ |
| | Risk that the market is not yet ready to guarantee rewards to the steel industry on the basis of the environmental performance of products | Risk | ◆ | ◆◆ ◆◆◆ |
| | Opportunity to forge links with other companies to pursue joint research projects and expand existing networks for by-products | Opportunity | ◆ | ◆◆ |
| Waste | Production of waste and residues due to production activities | - Impact | ◆ ◆◆ | ◆◆ ◆◆◆ |
| | Opportunities for savings from reduced waste generation through more efficient production processes | Opportunity | ◆ | ◆◆ |

IRO: RISK · OPPORTUNITY · IMPACT

\+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
\- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN: ◆ FERALPI OPERATIONS · ◆◆ VALUE CHAIN

TIME HORIZON: ◆ SHORT · ◆◆ MEDIUM · ◆◆◆ LONG

*[ESRS E5 IRO-1 11.b]*

The materiality analysis involved various stakeholders, as indicated in section IRO-1, to which reference should be made for more information. Specifically, with regard to the significance of the impact, an online questionnaire was administered to external stakeholders, including representatives of the local communities affected by Feralpi's activities, which did not, however, contribute to the calculation of the relevant score. As regards the risk and opportunity analysis, however, no direct consultations were conducted with the affected communities.

## E5-1 Policies related to the use of resources and the circular economy

*[ESRS E5-1 12; ESRS E5-1 15.a; ESRS E5-1 15.b]*

Feralpi Group does not currently have a specific Group policy dedicated to the use of resources and the circular economy; however, these aspects are present in the **environmental and energy policies** outlined in ESRS E1-2, to which reference should be made for more information not specified below.

Within them, emphasis is placed on targets related to reducing the consumption of raw materials, optimising the use of resources and continuously improving performance, principles that also inspire the practices adopted by companies without dedicated policies. In the 231 Model, present in all companies, all system procedures for all Group sites are referred to.

Feralpi Group's **quality policy** refers to the commitment to reduce significant environmental impacts in all their aspects, while the **Code of Ethics** emphasises the commitment to the continuous improvement of technologies and production practices with a view to the utmost respect for the environment inside and outside the plants.

In line with the relevant policy, quality, understood as the set of characteristics and properties of products, processes, or services that are able to create value for the customer, is ensured by monitoring procedures that check incoming raw materials, the production process, and finished products. The Group companies adopt a quality management system based on the ISO 9001:2015 standard and, in Caleotto for the Arlenico production site, in accordance with the IATF 16949 standard to guarantee the Automotive sector.

During 2026, both the new Group **Sustainability Policy**, which also deals with environmental protection in all its forms, and the **Supplier Code of Conduct** will also be disseminated. The latter document requires all Feralpi Group suppliers to operate by favouring the use of renewable or recycled raw materials, optimising production processes to reduce waste, and ensuring waste management in accordance with current regulations.

The environmental management of the production processes is entrusted to the individual sites, involving plant managers, management system managers, the Ecological and Energy Transition Unit (UTEE), the Group HSE Manager, and the Sustainability and Communications Department.

Quality management is in the hands of the Group Quality Department and plant management, cascading to other functions where necessary. With regard to any complaints, the Quality Department decides on technical acceptance, while the Sales Department decides on resolution with the customer.

Group policies and those relating to individual sites are available on the Feralpi Group website[41].

[41] *https://www.feralpigroup.com/en/group/governance/group-policy*

## E5-2 Actions and resources related to the use of resources and the circular economy

*[ESRS E5-2 17; ESRS E5-2 19]*

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 and on recovering production waste within the production cycle or externally.

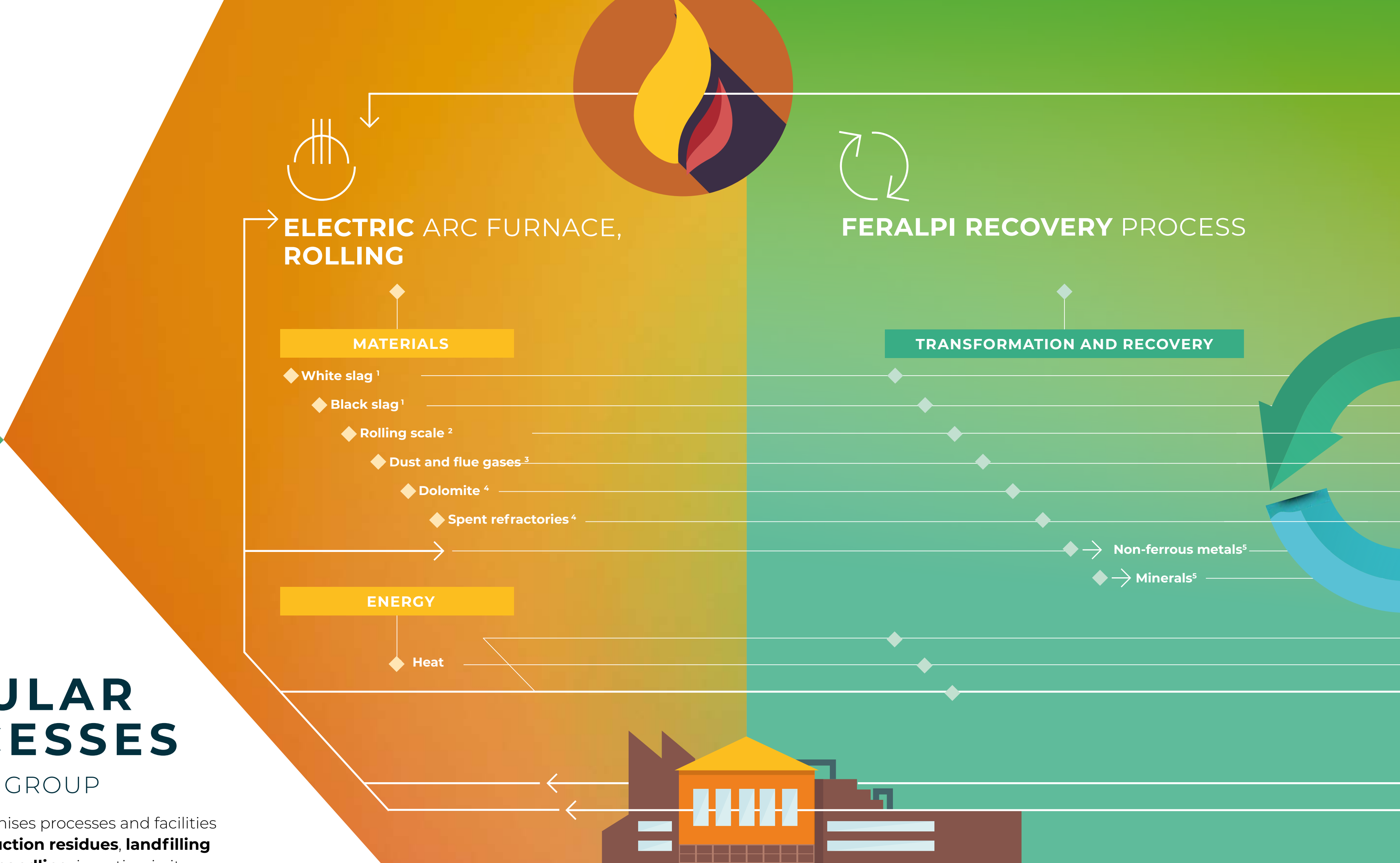
| **Enhancement of production residues within the production cycle or externally** | |
|---|---|
| Recovery and reuse of spent refractories in the production cycle in the place of raw materials | Spent refractory materials from the ladle are returned to the production cycle to partially replace calcic and dolomite lime ("CaO cubes" and "40% CaO"), whose use does not have negative impacts on the environment or human health. |
| Recovery of dust and fumes to reduce the demand for mineral zinc | The dust resulting from flue gas removal in the melting process is mostly treated at external plants to recover metallic zinc, while the dust from the ferro-alloy plant is reintroduced into the production cycle.<br>At the Riesa site, the construction of a new system has been started that allows the filtering dust containing zinc to be conveyed directly into wheeled silos. In this way, it will be possible to reduce the amount of dust sent to landfill by about 650 tonnes per year. |
| Recovery of mill scale, to replace iron ore in the construction supply chain | 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. |
| 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 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 are outsourced to external companies. At Lonato del Garda, the black slag is processed into "Greenstone", a product with CE 2+ marking and an Environmental Product Declaration EPD, which is used in construction as a replacement for materials of natural origin. Also in Calvisano, the black slag is recovered for products CE 2+ certified. The enhancement of the white slag residue has 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 the cooling water and melting furnace respectively. At the Arlenico site, a district heating project is underway that includes a plant to recover heat from the thermal waste from rolling. For more information, refer to ESRS E1-3. |

# 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.

**98.6%** The **steel** produced by Feralpi is made **from recycled material**




**[1] BLACK AND WHITE SLAG**
Feralpi is conducting further studies aimed at the reuse of white slag in processes that use raw materials containing calcium oxide.

**[2] ROLLING SCALE**
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 mineral. The dust produced by the ferro-alloy plant is fed directly into the production cycle, the amount of which equals that of the materials from which dust originates.


**[4] DOLOMITE AND SPENT REFRACTORIES**
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.

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.

In 2025, Feralpi Group launched **FERGreen**, a range that encompasses all construction products in both Italy and Germany, ensuring, through appropriate certifications, compliance with the requirements of construction standards that promote the use of materials with a reduced environmental impact.

Feralpi adopts the **Life Cycle Assessment** methodology, in accordance with ISO 14040 and ISO 14044, to assess the environmental impact of its products throughout all stages of their life cycle and to identify appropriate mitigation measures. 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)** 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 Acciaierie di Calvisano 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.

In 2025, Feralpi Group focused on activities related to the spooler product, obtaining certifications for the main target markets and supporting customers in the adoption and use of the new product. In Germany, FERALPI STAHL obtained certification for FWR geometry for all countries and all products.

In addition, an assessment is underway regarding the updating of the Group's production mix in order to improve the balance of products available on the market.

Information on Feralpi Group's CapEx and OpEx plans has not been disclosed for the 2025 financial year.

The above actions concern the operations of the Group companies, except for materials destined for external recovery.

### E5-3 Targets related to the use of resources and the circular economy

*[ESRS E5-3 21; ESRS E5-3 24; ESRS E5-3 25; ESRS E5-3 27]*

Within the ESG Scorecard, which contains Feralpi Group's voluntary ESG commitments, there is a target relating to the improvement of process circularity, understood as the share of waste produced in the reporting period in business processes that is sent externally for recovery or as a by-product. With respect to the layers of the waste hierarchy, this objective is of a hybrid nature, covering the "prevention" level with regard to by-products and the "recycling" and "other recovery" levels with regard to the share diverted from disposal.

In addition, Feralpi Group aims to strengthen the integration of ESG criteria into the qualification of suppliers, with the goal of improving the evaluation of their performance and promoting sustainable practices along its supply chain. For this reason, the Scorecard also includes an objective relating to the ESG mapping of the Group's strategic suppliers, which also includes aspects related to the circular economy. Specifically, the questionnaire requires the suppliers involved to share information relating to the adoption of formal policies, the definition of objectives, the monitoring of resource inflows and outflows and the use of secondary or recyclable materials. For more information, refer to ESRS G1-2.

| | BASELINE | | 2025 | % change | TARGET | | SCOPE |
|---|---|---|---|---|---|---|---|
| Residues in circular processes | 2022 | 88.45% | 93.02% | / | 2030 | 96% | Consolidated Feralpi Siderurgica [42] |

[42] *Alpifer Group and Feralpi Algérie not included.*

### E5-4 Resource inflows

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.

In order to guarantee scrap quality and reduce the risks of inadequate supplies that could compromise the final product, suppliers are continuously monitored by means of specific indicators that assess the quality of the material delivered.

The scrap delivered can be of two types:

- scrap comprised of scraps or processing residues: new scrap is collected by third parties and delivered directly to steel mills or sold to companies that market them;
- scrap from steel structures of all kinds (cars, ships, disused power stations, nets, railings, etc.): this type of scrap may need further treatment to separate it from the waste that is landfilled or from materials that can be recovered.

The incoming scrap undergoes visual and radiometric controls, the latter aimed at searching for possible radioactive sources, in order to verify its conformity from a safety point of view before it is sent to the melting process. At the facilities in Lonato del Garda, Calvisano and Riesa, there are advanced plants for the selection and treatment of scrap allowing the removal of **non-ferrous aggregates**, i.e. materials other than steel that would negatively affect the energy efficiency of the melting process and the quality of the product itself.

For other product classes such as ferro-alloys and lime, a control is performed on the chemical analysis of the incoming product. The ingot moulds are checked for the required dimensions, both before and during their use, to ensure the efficiency of heat exchange during the steel solidification process. The dimensions and hardness of the rolling cylinders, which are used to give the product its final shape, are checked to ensure that the requirements of the order are met.

The detection of any non-compliance involves promptly notifying the concerned supplier and recording it in the "Register of non-compliant scrap events". If material that has been contaminated with radiation is detected through the appropriate portals, the procedures require the vehicle to be stopped, decontaminated, and the level of risk evaluated by a qualified external expert. In the event that the material is actually radioactive, the report is made to the competent authorities, followed by the consequent seizure of the material. The awareness of suppliers regarding compliance with the requirements set by Feralpi Group is fundamental, in order to reduce inefficiencies and maximise the volumes of product marketed.

For all other product classes, incoming checks are carried out and, in the event of non-compliance with the specified analytical limits, non-compliance is notified to the purchasing department, which will contact the supplier for appropriate management.

*[ESRS E5-4 31.a, ESRS E5-4 31.b, ESRS E5-4 31.c]*

| Resource inflows | | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|---|
| Material[43] | UoM | Used | of which Recycled or reused | % Recycled or Reused | Used | of which Recycled or reused | % Recycled or Reused |
| Scrap | t | 2,993,342 | 2,993,342 | 100.00 | 2,841,584 | 2,841,584 | 100.00 |
| Additives | t | 20,094 | 240 | 1.19 | 19,197 | 308 | 1.60 |
| Lime | t | 107,025 | 1,244 | 1.16 | 114,100 | 3,197 | 2.80 |
| Ferro-alloys | t | 40,297 | 66 | 0.16 | 36,208 | 72 | 0.20 |
| Refractory materials | t | 19,200 | 717 | 3.73 | 18,802 | 804 | 4.27 |
| Polymers | t | 4,103 | 4,103 | 100.00 | 6,718 | 6,718 | 100.00 |
| **Total** | **t** | **3,184,062** | **2,999,712** | **94.21** | **3,036,609** | **2,852,683** | **93.94** |
| Oxygen | $Sm^3$ | 74,552,444 | 0 | 0.00 | 74,595,658 | 0 | 0.00 |
| Inert gases | $Sm^3$ | 2,713,124 | 0 | 0.00 | 2,358,214 | 0 | 0.00 |
| **Total gas** | **$Sm^3$** | **77,265,567** | **0** | **0.00** | **76,953,872** | **0** | **0.00** |

*[ESRS E5-4 32]*

The data relating to incoming materials is recorded on the basis of the quantities reported on the purchase documents. Reporting is based on direct measurements and no estimates have been used.

[43] *No biological materials are used in the production processes.*

## E5-5 Resource outflows

### Products and materials

The production of steel is intrinsically circular, as it is a material that, at the end of its life cycle, can be reintroduced into the production process as a secondary raw material without losing its mechanical properties.

The steel produced by Feralpi Group consists of **98.6%[44] recycled, recovered, or by-product material**. The calculation is also made for the aggregates produced by the Group, which have the following values:

| Product name | Total recycled, recovered, by-product content |
|---|---|
| GREEN STONE (black slag) | ≥ 96.6% |
| GREEN LIME (white slag) | ≥ 100% |
| GREEN IRON (scale) | ≥ 100% |

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.

[44] *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 (≥ 98.8%); Acciaierie di Calvisano (special steels ≥ 98.6%; construction steels ≥ 98.8%); ESF Elbe-Stahlwerke Feralpi GmbH (≥ 98.6%).*

Products are named according to national and European technical standards and are identified by a label that includes an ID code, quality class, normative and dimensional references, a bar code, and certification logos. The compliance of labelling is verified by inspection and certification bodies. The company provides the **certificate of control 3.1 in accordance with UNI EN 10204:2005** for the various types of products and, for construction steel, the **certificate of qualification** in accordance with the regulations of each country of reference. **Products are tracked** through package labelling and delivery documents. In addition, on Italian products or on request according to the country of reference, a distinctive hot marking is applied to guarantee their origin. A **card embedded with a QR code** for the products provides instant access to the relevant technical and quality specifications.

At the Group level, all products are evaluated to ensure compliance with technical regulations or customer specifications. In 2025, **there were no instances of non-compliance** with regulations or voluntary guidelines and codes related to information and labelling, nor were there any losses of certifications or reports from certification bodies.

| Feralpi Group production | UoM | 2025 | 2024 |
|---|---|---|---|
| Steel in billets | t | 2,705,667 | 2,584,227 |
| Finished product (rebar in bars - rebar in coil - wire rod) | t | 2,565,397 | 2,476,077 |
| Cold processing - Derivatives | t | 1,499,057 | 1,343,571 |

For more information regarding the quantities of steel produced by Feralpi Group, refer to Section 6 of the Report on Operations.

## Waste

*[ESRS E5-5 40]*

Feralpi Group implements specific monitoring and control systems in its facilities to measure and monitor the waste generated and its final destination. This data is collected and analysed in order to identify opportunities for improvement on the topic.

*[ESRS E5-5 37.a; ESRS E5-5 37.b i; ESRS E5-5 37.b ii; ESRS E5-5 37.b iii; ESRS E5-5 37.c i; ESRS E5-5 37.c ii; ESRS E5-5 37.c iii; ESRS E5-5 37.d]*

| Waste generated by destination | UoM | 2025 | 2024 |
|---|---|---|---|
| HAZARDOUS WASTE | t | 43,588 | 43,158 |
| **Diverted from disposal** | **t** | **41,224** | **40,018** |
| Preparation for Reuse | t | 0 | 0 |
| Recycling | t | 29 | 22 |
| Recovery | t | 41,195 | 39,997 |
| Composting | t | 0 | 0 |
| Other treatment | t | 0 | 0 |
| **Directed to disposal** | **t** | **2,364** | **3,140** |
| Incineration | t | 39 | 36 |
| Landfilling | t | 1,110 | 1,685 |
| Other disposal operations | t | 1,215 | 1,419 |
| NON-HAZARDOUS WASTE | t | 581,087 | 540,250 |
| **Diverted from disposal** | **t** | **539,129** | **490,146** |
| Preparation for Reuse | t | 11,853 | 25 |
| Recycling | t | 15,614 | 12,693 |
| Recovery | t | 511,598 | 477,418 |
| Composting | t | 64 | 11 |
| Other treatment | t | 0 | 0 |
| **Directed to disposal** | **t** | **41,958** | **50,104** |
| Incineration | t | 1 | 1 |
| Landfilling | t | 41,904 | 50,064 |
| Other disposal operations | t | 53 | 40 |
| **TOTAL WASTE** | **t** | **624,676** | **583,408** |
| Diverted from disposal | % | 92.90 | 90.87 |
| Intended for disposal (not recycled) | % | 7.10 | 9.13 |

*[ESRS E5-5 38.a; ESRS E5-5 38.b; ESRS E5-5 39]*

| Waste generated by composition | UoM | 2025 | 2024 |
|---|---|---|---|
| **HAZARDOUS WASTE** | **t** | **43,588** | **43,158** |
| Fume abatement dust | t | 43,229 | 42,250 |
| Other (hazardous) waste | t | 359 | 908 |
| **NON-HAZARDOUS WASTE** | **t** | **581,087** | **540,250** |
| Mill scale | t | 40,482 | 35,699 |
| Black slag | t | 307,264 | 286,251 |
| White slag | t | 82,636 | 71,844 |
| Residues from scrap processing | t | 73,490 | - |
| Sludge | t | 6,874 | - |
| Other waste (non-hazardous) | t | 70,342 | 146,187 |
| **TOTAL WASTE** | **t** | **624,676** | **583,408** |

Since any incoming radioactive materials are intercepted in advance according to the monitoring procedures outlined in ESRS E5-4, there is no radioactive waste in Feralpi Group's operations.

# 20. Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The European Taxonomy[45] 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 2025 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.

[45] *Regulation (EU) 2020/852*

## Eligibility analysis

Feralpi Group, through its analysis of activities listed in Delegated Regulation (EU) 2021/2139, Delegated Regulation (EU) 2023/2485, and Delegated Regulation (EU) 2023/2486, has identified the following activities as eligible under the Taxonomy for the climate change mitigation objective (CCM):

- CCM 3.9 Manufacture of iron and steel;
- CCM 4.1 Power generation using photovoltaic solar technology;
- CCM 4.25 Production of heat/cooling using waste heat.

For CCM activity 3.9, the Group, after examining the EU guidelines for the inclusion of steel activities in the Taxonomy, decided to include as eligible both steel production and subsequent processing phases, provided that the material exclusively originates from companies within the Group. This includes the processing activities that comply with the NACE codes listed in the Taxonomy (C24.1, C24.20, C24.31, C24.32, C24.33, C24.34, C24.51 and C24.52). The companies that depend mainly on external steel suppliers have been excluded from the scope of the evaluation.

Compared to last year's report, additional analyses have clarified that the *CE 2.7 activity - sorting and recovery of materials from non-hazardous waste* - does not pertain to the activities of Feralpi Group and, therefore, was not considered in the calculation of the KPIs required by the Taxonomy Regulation.

## Alignment analysis

In order to be defined as aligned, eligible activities for the purposes of the Taxonomy must fulfil the following criteria:

- meet **the substantial contribution criteria (SCC)** related to the identified economic activity;
- **Do Not Significant Harm (DNSH)**, i.e. do not lead to adverse effects on other environmental objectives to which the economic activity does not substantially contribute;
- take place in compliance with the **minimum social safeguard (MS)** recognising the importance of human rights and labour standards.

## Analysis of substantial contribution criteria

Regarding CCM activity 3.9, the activities of all the Feralpi Group steel mills comply with the criteria of substantial contribution for the production of iron and steel, meeting criterion b) (the ratio between incoming steel scrap and outgoing product not being less than 96%) as outlined in Annex I of the Delegated Regulation (EU) 2021/2139.

For the CCM activity 4.1, the Regulation does not require specific technical screening criteria; therefore, the criterion of substantial contribution is considered met by Feralpi Power On, the Group's company dedicated to renewable energy projects.

For CCM activity 4.25, the Regulation does not require specific technical screening criteria; therefore, the heat recovery operations at the Lonato del Garda and Riesa facilities are regarded as contributing to the climate change mitigation objective.

## Analysis of Do Not Significant Harm criteria

### Climate change adaptation

The Group performed an exposure risk assessment of its assets based on the climate scenarios presented in the IPCC[46] assessment reports in cooperation with an external partner. In this way, it was possible to confirm that the Group's assets are able to withstand the expected climate change during their life cycle, and Feralpi therefore considers that its eligible activities meet the criteria set out in Delegated Regulation 2021/2139. Further information is available in Section 10 of the Report on Operations.

[46] *IPCC - Sixth Assessment Report*

### Sustainable use and protection of water and marine resources

For CCM activity 3.9, the environmental analyses carried out by the Group for the purposes of the EMAS Environmental Statement (Feralpi Siderurgica S.p.A., ESF Elbe-Stahlwerke Feralpi GmbH, Acciaierie di Calvisano S.p.A.) and the context analysis for the purposes of ISO 14001 certification (Feralpi Siderurgica S.p.A., Acciaierie di Calvisano S.p.A., ESF Elbe-Stahlwerke Feralpi GmbH, Presider, Arlenico) allow it to be reasonably considered that the DNSH criterion is met for these companies. On the other hand, for those Group companies (Presider Armatures, Feralpi-Praha and Feralpi-Hungária) that do not have an EMAS Environmental Statement or ISO 14001 certification, it cannot be said that the criterion is met.

### Transition to a circular economy

For CCM activities 4.1 and 4.25, the Group has assessed the availability and uses, where possible, equipment and components that are highly durable, recyclable, and easy to dismantle and retrofit.

### Pollution prevention and reduction

Feralpi Group complies with the applicable regulations and undertakes to pursue the provisions of the EMAS statement or the BAT alignment documentation. Therefore, for the CCM activity 3.9, the DNSH criterion is deemed satisfied for the operations of companies possessing both BAT alignment documentation and an EMAS statement (Feralpi Siderurgica, ESF Elbe-Stahlwerke Feralpi GmbH, Acciaierie di Calvisano) or, as an alternative to the latter, an ISO 14001 certification (Presider, Arlenico). Regarding companies with only BAT-alignment documentation (Presider Armatures, Feralpi-Praha, Feralpi-Hungária), the DNSH criterion is not considered met.

For CCM activity 4.25, in addition to what is described for CCM activity 3.9, equipment is used that complies, where applicable, with the requirements of the highest energy labelling class set out in Regulation (EU) 2017/1369 and the implementing regulations of Directive 2009/125/EC and represents the best available technology.

**Protection and restoration of biodiversity and ecosystems**

The Group has conducted environmental analyses within the scope of the EMAS Environmental Statement (Feralpi Siderurgica S.p.A., ESF Elbe-Stahlwerke Feralpi GmbH, Acciaierie di Calvisano S.p.A.) and context analysis for the purposes of ISO 14001 certification (Feralpi Siderurgica S.p.A., Acciaierie di Calvisano S.p.A., ESF Elbe-Stahlwerke Feralpi GmbH, Presider and Arlenico), analyses that consider territorial, geographical and ecosystem-related aspects in general.

For companies situated within one kilometre of sensitive and/or protected areas (such as ESF Elbe-Stahlwerke Feralpi GmbH, Arlenico, and Feralpi-Hungária), the DNSH criterion is considered satisfied if they possess an EMAS statement (ESF Elbe-Stahlwerke Feralpi GmbH). For Arlenico and Feralpi-Hungária, no specific environmental impact assessments have been carried out, so their activities do not meet the criterion.

With regard to CCM activity 4.1, all photovoltaic installations have obtained an EIA in accordance with Directive 2011/92/EU; therefore, the criterion is considered to be met.

## Minimum safeguards

The Group conducted an in-depth analysis to assess the compliance of its business activities with the EU Taxonomy Minimum social safeguards requirements. This assessment, based on the criteria specified in Article 18 of the Taxonomy Regulation and the recommendations of the Report on Minimum Safeguards (EU Platform on Sustainable Finance, October 2022), allowed the Group to fully understand the level of compliance with regulations to improve its performance in this area.

Compliance with the minimum safeguards was established through a criteria evaluation, which considered nine categories of requirements related to:

- Human rights, including workers' rights;
- Corruption;
- Taxation;
- Unfair competition.

Feralpi Group applies the principles of human rights protection in accordance with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and the Ten Principles of the Global Compact. The Group is equipped with a number of instruments to implement these commitments:

- Code of Ethics, which establishes the rules, values and fundamental principles that guide the Group's work by promoting ethical behaviour and responsible actions by all stakeholders. For more information, refer to paragraph ESRS G1-1 in Section 24. ESRS G1 Business Conduct.
- Human Rights Policy, which aims to promote and protect respect for human rights in the value chain and in the day-to-day activities of the company. For more information, refer to paragraph ESRS S1-1 in Section 21. ESRS S1 Own Workforce and paragraph ESRS 2 17.e in Section 22. ESRS S2 Workers in the value chain.
- Whistleblowing Procedure, which governs the process of reporting and handling offences and irregularities. For more information, refer to paragraph ESRS G1-1 in Section 24. ESRS G1 Business Conduct.
- Stakeholder Management Policy, which regulates the Group's relations with its stakeholders. For more information, refer to paragraph ESRS 2 17.e in Section 23. ESRS S3 Affected communities.
- Group DPO (Data Protection Officer), whose presence ensures compliance with the highest standards of security and privacy of customers' personal data. For more information, refer to paragraph ESRS G1-1 in Section 24. ESRS G1 Business Conduct.

Furthermore, the Group undertakes to prepare and send tax declarations to the competent Authorities that are complete, truthful and free from any form of falsity, doctored information or omission, in order to ensure full transparency of activities and to avoid any attempt at tax evasion. This commitment reflects the Group's willingness to act with the utmost integrity and responsibility in all its activities. For more information, refer to Section 11.3 of the Report on Operations.

Starting in 2023, Feralpi Group started a process aimed at adopting structured Due Diligence procedures, moving in advance of the evolution of the European regulatory framework (Corporate Sustainability Reporting Directive - CSRD and Corporate Sustainability Due Diligence Directive - CSDDD) and also taking into account the German Law on Due Diligence along the Supply Chain (Lieferkettensorgfaltspflichtengesetz - LkSG). Following the recent changes introduced by the **Omnibus Decree** on the criteria for the applicability of the CSDDD, Feralpi Group is no longer among the companies subject to the regulatory obligation.

Despite this, the Group has chosen to continue its monitoring and sustainability activities along its value chain on a voluntary basis. Therefore, in 2025 it approved its Supplier Code of Conduct, a document that is intended to act as a clear guide for all Feralpi Group suppliers. For more information on this, refer to section ESRS G1-1 in Section 24. ESRS G1 Business Conduct.

Since the implementation of these structured Due Diligence procedures is still ongoing, Feralpi Group conservatively considers that it is not yet fully aligned with the minimum safeguards. Therefore, at present, all of the Group's eligible activities are to be considered non-aligned with the requirements of the Taxonomy Regulation. The completion and adoption of these procedures is, however, a crucial objective for Feralpi Group.

**Contextual information and KPI calculation methodology (Accounting Policy)**

For the purpose of preparing the consolidated financial statements, the Group adopts international accounting standards. As stipulated in the Delegated Act "Disclosures", for the calculation of the KPIs required by the European Taxonomy, companies must use the same accounting standards as for the preparation of the consolidated annual financial statements, with the objective of comparability to the turnover disclosed in the consolidated financial statements. Consequently, when a consolidated non-financial statement is prepared, consolidation accounting standards would exclude intra-group transactions[47].

**Turnover**

In line with the Disclosure Delegated Act, the Group considered the following values for the calculation of the Turnover Ratio:

- *Denominator*: net turnover is defined as the amount derived from the provision of services after deduction of sales discounts and value-added taxes directly related to turnover. It is also specified that, in order to avoid any possible double counting, intercompany items have been eliminated and do not contribute to the determination of the KPI. Consequently, the denominator of the KPI corresponds to the item "Revenues from ordinary operations" of the perimeter under analysis, identifying a value of €1,703,187 thousand, and is in line with the provisions of IAS 1, par. 82 (a), mentioned in Annex I to the Delegated Act § 1.1.1.
- *Numerator*: the share of net turnover (taken into account for the calculation of the denominator) associated with eligible and aligned activities. For this assessment, the approach adopted was to identify all legal entities, included in the perimeter, generating turnover associated with the following eligible taxonomy activities:
  - 3.9 - Iron and steel production (95.81%);
  - 4.1 - Power generation using photovoltaic solar technology (0%);
  - 4.1 - Production of heat/cooling using waste heat (0%).

Almost all of the turnover of the perimeter under analysis (95.81%) can therefore be considered eligible for the purposes of the European Taxonomy, and refers mainly to revenues from steel production and further processing of steel.

**CapEx**

In calculating the denominator of the CapEx KPI, the Group considered the additions incurred in the reporting period relating to tangible assets (development and restructuring of company assets) and intangible assets (patents, software and capitalised research and development costs). The approach used for the extraction of the above-mentioned figures involved a detailed analysis of Report on Operations showing the investments made during the year by all the companies within the scope of the analysis. In line with the Disclosure Delegated Act, the Group considered the following values for the calculation of the CapEx share:

- *Denominator*: in line with national and international accounting standards, as well as the provisions of Annex I to the Delegated Act 2178/2021, the Group considered tangible assets accounted for in accordance with IAS 16, intangible assets (excluding goodwill) accounted for in accordance with IAS 38, and the right of use in accordance with IFRS 16. This analysis yielded a value of €124,167 thousand.
- *Numerator*: for the purpose of determining the numerator, investments relating to assets associated with eligible and aligned activities were considered, in line with the provisions of point A of Annex I to the Disclosure Delegated Act, § 1.1.2.2. Below is a breakdown of the eligible taxonomy activities:
  - 3.9 - Iron and steel production (96.75%);
  - 4.1 - Power generation using photovoltaic solar technology (0.14%);
  - 4.1 - Production of heat/cooling using waste heat (0.02%).

*[47] Communication from the Commission on the interpretation of certain legal provisions of the Delegated Act concerning disclosure under Article 8 of the EU Taxonomy Regulation as regards the reporting of eligible economic activities and assets (2022/C 385/01).*

**OpEx**

In line with the Disclosure Delegated Act, the Group considered the following values for the calculation of the OpEx share:

- *Denominator*: the approach used was to proceed with a precise analysis of the Group's plan of accounts, considering the share of costs falling specifically into the categories indicated in Annex I to the Delegated Act 2178/2021. Specifically:
    - Non R&D costs relating to internal and external projects, from which the cost component relating to the "managing" of R&D projects carried out has been eliminated, as recommended by the European Commission[48]. As expenses related to project management activities, all costs incurred during the year related to project managers were identified and eliminated from the calculation;
    - Short-term leases, whereby, according to Annex I to the Disclosure Delegate Act, leases recognised in the Income Statement relating to contracts with a term of less than 12 months must be considered as exempt from recognition in the Balance Sheet, in accordance with IFRS 16.
    - Costs related to maintenance and repairs, incurred during the year, on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities were considered for this category, together with maintenance commissioned to third-party companies. Within the accounts for maintenance and repairs, renovations to buildings that can be assimilated into the concept of "building renovation measures", mentioned in the Annex to Delegated Act 2178/2021, were also taken into account. The result of this analysis yielded a value of €72,896 thousand.
- *Numerator*: operating expenses associated with point A[49] have been identified, in line with the indications of paragraph 1.1.3.2 of Annex I to the "Disclosure Delegated Act" and the clarifications provided by the European Commission, relating to assets or processes associated with taxonomy-aligned economic activities, derived in a timely manner from management systems. Below is a breakdown of operating expenses by eligible activity:
    - 3.9 - Iron and steel production (98.83%);
    - 4.1 - Power generation using photovoltaic solar technology (0%);
    - 4.1 - Production of heat/cooling using waste heat (0%).

The operating expenses taken into account include direct non-capitalised costs related to maintenance and repair, leases and rentals, cleaning, expenses incurred for building renovation measures and non-capitalised R&D costs.

The approach used was to proceed with a precise analysis of the Group's plan of accounts, considering the share of costs falling specifically into the categories indicated in Annex I to the Delegated Act 2178/2021.

Specifically:

- Non R&D costs relating to internal and external projects, from which the cost component relating to the "managing" of R&D projects carried out has been eliminated, as recommended by the European Commission[50]. As expenses related to project management activities, all costs incurred during the year related to project managers were identified and eliminated from the calculation;
- Short-term leases, whereby, according to Annex I to the Disclosure Delegate Act, leases recognised in the Income Statement relating to contracts with a term of less than 12 months must be considered as exempt from recognition in the Balance Sheet, in accordance with IFRS 16;
- Costs related to maintenance and repairs, incurred during the year, on buildings and IT equipment. Costs related to employees involved in maintenance and repair activities were considered for this category, together with maintenance commissioned to third-party companies. Within the accounts for maintenance and repairs, renovations to buildings that can be assimilated into the concept of "building renovation measures", mentioned in the Annex to Delegated Act 2178/2021, were also taken into account.

It should be noted that since the activities in the gas and nuclear sectors, which are included in the Complementary Delegated Act (Delegated Regulation 2022/1214), were not eligible, the relevant tables are not published.

The following tables incorporate the changes introduced by Delegated Regulation (EU) 2026/73[51] on the simplification of the content and presentation of the information to be disclosed under the Taxonomy Regulation.

[48] *Communication from the Commission on the interpretation of certain legal provisions of the Delegated Act concerning disclosure under Article 8 of the EU Taxonomy Regulation as regards the reporting of eligible economic activities and assets (2022/C 385/01).*

[49] *Paragraph 1.1.3.2 Annex I Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.*

[50] *Communication from the Commission on the interpretation of certain legal provisions of the Delegated Act concerning disclosure under Article 8 of the EU Taxonomy Regulation as regards the reporting of eligible economic activities and assets (2022/C 385/01).*

[51] *https://eur-lex.europa.eu/eli/reg_del/2026/73/oj/eng*

| Financial Year (N) | | 2025 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Breakdown by environmental objective of taxonomy-aligned activities | | | | | | | | | | |
| KPI | Total | Share of eligible activities to taxonomy | Activities aligned to taxonomy | Share of activities aligned to taxonomy | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity and ecosystems | Share of enabling activities | Share of transitional activities | Activities not assessed considered not material | Activities aligned to taxonomy in the previous financial year (N-1) | Share of activities aligned tp taxonomy in the previous financial year (N-1) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| | *k€* | *%* | *k€* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *Currency* | *%* |
| Turnover | 1,703,187 | 95.81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CapEx | 124,167.11 | 96.89 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OpEx | 72,895.61 | 98.83 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Turnover 2025 | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities | Code | KPI eligible for taxonomy (Share of eligible turnover) | KPI aligned to taxonomy (Aligned turnover monetary value) | KPI aligned to taxonomy (Share of aligned turnover) | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity and ecosystems | Enabling activity | Transitional activity | Taxonomy-aligned share of the total eligible for the taxonomy |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| *Text* | | *%* | *k€* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *(A where applicable)* | *(T where applicable)* | *%* |
| Manufacture of iron and steel | CCM 3.9 | 95.81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | T | 0 |
| Power generation using photovoltaic solar technology | CCM 4.1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Production of heat/cooling using waste heat | CCM 4.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Sum of alignment by objective | | | | | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| **Total KPI Turnover** | | **95.81** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | | | **0** |

**CapEx 2025**

| Economic activities | Code | KPI eligible for taxonomy (Share of eligible CapEx) | KPI aligned to taxonomy (Aligned CapEx monetary value) | KPI aligned to taxonomy (Share of aligned CapEx) | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity and ecosystems | Enabling activity | Transitional activity | Taxonomy-aligned share of the total eligible for the taxonomy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| *Text* | | *%* | *k€* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *(A where applicable)* | *(T where applicable)* | *%* |
| Manufacture of iron and steel | CCM 3.9 | 96.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | T | 0 |
| Power generation using photovoltaic solar technology | CCM 4.1 | 0.14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Production of heat/cooling using waste heat | CCM 4.25 | 0.02 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Sum of alignment by objective | | | | | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| **Total KPI CapEx** | | **96.89** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | | | **0** |

**OpEx 2025**

| Economic activities | Code | Taxonomy-eligible KPI (Share of eligible OpEx) | KPI aligned to taxonomy (Aligned OpEx monetary value) | KPI aligned to taxonomy (Share of aligned OpEx) | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity and ecosystems | Enabling activity | Transitional activity | Taxonomy-aligned share of the total eligible for the taxonomy |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| *Text* | | *%* | *k€* | *%* | *%* | *%* | *%* | *%* | *%* | *%* | *(A where applicable)* | *(T where applicable)* | *%* |
| Manufacture of iron and steel | CCM 3.9 | 98.83 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | T | 0 |
| Power generation using photovoltaic solar technology | CCM 4.1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Production of heat/cooling using waste heat | CCM 4.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | 0 |
| Sum of alignment by objective | | | | | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| **Total KPI OpEx** | | **98.83** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | | | **0** |

# 21. ESRS S1 - Own workforce

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.  This is why Feralpi honours the uniqueness and differences of its people, aiming for harmony and respect, true to our founding motto of "Produce and grow with respect for people and the environment".

## COMMITMENT TO THE **GROWTH** AND **DEVELOPMENT OF INDIVIDUALS** → **PILLARS**

### ENHANCING **POTENTIAL**

**professional development plans with** targeted training, **succession planning**, **performance management** tools and fair policies aligned with employee performance and contribution.

### DEVELOPING **SKILLS**

promoting a **culture of continuous learning** through **quality training** for employees and support for new generations for fully-informed growth.

### ENSURING A **POSITIVE WORKING ENVIRONMENT**: SAFE, INCLUSIVE AND RESPECTFUL

investments in **the safety**, **health and well-being** of its people, implementing effective management systems, offering **structured welfare** and work-life balance measures in an **inclusive context**.

### ATTRACTING **TALENT**

**diversified recruitment formats**, offering **professional growth and development** in a safe and stimulating working environment.

SOCIAL

## Strategy

### ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

*[ESRS 2 SBM-3 14; ESRS 2 SBM-3 14.a]*

For the purpose of this report, all individuals in the Feralpi Group's workforce who may be significantly influenced by the company are included. Specifically, this includes both personnel directly employed by the Group and non-employees, which consists of interns and temporary workers.

*[ESRS 2 SBM-3 14.b; ESRS 2 SBM-3 14.c; ESRS 2 SBM-3 14.d]*

The double materiality analysis led to the identification of the following impacts, risks and opportunities related to the Feralpi Group workforce:

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Working conditions | Negative impact on the health and safety of employees due to the risk of injuries/accidents and the development of occupational diseases inherent to the nature of the business | (-) Impact | Feralpi operations | Medium, Long |
| | Potential negative impact on well-being due to work environments that are not very welcoming and stimulating, failure to listen to needs and difficulties in work-life balance | (-) Impact | Feralpi operations | Short, Medium |
| | Potential negative impact on the performance of work activities and, consequently, on the well-being of the workforce resulting from excessively slow digitalisation and automation processes | (-) Impact | Feralpi operations | Short, Medium, Long |
| | Positive impact on health and well-being through work-life balance measures and health and prevention initiatives | + Impact | Feralpi operations | Short, Medium, Long |
| | The integration of digital technologies improves activities in terms of efficiency and speed, allowing staff to devote themselves to activities with greater added value and fostering their continuous development | + Impact | Feralpi operations | Short, Medium |
| | Potential negative impact on general working conditions for staff if collaborative relations with trade union representatives are not maintained | (-) Impact | Feralpi operations | Short, Medium, Long |
| | Risk of being subject to legal proceedings and penalties as a result of non-compliance with occupational safety regulations or in the event of accidents due to non-compliance | Risk | Feralpi operations | Medium |
| Equal treatment and opportunities for all | Potential negative impact on staff well-being if a more inclusive and diversity-conscious working environment is not promoted | (-) Impact | Feralpi operations | Short, Medium, Long |
| | Positive impact on the sense of fulfilment and motivation of employees through the continuous development of their skills and professional growth paths | + Impact | Feralpi operations | Short, Medium |
| | Opportunities arising from improving well-being in the workplace through attention to D&I topics in terms of improving attractiveness and retention | Opportunity | Feralpi operations | Medium |

IRO: RISK · OPPORTUNITY · IMPACT

+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS · VALUE CHAIN

TIME HORIZON: SHORT · MEDIUM · LONG

*[ESRS 2 SBM-3 14.e]*

No material impacts on Feralpi Group's workforce have been identified in relation to the implementation of the climate transition plan.

*[ESRS 2 SBM-3 14.f i; ESRS 2 SBM-3 14.f ii; ESRS 2 SBM-3 14.g i; ESRS 2 SBM-3 14.g ii]*

Based on the analyses conducted for the purposes of the materiality assessment, no operations or specific geographical areas within the scope of the company's activities were identified that could be considered to be at high risk of forced, compulsory or child labour. It is specified that, as reported in ESRS S1-1, Feralpi Group operates in line with the main international guiding principles regarding the protection of human rights and is committed to promoting them in the value chain.

*[ESRS 2 SBM-3 15; ESRS 2 SBM-3 16]*

Furthermore, no specific categories of workers have been identified that are or may be particularly exposed to significant negative impacts. Consequently, interventions on significant impacts have been planned taking into account the entire workforce.

For further details on how the double materiality analysis was carried out and its results, refer to paragraphs ESRS 2 SBM-3 and ESRS 2 IRO-1 in Section 14. ESRS 2 - General disclosures.

For information on how the interests, opinions and rights of Feralpi Group's stakeholders influence its strategy and business model, refer to paragraph ESRS 2 SBM-2 in Section 14. ESRS 2 - General disclosures.

## Management of impacts, risks and opportunities

### ESRS S1-1 Policies related to the company's own workforce

Feralpi Group has a structured system of policies and procedures to manage the impacts, risks and opportunities related to its workforce. These policies aim not only to mitigate and minimise potential negative impacts and related risks, but also to identify and exploit opportunities to continuously improve its practices and promote safe, healthy and inclusive working environments.

The **Group's Sustainability Policy**, which was drafted and approved in 2025 and will be disseminated during 2026, is aligned with the Code of Ethics and the Human Rights, Safety and Diversity, Equity and Inclusion policies. It recognises people as a strategic asset that the company is committed to enhancing through increasingly inclusive and safe working environments, the protection of mental and physical well-being, and the promotion of work-life balance. Commitments are monitored through the ESG Scorecard, which is updated by the Sustainability Committee.

Group policies and those relating to individual sites are available on the Feralpi Group website[52].

*[ESRS S1-1 19]*

Unless otherwise indicated, the policies and management methods relating to Feralpi Group's workforce apply to the entire scope of the Group, with the exception of the Alpifer Group. The Senior Management of Feralpi Group is responsible for implementing the policies.

[52] *https://www.feralpigroup.com/it/gruppo/governance/policy-di-gruppo*

### Human Rights

*[ESRS S1-1 20; ESRS S1-1 20.a; ESRS S1-1 20.b; ESRS S1-1 21; ESRS S1-1 22]*

Feralpi Group operates in line with the International Charter of Human Rights, the ILO Conventions, the OECD Guidelines for Multinational Enterprises, the ten principles of the Global Compact and in compliance with its own Code of Ethics, which is the essential reference in defining the standards of conduct to be adopted with all stakeholders, including the workforce, to promote sustainable growth and the protection and promotion of human rights in daily activities within the value chain.

In Italy, the reference document is the Organisational Model drawn up pursuant to Legislative Decree no. 231/2001, while in Germany reference is made to the German Constitution and the Allgemeines Gleichbehandlungsgesetz law, incorporated into the Code of Ethics and the Diversity & Inclusion and Human Rights policies.

In line with the Code of Ethics, Feralpi Group has adopted a **Human Rights Policy**, through which it embraces the principles of human rights protection and is committed to ensuring that they are implemented and promoted in its day-to-day activities and within the value chain.

This document, which applies to the Group and to all persons and organisations that interact with it, is aligned with the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights, with the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work and with the Ten Principles of the Global Compact.

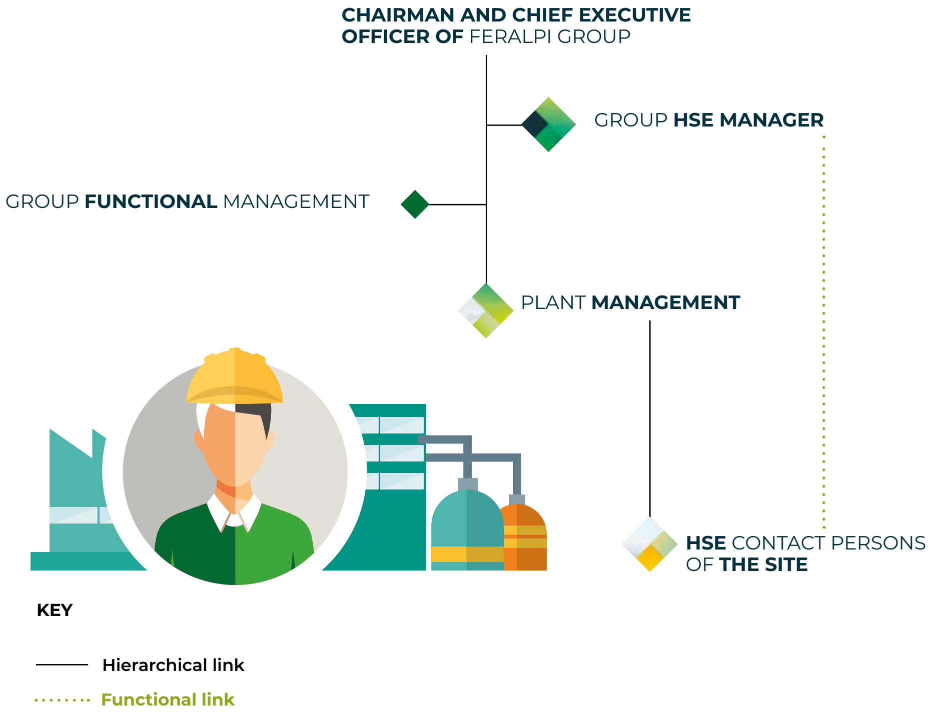
With regard to the human rights of its own workers, the Policy guarantees equal treatment and safe and healthy working conditions, including for workers operating in high-risk environments. In addition, it protects freedom of association, collective bargaining and fair remuneration, and enshrines Feralpi Group's commitment not to tolerate any form of child or forced labour.

### The health and safety management at the workplace

*[ESRS S1-1 23]*

For Feralpi Group, worker safety is a top priority. In line with its Code of Ethics, 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 topics 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 topics 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 topics 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.

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 ISO 45001 certified integrated safety, environment, and energy management system has been implemented, which ensures the constant monitoring of risks and the identification of improvement measures. 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.

The Group's goal, as reported in the ESG Scorecard, is to progressively extend the ISO 45001 certification to all its sites by 2030. In 2025, the Calvisano and Lecco sites obtained certification, while that of ESF Elbe-Stahlwerke Feralpi GmbH is scheduled for 2026 and, subsequently, will also be extended to Feralpi-Logistik and Feralpi Stahlhandel.

Finally, the Feralpi Siderurgica and Acciaierie di Calvisano sites are both equipped with a Policy, a Risk Management System and an assessment of relevant accident risk scenarios in line with the provisions of Legislative Decree no. 105/15.

### Diversity, Equity, Inclusion

*[ESRS S1-1 24.a; ESRS S1-1 24.b; ESRS S1-1 24.c]*

Aligned with its Code of Ethics, which pledges to avoid any form of discrimination and harassment, Feralpi Group has adopted a **Diversity, Equity, Inclusion (DEI) Policy**, believing that the uniqueness of individuals represents an absolute value. Therefore, it is actively committed to the promotion and enhancement of diversity – in terms of age, sexual orientation, gender identity, ethnicity, religion, and ability – and in compliance with the Group's Human Rights policy.

The policy is structured around four pillars, which guide efforts to promote the principles of Diversity, Equity & Inclusion (DEI) both within and outside the Group.

In line with this vision, the Feralpi Group's ESG Scorecard includes objectives relating to the inclusion of female staff in production activities, which is particularly relevant since the steel sector is traditionally male-dominated, and to training on "Listening, Dialogue and Inclusion" topics. For more information, refer to ESRS S1-5.

Additionally, Feralpi Group is among the signatories of the **"Businesses for People and Society" Manifesto of the UN Global Compact Network Italy**, with the aim of increasing the private sector's commitment to the social dimension of sustainability in companies, along supply chains and in communities.

Finally, in 2025, Feralpi Siderurgica, in line with the Code of Ethics, the Human Rights policy, the DEI policy, in compliance with the United Nations Universal Declaration of Human Rights, and in adherence to the principles of the United Nations Global Compact, adopted a **Gender Equality Policy** and introduced a management system compliant with UNI/PdR 125:2022, so as to integrate gender equality into company strategies and decisions, promoting equity and respect at all stages of the working life cycle.

**PILLARS OF DEI POLICY**


*[ESRS S1-1 20.b]*

In line with its **Stakeholder Engagement Policy**, Feralpi Group places dialogue and collaboration at the centre of its relationships with stakeholders, 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.

The Group promotes internal dialogue via structured initiatives, including interviews and focus groups with managers and other key personnel in the organisation, addressing topics of corporate and strategic relevance. This approach allows for the gathering of feedback, stimulating discussion, and identifying shared solutions.

For more information, refer to ESRS S1-2.

### ESRS S1-2 Processes for engaging with own workforce and workers' representatives regarding impacts

*[ESRS S1-1 27; ESRS S1-1 27.a; ESRS S1-1 27.b; ESRS S1-1 27.c; ESRS S1-1 27.d; ESRS S1-1 27.e]*

At Feralpi Group, the involvement of the workforce takes place through a structured approach, aimed both directly at its employees and at their representatives, in order to gather feedback, stimulate discussion, and identify shared solutions.

The **Company climate survey** is active in the sites in Italy, Germany, the Czech Republic and France. Characterised by a socio-cultural approach and conducted every three years, it involves the direct participation of the Group's employees. The survey focuses on measuring the level of satisfaction with work and the environment in which people work, the employees' sense of involvement, "commitment" and belonging, the perception of Feralpi Group's commitment on various macro-topics including environmental dynamics, well-being linked to the fulfilment of people's expectations, and the perception of listening in various areas, including welfare, health and safety. Specific elements of satisfaction with aspects of logistics and working environments are also surveyed.

Once the results of the latest edition, which took place in 2023, had been shared with the owners and executives, working parties were established, which included Plant Managers, HR and HSE representatives, RSPP, medical staff, and the Sustainability and Communications Department, with the objective of developing specific action plans for each company, integrated over the 2024-2025 period.

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, including consultations for the sharing of specific topics. In addition, the Works Council operates at the sites in Germany, actively participating in decision-making processes with rights of control, information, consultation and veto.

### ESRS S1-3 Processes to remediate negative impacts and channels for company workers to raise concerns

*[ESRS S1-1 20.c; ESRS S1-1 24.d; ESRS S1-3 32.a; ESRS S1-3 32.b; ESRS S1-3 32.c; ESRS S1-3 32.d; ESRS S1-3 32.e; ESRS S1-3 33]*

Feralpi Group is committed to ensuring corrective measures in the event of negative impacts on human rights, by offering dedicated reporting channels. Within the Group, there is a Whistleblowing platform through which all stakeholders can submit reports of any violations of the Code of Ethics or the Organisational Model adopted pursuant to Legislative Decree no. 231/01, and alleged illegal activities, by persons inside and outside the Group. For more information on Whistleblowing and related investigative and information activities, refer to ESRS G1-1 and ESRS G1-3.

In addition to the Whistleblowing platform, the respective department managers and the human resources office are available to staff, both employees and non-employees, for any concerns or needs regarding these topics.

Finally, Feralpi promotes topics related to human rights, health, safety, diversity and inclusion of its workforce, thus implementing the commitments set out in the Code of Ethics through the actions described in ESRS S1-4.

### ESRS S1-4 Actions on impacts material to the company's own workforce and approaches to mitigating material risks and pursuing material opportunities in relation to the company's own workforce, as well as the effectiveness of such actions

*[ESRS S1-4 37; ESRS S1-4 38.a; ESRS S1-4 38.b; ESRS S1-4 38.d; ESRS S1-4 40.a; ESRS S1-4 40.b]*

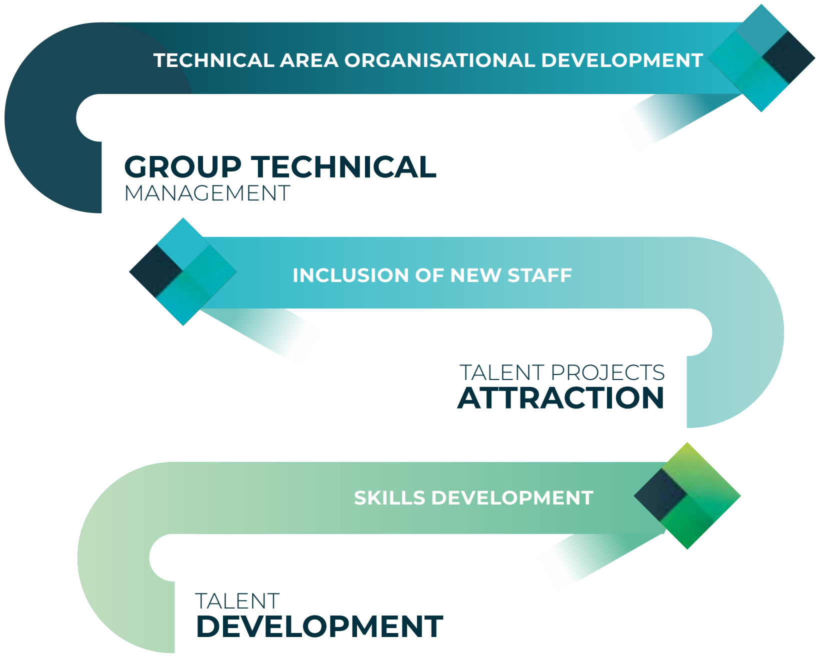
In relation to the material impacts, risks and opportunities identified by the double materiality analysis, described in ESRS 2 SBM-3, Feralpi Group acts through various actions aimed both at preventing and mitigating negative impacts and risks and at promoting positive impacts on its workforce.

## 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 2025, 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. At FERALPI STAHL, collaborations with agencies to recruit technical staff from abroad continue, promoting their integration into society and the workforce in Germany. In the coming years, the project will be extended to Latin America.

**Group Technical Excellence** activities continued in 2025, 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:




The **Group Technical Department** has structurally become the centre of expertise for Feralpi Group companies, taking on a central role for the incubation and dissemination of knowledge and solutions through the recruitment of highly qualified personnel. **MakeTheDiffHERence**, the first edition of the *Technical Graduate Programme* dedicated to the inclusion of eight female engineers, continued in 2025. Spanning twenty months, the training course provides participants with 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.

With a view to **Talent Attraction & Development**, 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.

**TECHNICAL** GRADUATE PROGRAMME:

development of **specialised skills** for young technicians with **engineering degrees**.

**OPERATION** GRADUATE PROGRAMME:

development of **technical team and soft skills.** The programme came to an end in 2025.

**SIDER+**:

transfer of **basic skills** to access **selection processes** for the company's **production areas**.

**SIDER+ ADVANCED**:

development of **intermediate technical skills** for the **steel industry** for candidates with basic skills.

**FUTURE4STEEL** (IFTS):

**highly professional** training by the **Steel Academy** to train "Experts in installation and maintenance techniques in civil and industrial plants".

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.

**SPECIAL RECRUITMENT PROJECTS** (FOR PROFESSIONAL CLUSTERS):

recruitment and selection targeted at **different professional clusters** at national level.

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. It aims to promote the sharing of skills for the mutual growth of its employees. In 2025, a new course dedicated to Project Management was added, bringing the training catalogue to **fifteen modules** divided into five areas: Management Training, Personnel Management, Leadership Development, Technical-Specialist Training and IFTS Courses. Also in 2025, an additional module dedicated to employee onboarding was designed, which will be integrated into the training offer during 2026. The participation of staff is divided into specific programmes for Feralpi Group companies and intercompany training courses.

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

## INITIATIVES FOR **SKILLS DEVELOPMENT**

Through Feralpi Bootcamp, a series of autonomous but complementary initiatives, Feralpi Group promotes **training and orientation activities** for **conscious growth**

### FERALPI BOOTCAMP

aimed at the **children of employees**, programmes for **work experience during the school year** and **higher education** through ITS and IFTS.

In 2025, the project to recruit **female staff in the production areas** continued, with a specific focus on the **primary steel sector**, with the goal 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).

At the **Lonato del Garda site**, in view of the extension of the project to the rolling mills, an in-depth analysis of the related reprotoxicity-related tasks has begun.

### STEELWOMEN PROJECT

The activity, carried out with the support of the **Department of Occupational Medicine of the University of Brescia** in order to allow the **full integration** of female staff in the specific company context, will continue in 2026. At the **Riesa site**, planning activities took place with a view to the induction of female operators.

In 2025, 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**, saw the entry of two managers, who thus entered the succession pathway.

### SUCCESSION PLANNING

In addition, the activities of the **Corporate Managerial Training Program** began, which, carried out in collaboration with **TEHA - The European House – Ambrosetti**, involved nine employees.

The Feralpi PRO system, which makes it possible to **map**, **monitor** and efficiently **manage the skills of staff**

### FERALPI PRO

through a dedicated management application, is operational in all Italian primary steel companies.

## Protection of safety and workers

Since 2022, Feralpi Group has initiated the "**We Are Safety**" project, which is in the process of being gradually extended to all the companies within the Group. This project aims to promote a health and safety culture through a training and experiential approach involving all staff, from management to workers, developing key skills such as communication, conflict management, leadership and team management, in order to continuously improve safety standards and ensure a safe working environment for all.

As a result of these training activities, a Decalogue of **ten safety rules** was created. The "**Safety Observations**" process is based on these rules and is conducted by those in charge, using a mobile application specifically developed as part of the project, aiming to record and monitor compliance with the rules of the Decalogue and observe the progress trends.

In 2025, the development of the first phase of "We Are Safety" for Acciaierie di Calvisano and Arlenico was completed. The initial technical assessment for "We Are Safety" took place at Defim Orsogril, and the related proposals for activities will be defined in 2026. As far as Presider is concerned, the assessment is scheduled for the first months of 2026.

In 2025, Safety Meetings were introduced at the Lonato del Garda site. This initiative has made it possible to structure and formalise the discussion between supervisors and staff, starting with the reports received, with the aim of increasingly involving workers in the dissemination of the safety culture. In 2026, the Safety Meetings will also be extended to Acciaierie di Calvisano.

In addition, through a dedicated event and new appointments, the role of Safety Tutor was relaunched at Feralpi Siderurgica, and will be reintroduced at the Calvisano site in 2026.

In parallel with the awareness-raising and training actions, Feralpi Group continuously carries out improvement actions in all plants.

The updating of the **risk assessment of all production sites** is carried out according to the frequency imposed by regulatory aspects as regards the assessment of physical and chemical risks, and in relation to all plant developments determined by changes to environments and production facilities carried out during the year. In all plants, **proactive auditing activities** and the **analysis of incidents and near misses** are carried out, and **reports** are collected by staff. All investments by the Group involving changes, revamping, additions, or replacements of machinery and equipment at facilities, aimed at improving working environments and expanding plants and production plants, are carried out with the active and constant involvement of the Safety and Environment function. In this way, from the first design phases, plant evolution interventions are carried out with a focus on the constant improvement of the working conditions of the affected tasks. Furthermore, Feralpi Group is constantly engaged in the search for automation solutions aimed at limiting, as far as possible, the intervention of human operators in potentially critical areas.

As part of the Group strategy, a continuous improvement process is planned that includes initial testing on pilot sites. The goal is to create a virtuous model that, once the effectiveness of the solutions adopted has been proven, can be extended and replicated in all the Group's sites. In 2025, cameras equipped with Artificial Intelligence systems were introduced experimentally at Feralpi Siderurgica and Acciaierie di Calvisano in order to improve human-machine interaction within the two sites.

At the same time as the changes to the production layout at the Riesa site, **ESF Elbe-Stahlwerke Feralpi GmbH** continued updating the signage for the newly constructed buildings and plants and those under construction. Work also continued on improving the translations of the main health and safety documents into the languages spoken by the staff. This commitment responds to the increasing presence of non-German-speaking workers, visitors and contractors on the site. Also in 2025, staff were trained in the use of a new mobile app for reporting any safety or environmental incidents.

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

## Welfare

Feralpi Group implements and annually updates a range of initiatives, services, and benefits dedicated to its staff, aiming to enhance their well-being and quality of life both at work and personally, promoting a balance between work and private life.

In addition to what is provided by the health and safety management systems, the Group is committed to health protection and safeguarding activities through prevention and awareness measures. Feralpi Group has been participating since 2013 in the **WHP Network - Workplace Health Promotion**, a European initiative implemented at a regional and provincial level, to which the Group's Lombardy and Piedmont companies are accredited. In this context, over the years, initiatives have been carried out in collaboration with competent local health authorities and Confindustria, initiatives aiming to improve the health and well-being of workers by reducing general risk factors, particularly those most closely associated with the development of non-transmissible chronic diseases. In 2025, the main actions concerned a nutrition campaign in Arlenico and oral cancer prevention activities at Presider's Borgaro Torinese site. At the Brescia sites, the focus was on preventing addictive behaviour and several company sports tournaments were held.

In 2025, Feralpi Siderurgica continued activities in the context of the international **Total Worker Health (TWH)** program, in collaboration with the Department of Occupational Medicine of the University of Brescia. At the Lonato del Garda site, a campaign was conducted aimed at analysing the blood of some of the company's employees who had a predisposition to chronic degenerative diseases, identified with the collaboration of the competent doctors. In addition, the possibility of contacting an external psychological help desk was introduced, in cooperation with a specialist body.

For work-life balance and support for parenthood, the Group's Italian companies provide paid leave for needs related to children's illness and benefits for female employees who, upon returning from maternity leave, have the option to work part-time, work from home, or reduce their canteen break.

For some staff, there are flexible working arrangements in terms of working hours and how these hours are accounted for. Furthermore, additional measures have been implemented, including the granting of permits for specialist medical visits for oneself, children, and parents, as well as the introduction of Short Friday, which allows personnel not directly involved in the technical-productive sector to enjoy days with reduced working hours. In 2025, these benefits were incorporated into second-level bargaining at Acciaierie di Calvisano and Presider, as was done in 2024 at Feralpi Siderurgica, at the same time as the relevant contract renewals.

Feralpi Group has also joined the **Local Conciliation Alliance**, a public-private partnership aimed at promoting work-life balance projects coordinated by the Brescia Health Protection Agency.

**FERALPI STAHL** organises annual **health days** for staff with the support of health insurance companies and other service providers. In Germany, employees are covered by workplace accident insurance, which also includes personal life, providing access not only to mandatory check-ups but also to other examinations. In Italy, workers can enjoy supplementary health insurance, guaranteed by the sector's collective bargaining agreement, which goes as far as including family members.

Attention to individuals' well-being also translates into initiatives aimed at making work environments more welcoming, modern, and functional. Modernisation extends beyond office spaces to include production and logistics areas, aiming to create a safe, efficient, and stimulating work environment.

All the Group's Italian companies offer a **flexible benefit** system that, through a platform based on welfare credits, allows access to goods and services. In addition, there are numerous **local agreements with commercial or service-providing businesses** that offer various kinds of benefits for staff.

## Diversity, Equity, Inclusion

During 2025, Feralpi Group continued its commitment to promoting diversity, equity and inclusion (DEI) through several important initiatives.

FERALPI STAHL participates in the **NETZWERK Unternehmen integrieren Flüchtlinge**, an initiative organised by **the Chamber of Commerce for Industry (Deutschen Industrie - und Handelskammer (DIHK))** and the **Federal Ministry for Economic Affairs and Climate Protection** that supports German companies for refugee integration.

The Manager of Human Resources of FERALPI STAHL is ambassador of the initiative for the federal state of Saxony. In collaboration with ITKAM - Italian Chamber of Commerce of Frankfurt for Germany, an activity was carried out that saw girls from local schools visit the plant, where they had the opportunity to meet FERALPI STAHL role models, following on from what is done in Italy with Deploy Your Talents and STEM in Genere.

In order to achieve UNI/PdR 125:2022 certification for gender equality at Feralpi Siderurgica, personnel management procedures have been updated to better incorporate the principle of anti-discrimination. In addition, a specific policy was drafted and the associated communication plan was implemented.

### MAIN INITIATIVES **DIVERSITY, EQUITY, INCLUSION**

**Internal** campaigns dedicated to inclusion topics continued .

The **We Are Together - Getting to know and connect each other** campaign, which includes **awareness-raising and cultural growth** activities on the topics of inclusion, listening and internal dialogue aimed at all Feralpi Group staff.

#### WE ARE TOGETHER

In 2025, it continued at **FERALPI STAHL**, **Arlenico** and **Defim Orsogril** and will be completed in 2026. The same applies to Feralpi.

In 2025, **Deploy Your Talents** continued in collaboration with the **Sodalitas Foundation**.

The project is dedicated to the **dissemination of STEM subjects** with a view to **combating gender stereotypes**, in order to increase the number of **women employed in technical and scientific professions**, through meetings aimed at students of **secondary schools** in the regions where the Group operates.

#### DEPLOY YOUR TALENTS

During these events, **Feralpi Group engineers and experts** share their work experiences and answer questions and queries from students.

In 2025, Feralpi Group continued its participation, within the **Comunità Pratica network**, in the "**STEM in Genere**" project of **the University of Brescia** in collaboration with the **Chirone association**.

#### STEM IN GENERE

The project, with a view to overcoming gender stereotypes in the STEM field, includes **educational and awareness-raising meetings aimed at students** of primary schools in Brescia.

## Metrics and targets

### ESRS S1-5 Targets related to the management of significant negative impacts, the enhancement of positive impacts and the management of significant risks and opportunities

*[ESRS S1-5 46]*

With regard to diversity and inclusion topics, Feralpi Group has set itself the following objectives relating to the inclusion of female staff, both in the production areas of the main steel sites and in the corporate services of the Parent Company. In addition, there is a goal relating to the collective training of personnel on the topics of listening, dialogue and inclusion.

| | BASELINE 2022 | 2025 | % change | TARGET | PERIMETRO |
|---|---|---|---|---|---|
| Inclusion of female staff (blue collar) in technical-production areas [53] | 0% | 8% | / | 2027: ≥5% / year new entries primary steelmaking | Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico, ESF |
| Collective training course on "Listening, Dialogue and Inclusion" topics | 0% | 62% | / | 100% population affected | Consolidated Feralpi Siderurgica [54] |
| % female staff in Feralpi Siderurgica - Corporate Services | 49% | 52% | / | ~50% | Feralpi Siderurgica - Corporate Services |

With regard to the health and safety of personnel working at the Group's sites, two goals have been developed for 2030, which provide, respectively, for a reduction in the accident frequency index and the progressive extension of ISO 45001 certification to all Feralpi Group companies.

*[ESRS S1-5 47.a; ESRS S1-5 47.b; ESRS S1-5 47.c]*

| | BASELINE 2022 | 2025 | % change | TARGET 2030 | PERIMETRO |
|---|---|---|---|---|---|
| Accident Frequency Index | 23.7 (average 2019-2022) | 19.7 | -17% | 7 (0-10) | Consolidated Feralpi Siderurgica [54] |
| % of staff working in ISO 45001 companies | 25% | 41% | / | 100% | Consolidated Feralpi Siderurgica [54] |

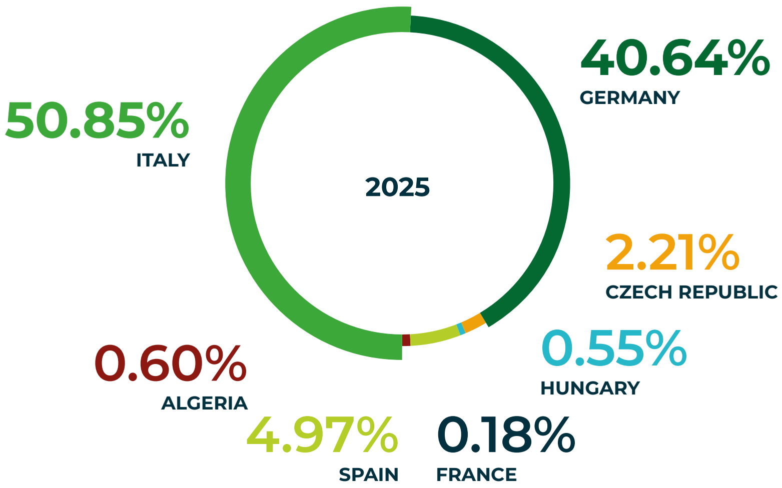
All the objectives described above are included in Feralpi Group's ESG Scorecard, and are therefore fully aligned with the Group's strategic guidelines. The process of defining the objectives, monitoring the related performance and identifying improvements is entrusted to the Sustainability Management Committee, which submits its assessments and proposals for approval by the Parent Company's Board of Directors. Therefore, the process did not involve the direct participation of the company's own workforce or workers' representatives.

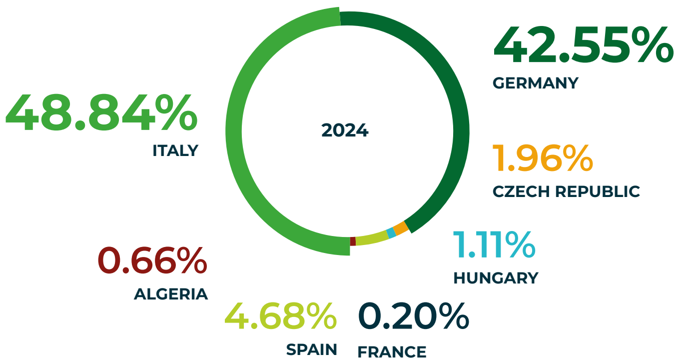
[53] *Including those administered.*
[54] *Alpifer Group and Feralpi Algérie not included.*

## ESRS S1-6 Characteristics of company employees

*[ESRS S1-6 50.a]*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Men | Women | Total | Men | Women | Total |
| **Total** | **1,934** | **239** | **2,173** | **1,773** | **213** | **1,986** |
| of which Italy | 975 | 130 | 1,105 | 858 | 112 | 970 |
| of which Germany | 808 | 75 | 883 | 776 | 69 | 845 |
| of which Czech Republic | 39 | 9 | 48 | 31 | 8 | 39 |
| of which Hungary | 10 | 2 | 12 | 19 | 3 | 22 |
| of which France | 3 | 1 | 4 | 3 | 1 | 4 |
| of which Spain | 87 | 21 | 108 | 74 | 19 | 93 |
| of which Algeria | 12 | 1 | 13 | 12 | 1 | 13 |



*[ESRS S1-6 50.b]*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Men | Women | Total | Men | Women | Total |
| **Permanent** | **1,884** | **233** | **2,117** | **1,666** | **200** | **1,866** |
| of which Italy | 962 | 127 | 1,089 | 834 | 107 | 941 |
| of which Germany | 780 | 73 | 853 | 695 | 63 | 758 |
| of which Czech Republic | 30 | 8 | 38 | 29 | 6 | 35 |
| of which Hungary | 10 | 2 | 12 | 19 | 3 | 22 |
| of which France | 3 | 1 | 4 | 3 | 1 | 4 |
| of which Spain | 87 | 21 | 108 | 74 | 19 | 93 |
| of which Algeria | 12 | 1 | 13 | 12 | 1 | 13 |
| **Fixed-term** | **50** | **6** | **56** | **57** | **7** | **64** |
| of which Italy | 13 | 3 | 16 | 19 | 4 | 23 |
| of which Germany | 28 | 2 | 30 | 36 | 1 | 37 |
| of which Czech Republic | 9 | 1 | 10 | 2 | 2 | 4 |
| of which Hungary | 0 | 0 | 0 | 0 | 0 | 0 |
| of which France | 0 | 0 | 0 | 0 | 0 | 0 |
| of which Spain | 0 | 0 | 0 | 0 | 0 | 0 |
| of which Algeria | 0 | 0 | 0 | 0 | 0 | 0 |

*[ESRS S1-6 52.a; ESRS S1-6 52.b]*

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Men | Women | Total | Men | Women | Total |
| **Full-time** | **1,925** | **212** | **2,137** | **1,716** | **176** | **1,892** |
| of which Italy | 972 | 121 | 1,093 | 850 | 101 | 951 |
| of which Germany | 803 | 60 | 863 | 727 | 47 | 774 |
| of which Czech Republic | 38 | 8 | 46 | 31 | 7 | 38 |
| of which Hungary | 10 | 1 | 11 | 19 | 1 | 20 |
| of which France | 3 | 0 | 3 | 3 | 0 | 3 |
| of which Spain | 87 | 21 | 108 | 74 | 19 | 93 |
| of which Algeria | 12 | 1 | 13 | 12 | 1 | 13 |
| **Part-time** | **9** | **27** | **36** | **7** | **31** | **38** |
| of which Italy | 3 | 9 | 12 | 3 | 10 | 13 |
| of which Germany | 5 | 15 | 20 | 4 | 17 | 21 |
| of which Czech Republic | 1 | 1 | 2 | 0 | 1 | 1 |
| of which Hungary | 0 | 1 | 1 | 0 | 2 | 2 |
| of which France | 0 | 1 | 1 | 0 | 1 | 1 |
| of which Spain | 0 | 0 | 0 | 0 | 0 | 0 |
| of which Algeria | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total personnel employed** | **1,934** | **239** | **2,173** | **1,723** | **207** | **1,930** |

*[ESRS S1-6 50.c]*

| Number and turnover rate of employees | | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | < 30 years old | 30 - 50 years old | > 50 years old | total | < 30 years old | 30 - 50 years old | > 50 years old | total |
| Outgoing employees | Women | 6 | 5 | 8 | 19 | 6 | 18 | 5 | 29 |
| | Men | 60 | 94 | 67 | 221 | 44 | 79 | 67 | 190 |
| | Total | 66 | 99 | 75 | 240 | 50 | 97 | 72 | 219 |
| Turnover rate | Women | 13.04 | 4.10 | 11.27 | 7.95 | 16.22 | 16.07 | 7.81 | 13.62 |
| | Total | 20.07 | 9.79 | 9.93 | 11.43 | 16.73 | 8.87 | 10.82 | 10.72 |
| | **Total** | **19.13** | **9.15** | **10.05** | **11.04** | **16.67** | **9.67** | **10.54** | **11.03** |

*[ESRS S1-6 50.d; ESRS S1-6 50.f]*

The figures are given in number of people as at 31 December 2025 and 2024. For this reason, they differ from what is indicated in Section 11.1 of the Report on Operations regarding the average number of employees.

*[ESRS S1-6 50.e]*

For 2024, the figure for Total personnel employed does not include apprentices (50 men and 6 women), which brings the total as at 31.12.2024 to 1,986 employees. For 2025, the figures include the personnel of the Alpifer Group.

Despite this expansion of the reporting scope, the number of employees employed on fixed-term contracts in 2025 is eight fewer than in the previous year. Part-time contracts also see a decrease of two from 2024 to 2025.

### ESRS S1-7 Characteristics of workers who are not employees in the company's own workforce

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Men | Women | Total | Men | Women | Total |
| Workers who are not employees[55] | 95 | 4 | 99 | 114 | 10 | 124 |

*[ESRS S1-7 55.b]*

The data is reported in number of people as at 31 December 2025.

*[ESRS S1-7 55.c]*

In 2025, the number of non-employee workers is down compared to 2024, despite the fact that, unlike the previous year, data relating to the Alpifer Group has been included.

[55] *"Workers who are not employees" means agency workers and interns.*

## ESRS S1-8 Coverage of collective bargaining and social dialogue

*[ESRS S1-8 60.a]*

Collective bargaining applies to all personnel in companies based in Italy, Germany, Spain, and France, which, at 31 December 2025, corresponds to 96.64% of the Group.

*[ESRS S1-8 60.b; ESRS S1-8 63.a]*

The only countries that, based on the information reported in ESRS S1-6, have a significant level of employment, i.e. at least 50 employees representing at least 10% of the Group's total employees, within the European Economic Area (EEA) are Italy and Germany. In both countries, collective bargaining exceeds the 80% threshold. Workplace representation[56] in these countries also exceeds the 80% threshold.

*[ESRS S1-8 60.c]*

Based on the same criteria, there are no countries or regions outside the EEA with significant levels of employment.

*[ESRS S1-8 63.b]*

There are no agreements of European relevance.

[56] *For the purposes of assessing workplace representation, managers were not included in the number of employees covered by workers' representatives.*

## ESRS S1-9 Diversity metrics

*[ESRS S1-9 66.a]*

| Executives by gender | Men | Women | Total |
|---|---|---|---|
| Executives (no.) | 38 | 4 | 42 |
| Executives (%) | 90 | 10 | 100 |

*[ESRS S1-9 66.b]*

| Personnel employed by age and gender | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 |
| **Total** | **345** | **1,082** | **746** | **300** | **986** | **700** |
| Women | 46 | 122 | 71 | 37 | 110 | 66 |
| Men | 299 | 960 | 675 | 263 | 876 | 634 |
| **Total %** | **15.88** | **49.79** | **34.33** | **15.11** | **49.65** | **35.25** |
| Women % | 2.12 | 5.61 | 3.27 | 1.86 | 5.54 | 3.32 |
| Men % | 13.76 | 44.18 | 31.06 | 13.24 | 44.11 | 31.92 |

## ESRS S1-10 Adequate wages

*[ESRS S1-10 69]*

The remuneration of employees working in Feralpi Group companies is in line with national legislation and any collective agreements in force in the countries in which they are based.

## ESRS S1-11 Social protection

*[ESRS S1-11 74]*

All personnel working in Feralpi Group companies enjoy the social protection guaranteed by the laws in force in the respective countries where the Group companies are based.

## ESRS S1-12 Persons with disabilities

*[ESRS S1-12 79; ESRS S1-12 80]*

| | Men | Women | Total |
|---|---|---|---|
| Percentage of employees with disabilities | 3.57 | 5.86 | 3.82 |

The data refers to workers who, due to certain physical or social conditions, benefit from specific protections and facilities in the workplace. These are people with disabilities recognised by a special medical committee or who belong to specific categories identified by the relevant regulations.

## ESRS S1-13 Training and skills development metrics

*[S1-13 83.a]*

| | Men (%) | Women (%) | Total (%) |
|---|---|---|---|
| Employees who participated in periodic performance and career development reviews | 85.57 | 67.36 | 83.57 |

*[ESRS S1-13 83.b]*

As at 31.12.2025, the total number of training hours at Group level was 42,229.

| Average training hours per capita by gender | Men | Women | Total |
|---|---|---|---|
| 2025 | 19 | 21 | 19 |
| 2024 | 21 | 31 | 22 |

*[ESRS S1-13 84]*

| Average training hours per capita by professional category | Blue-collars | White-collars and middle managers | Executives | Total |
|---|---|---|---|---|
| 2025 | 17 | 25 | 13 | 19 |
| 2024 | 19 | 31 | 21 | 22 |

The changes in the data relating to the average training hours per capita are mainly attributable to the inclusion of Alpifer Group personnel in the reporting scope.

## ESRS S1-14 Health and safety metrics

*[ESRS S1-14 88.a]*

With reference to the scope of the Group ESG Scorecard, the companies Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico and Caleotto have an ISO 45001-certified worker health and safety management system, covering 41% of the company population, including employees and non-employees.

These systems are subject to periodic audits (on an annual basis for certification, renewal or maintenance) by the Certification Body, in addition to those carried out internally by the companies according to pre-established audit plans.

With reference to the overall scope of Feralpi Group:

| Own workers covered by the health and safety management system | % |
|---|---|
| Company employees covered by the health and safety management system | 97.54 |
| Company employees covered by the audited and/or certified health and safety management system | 49.21 |
| Company employees covered by the health and safety management system not subject to audit and/or certification | 48.33 |

*[ESRS S1-14 88.b; ESRS S1-14 88.c; ESRS S1-14 88.e]*

| Accidents | | 2025 | 2024 |
|---|---|---|---|
| Group | No. of accidents recorded | 80 | 79 |
| | No. of deaths due to occupational accidents | 0 | 0 |
| | Hours worked | 3,737,155 | 3,463,585 |
| | Rate of accidents at work | 21.41 | 22.81 |
| | Number of days lost due to accidents at work | 2,348 | - |

During the reporting period, there were no fatal accidents involving workers from external firms operating at Feralpi Group sites.

*[ESRS S1-14 89]*

The above data includes both employees and non-employees, understood as temporary staff and other types of contract.

*[ESRS S1-14 88.d]*

With regard to the disclosure requirements concerning work-related illnesses, Feralpi Group makes use of the phasing-in clause provided for in Delegated Regulation (EU) 2023/2772, based on the amendments introduced by Delegated Regulation (EU) 2025/1416.

## ESRS S1-15 Work-life balance metrics

*[ESRS S1-15 93.a]*

All personnel working in Feralpi Group companies are entitled to family leave in the manner provided for by the legislation in force in the countries in which they are based.

*[ESRS S1-15 93.b]*

| Number of employees who took leave for family reasons | no. | %[57] |
|---|---|---|
| Women | 20 | 8.37 |
| Men | 138 | 7.14 |
| Total | 158 | 7.27 |

[57] *Calculated on the total number of employees.*

## ESRS S1-16 Compensation metrics (pay gap and total compensation)

*[ESRS S1-16 97.a; ESRS S1-16 97.c]*

The table alongside shows only the sites and categories where female personnel are present or where the breakdown by role concerns at least six members of female personnel.

| Remuneration by professional category and by gender Average Gross Hourly Wage (€) | Category | Men | Women |
|---|---|---|---|
| Feralpi Siderurgica | Blue-collars | 12.31 | 11.16 |
| | White-collars and middle managers | 14.13 | 13.08 |
| Arlenico | White-collars and middle managers | 13.99 | 12.72 |
| Presider | White-collars and middle managers | 13.88 | 12.77 |
| Defim Orsogril | White-collars and middle managers | 13.59 | 11.90 |
| ESF Elbe-Stahlwerke Feralpi GmbH | Blue-collars | 16.91 | 16.17 |
| | White-collars and middle managers | 29.85 | 24.03 |

*[ESRS S1-16 97.b]*

With reference to the scope of Feralpi Group's Italian companies, the ratio between the total annual remuneration of the person receiving the highest salary and the median total annual remuneration of all employees, excluding the person with the highest salary, is 7.28.

## ESRS S1-17 Incidents, complaints and serious human rights impacts

*[ESRS S1-17 103.a; ESRS S1-17 103.b; ESRS S1-17 103.c; ESRS S1-17 104.a; ESRS S1-17 104.b]*

In 2025, Feralpi Group received no reports through the channels described in ESRS S1-3 relating to incidents of discrimination, harassment or serious human rights violations. As a result, it has not been subject to fines, penalties or claims for damages.

# 22. ESRS S2 - Workers in the value chain

*[ESRS-2 17]*

With regard to the disclosure requirements under the thematic standard ESRS S2 Workers in the value chain, Feralpi Group makes use of the phase-in clause provided for in Delegated Regulation (EU) 2023/2772, based on the amendments introduced by Delegated Regulation (EU) 2025/1416.

## Material impacts, risks and opportunities

*[ESRS-2 17.a]*

In carrying out the double materiality analysis, the following negative impacts relating to workers in the value chain were identified as material. Feralpi Group has considered all its production facilities and the entire value chain as described in section ESRS 2 IRO-1 of this document, to which reference should be made for further details on the methodology adopted.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Working conditions | Negative impact on the health and safety of workers in the value chain due to the risk of injuries/accidents and the development of occupational diseases inherent to the nature of the business | (-) Impact | Value chain | Medium, Long |
| | Potential negative impact resulting from the possible presence, along the supply chain, of socially unsustainable practices, including labour exploitation and human rights violations, and their perpetuation in the absence of effective controls or adequate policies. | (-) Impact | Value chain | Short, Medium |

IRO: RISK, OPPORTUNITY, IMPACT
+ POSITIVE CURRENT; (+) POSITIVE POTENTIAL; - NEGATIVE CURRENT; (-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS, VALUE CHAIN

TIME HORIZON: SHORT, MEDIUM, LONG

The first impact is related to the occurrence of events limited to individual incidents, while the second, concerning practices along the supply chain, is considered potentially systemic.

The assessments did not go so far as to understand how workers with particular characteristics, those operating in particular contexts or performing certain activities, may be more exposed to risks.

### Targets related to workers in the value chain

*[ESRS-2 17.b]*

Although Feralpi Group has not set specific targets related to workers in the value chain, the Group's ESG strategy is based on a concrete commitment to social responsibility.

### Policies related to workers in the value chain

*[ESRS-2 17.c]*

With regard to human rights in the value chain, Feralpi Group's **Human Rights Policy** establishes the Group's commitment to protecting human rights, combating all forms of human rights violations along the supply chain and creating safe and healthy working conditions for suppliers, in particular contractors and subcontractors. Suppliers are required to accept the Code of Ethics, which promotes the protection of human rights in the value chain, undertaking to adhere to the values and principles indicated therein and to disseminate them among their own workers and contractors. For more information on the policy, refer to ESRS S1-1.

In addition, the **Supplier Code of Conduct**, approved in 2025 and to be disseminated during 2026, requires suppliers to ensure respect for human rights, avoiding any form of violence, abuse, discrimination and retaliation, and to ensure inclusive, merit-based and safe working environments, preventing accidents and occupational diseases through appropriate measures, ongoing training and improvement actions. The Code prohibits all forms of forced and child labour and calls for respect for the right to freedom of association and collective bargaining. Feralpi Group promotes a responsible supply chain, and therefore requires its suppliers to extend these ethical and social standards to their sub-suppliers, thus ensuring compliance with the fundamental principles throughout the entire supply chain.

The **whistleblowing** system, described in ESRS G1-1, allows for the confidential and, if necessary, anonymous reporting of violations, including those relating to human rights, in the manner described on the Feralpi Group website[58].

[58] *https://www.feralpigroup.com/en/group/governance/whistleblowing*

### Actions related to workers in the value chain

*[ESRS-2 17.d]*

In 2025, Feralpi Group focused on drafting and approving the Supplier Code of Conduct. In the course of 2026, the document will be sent to all the Group's suppliers and will remain available on the website.

### Metrics related to workers in the value chain

*[ESRS-2 17.e]*

As reported in ESRS G1-1, during 2025, no complaints were filed through the whistleblowing channels within Feralpi Group.

This report does not include other metrics relating to the issue. From next year, the measures and actions taken in any cases of non-compliance with the provisions of the Code of Conduct may be reported.

# 23. ESRS S3 - Affected communities

*[ESRS-2 17]*

With regard to the disclosure requirements set out in the thematic standard ESRS S3 Affected Communities, Feralpi Group makes use of the phase-in clause provided for in Delegated Regulation (EU) 2023/2772, based on the amendments introduced by Delegated Regulation (EU) 2025/1416.

## Material impacts, risks and opportunities

*[ESRS-2 17.a]*

In carrying out the double materiality analysis, the following negative impacts relating to workers in the value chain were identified as material. Feralpi Group has considered all its production facilities and the entire value chain as described in section ESRS 2 IRO-1 of this document, to which reference should be made for further details on the methodology adopted.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Economic, social, and cultural rights of communities | Positive impact on the economic and social development of communities, through sourcing from local suppliers, employment, DEI awareness-raising initiatives and support for local associations and organisations | + IMPACT | FERALPI OPERATIONS, VALUE CHAIN | SHORT, MEDIUM, LONG |

IRO: RISK, OPPORTUNITY, IMPACT
\+ POSITIVE CURRENT
(+) POSITIVE POTENTIAL
\- NEGATIVE CURRENT
(-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS, VALUE CHAIN

TIME HORIZON: SHORT, MEDIUM, LONG

## Targets related to affected communities

*[ESRS-2 17.b]*

Although Feralpi Group has not established specific targets related to the affected communities, the Group's ESG strategy is based on a concrete commitment to social responsibility, conceiving the company as a shared heritage of the community.

Feralpi Group's holistic approach, which includes support for social, cultural, and sporting initiatives, reflects a comprehensive perspective on corporate responsibility, promoting a lasting positive impact on the area and its community. The Group has always supported local organisations, trade associations[59], institutions and public administration, educational, university and research institutions, sports associations and national non-profit organisations.

In this vision, Feralpi Group creates value not only through the development and support of the community via social, cultural, and sports projects but also through the generation of both direct and indirect employment.

## Policies related to affected communities

*[ESRS-2 17.c]*

Feralpi Group has a **Stakeholder Management Policy**, which defines relations with its stakeholders, both internal and external. The policy aims to promote sustainable development based on value sharing in the communities where the Group operates. For more information about this, refer to Section SBM-2.

Since 2019, Feralpi Group has adopted a specific **Policy for managing philanthropic, social, and cultural initiatives**, which defines the guidelines for supporting projects of significance to the community and the area. The policy aligns with the Group's values and its dedication to positively impact the realities operating in the areas where the companies are located, ensuring that both donations and sponsorships support initiatives consistent with the seven pillars of the sustainability strategy and the SDGs to which the Group is committed – particularly Goal 8 (Decent Work and Economic Growth), Goal 9 (Climate Action), and Goal 11 (Sustainable Cities and Communities).

Specifically, the Group's support is focused on two main areas: the social, aimed at promoting community welfare through initiatives related to the environment, education, health, and social inclusion, and the cultural, which aims to conserve and enhance historical and artistic heritage.

Areas of intervention in **the social sector**:

- Safeguarding and caring for the environment;
- Education, training and work as tools for change;
- Promotion of individual physical and mental well-being and safety at work;
- Social inclusion through sport and culture, and the creation of inclusive spaces;
- Community development;
- Global emergencies.

Areas of intervention in the **cultural sector**:

- Culture as an educational tool;
- Development of entrepreneurial culture;
- Publication and education on the world of steel;
- Preservation of the artistic and historical heritage of the community.

## Actions related to affected communities

*[ESRS-2 17.d]*

In continuity with previous years, Feralpi Group has also confirmed its support for the **Brescia Musei Foundation** for the 2023-2025 period through the Alliance for Culture, which aims to enhance the city's artistic heritage and support major cultural communication events. The initiative is based on the sharing of a strategic cultural vision with the partners, in which events and shows represent the tool to enhance the social and economic development of the city of Brescia and its province.

*[59] Details on the associations in which the Feralpi Group participates are available in the Appendix*

In this context, in 2025 Feralpi Group was the main donor of the National Assembly of ICOM Italy, held in Brescia from 4 to 6 April at the Museo di Santa Giulia. The event, which focused on the topic "Museums and social innovation", was an important opportunity for the main cultural players to discuss the social impact of museum activity, confirming it as a decisive lever for sustainability and for strengthening relations with the territory.

The Group renewed its membership in the "Amici della Rocca" Club, an association promoted by the Fondazione Ugo da Como that unites private individuals and companies interested in culture and committed to supporting projects aimed at enhancing the monumental complex of the "Rocca Visconteo Veneta" of Lonato del Garda. The initiative also promotes forms of sustainable tourism, capable of stimulating culture and generating employment opportunities in the area.

FERALPI STAHL continues to support the Elbland Philharmonie Sachsen GmbH orchestra, contributing to the promotion of classical music. In addition, it actively supports the universities of Freiberg and Dresden, collaborating on research and development projects, with a focus on innovation and cultural and scientific growth.

Alongside its support for social and cultural initiatives, the Group also promotes sports sponsorships. Feralpi Group supports both professional and amateur athletes and sports clubs in a wide range of disciplines such as football, cycling, triathlon, rugby, skiing, tennis, and rowing. In this way, it contributes to the human and professional growth of the people involved and to the enhancement of their respective sporting fields.

2025 saw FERALPI STAHL play a leading role in an important process of stakeholder engagement on the occasion of the **inauguration of the new Rolling Mill B** in Riesa. The plant, the first in Germany to be equipped with K-Spooler technology for the production of up to 8-tonne coils, represents a pillar of the Group's innovation and competitiveness strategy.

To present the investment, a series of events was organised that saw the participation of representatives from Italian and German politics, the industrial world and the continental steel industry. At the same time, with a view to full transparency and inclusion, the production site opened its doors to employees, their families and the local community: the day dedicated to the region was attended by more than 3,000 people, who were able to learn more about the company through guided tours of the facilities.

This initiative reflects the Group's commitment to promoting a constant dialogue and consolidating the bond of trust with stakeholders and communities in the areas where it operates, transforming an industrial milestone into an opportunity for shared value.

In 2025, Feralpi Group consolidated its commitment to promoting a transparent and participatory entrepreneurial culture by giving the possibility of visiting its production sites to over 5,000 visitors. Guided tours of the various plants enabled students, institutions, partners, and local communities to witness the production processes up close, while also gaining insights into how the Group is tackling the challenges of energy transition, minimising environmental impact, and fostering a circular economy.

The Group is among the founding companies of **Comunità Pratica**, an initiative that unites eighteen business entities in the province of Brescia to promote a positive impact in the communities through sustainable projects. The community's primary goals are to encourage the exchange of knowledge and best practices in social, environmental, and cultural areas, focusing on sustainability, employee well-being, and relations with key communities and stakeholders. During the 2023-2025 period, a total of two hundred and thirty-one concrete actions were consolidated among the participating companies, sharing best practices that generate long-term value.

In 2025, the initiative - launched in 2020 - "**Sustainable Dialogues**", a network of people interested in maintaining a constant dialogue with the Group on topics 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.

### Metrics related to affected communities

*[ESRS-2 17.e; GRI 204-1]*

In 2025, considering the main production sites both in Italy and abroad, the Group **recognised 28.7% of its turnover to local suppliers**.

| **Proportion of spending on local suppliers**[60] (GRI 204-1) - % | **2025** | **2024** |
|---|---|---|
| Province of Brescia | 38.4 | 34.7 |
| Province of Como | 8.1 | 5.4 |
| Province of Lecco | 7.2 | 6.3 |
| Province of Turin | 1.7 | 2.0 |
| District of Meißen/Dresden | 17.3 | 14.2 |
| District of Mělník | 6.3 | 6.4 |
| District of Csepel | 9.8 | 14.5 |
| Province of Barcelona | 73.5 | 87.2 |

[60] *Ratio of local purchases from suppliers of materials, products and services to total purchases, for the main production facilities. By "local" we mean the Province or District of reference. For Feralpi-Praha and Feralpi-Hungária it is not possible to identify local suppliers. In calculating the indicator, it was considered the item related to other operating expenses in the Income Statement, which incorporate most of local suppliers out of total charges.*

*[ESRS-2 17.e; GRI 201-1]*

The following tables show the distribution of the economic value generated by Feralpi Group.

| **Direct economic value generated and distributed**[61] (GRI 201-1) Figures in thousand euros | **2025** | **2024** |
|---|---|---|
| Revenues from sales and services | 1,703,187 | 1,652,984 |
| Changes in inventory of work-in-progress | -4,411 | 42,678 |
| Increases in fixed assets for in-house work | 4,253 | 6,227 |
| Other revenues and income | 20,809 | 28,570 |
| A - VALUE OF PRODUCTION | 1,723,838 | 1,730,459 |
| Consumption of raw materials (scrap) | 860,355 | 920,455 |
| Energy | 158,691 | 151,044 |
| Consumable materials and supplies | 233,444 | 255,581 |
| Cost of services | 211,831 | 215,518 |
| Hire, purchase and leasing charges | 10,774 | 10,486 |
| Provisions for risks | 268 | 236 |
| Other provisions and write-downs | 26 | 127 |
| Other operating expenses | 3,954 | 4,067 |
| B - COST OF PRODUCTION | 1,479,343 | 1,557,514 |
| **GROSS CHARACTERISTIC VALUE ADDED** | **244,495** | **172,945** |
| Financial income | 2,607 | 4,862 |
| Adjustments to financial assets | 531 | 3,069 |
| Accessory items | 3,138 | 7,931 |
| Extraordinary items | 0 | 0 |
| **GROSS OVERALL VALUE ADDED** | **247,633** | **180,877** |
| Amortisation | 71,637 | 70,179 |
| **NET OVERALL VALUE ADDED** | **175,996** | **110,698** |

| **Distribution of consolidated value added** (GRI 201-1) Figures in thousand euros | **2025** | **2024** |
|---|---|---|
| Wages and salaries | 110,806 | 101,763 |
| Employee severance indemnity | 3,620 | 2,862 |
| Other charges | 7,003 | 5,772 |
| A - PERSONNEL | 121,429 | 110,398 |
| Taxes | 3,272 | -6,699 |
| Social security contributions | 31,636 | 27,755 |
| B - PUBLIC ADMINISTRATION | 34,908 | 21,056 |
| Provisions | 444 | 132 |
| Non-distributed profit / loss | 400 | -37,741 |
| C - RISK CAPITAL | 844 | -37,609 |
| Distributed profit | 0 | 0 |
| Financial expenses | 16,607 | 11,483 |
| D - LENDERS | 16,607 | 11,483 |
| Charity | 112 | 255 |
| Sponsoring of sports/recreational activities | 2,095 | 5,115 |
| E - COMMUNITY | 2,207 | 5,369 |
| **NET OVERALL VALUE ADDED** | **175,996** | **110,698** |

During 2025, Feralpi Group contributed **€2.2 million to support the communities** through charitable donations and sponsorships.

[61] *For the purposes of correct comparability with the 2025 financial year, the data relating to the 2024 financial year has been reclassified. In particular, an amount of €4.376 million was reversed from the item "Energy" and reclassified under the item "Cost of services". The reclassification ensures full comparability of trends without altering the overall value of the 2024 Value Added.*

# 24. ESRS G1 - Business conduct

## Governance

*[ESRS 2 GOV-1 5.a; ESRS 2 GOV-1 5.b]*

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

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.

## BOARD OF DIRECTORS


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 Statutory Auditors** 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.

The **Executive Team Committee** of Feralpi Group is responsible for defining, proposing to the Board of Directors and implementing the Group's strategy.

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 and risk management, while ensuring 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.

Feralpi Group has had a **Sustainability Management Committee** since 2014, a body that supports the Parent Company's Board of Directors in consolidating and developing the company's ESG strategies. Further information relating to the Committee and its composition can be found in ESRS 2 GOV-1.

The **Supervisory Body** (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 Defim Orsogril, where it is single-member. As at 31 December 2025, there are six operating SBs: Feralpi Siderurgica, Acciaierie di Calvisano, Defim Orsogril, Presider, Caleotto, Arlenico. 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.

For further details on the responsibilities of the administrative, management and supervisory bodies with regard to business conduct, refer to ESRS 2 GOV-1.

GOVERNANCE

## Management of impacts, risks and opportunities

### G1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

*[G1 ESRS 2 IRO-1]*

In carrying out the double materiality analysis, the following impacts, risks and opportunities related to business conduct were identified as relevant. Information on the process that led to their identification and the assessment methodology is available in section ESRS 2 IRO-1 of this document.

| SUB-TOPIC | DESCRIPTION | IRO | VALUE CHAIN | TIME HORIZON |
|---|---|---|---|---|
| Corporate culture | Potential negative impact resulting from a corporate culture not fully oriented towards principles of integrity and responsibility, which can result in unethical conduct and improper practices in relations with stakeholders. | (-) Impact | Feralpi operations, Value chain | Short, Medium, Long |
| | Reputational risk arising from incorrect or out-of-context interpretations of sustainability information and its potential instrumental use. | Risk | Feralpi operations | Medium |
| Management of relations with suppliers, including payment practices | Possible presence along its supply chain of socially unsustainable practices and their continuation in the event of a lack of controls / absence of adequate policies. | (-) Impact | Feralpi operations, Value chain | Short, Medium |
| | Opportunity to strengthen corporate reputation through the progressive extension of sustainable qualification criteria to the entire supplier base, promoting more transparent relationships | Opportunity | Feralpi operations | Medium |
| Corruption and bribery | Potential negative impact linked to inadequate governance models and internal procedures, which may encourage corrupt behaviour and other unethical practices in relations with stakeholders | (-) Impact | Feralpi operations, Value chain | Short, Medium |

IRO: RISK, OPPORTUNITY, IMPACT
+ POSITIVE CURRENT; (+) POSITIVE POTENTIAL; - NEGATIVE CURRENT; (-) NEGATIVE POTENTIAL

VALUE CHAIN: FERALPI OPERATIONS, VALUE CHAIN

TIME HORIZON: SHORT, MEDIUM, LONG

## G1-1 Business conduct policies

*[ESRS G1-1 7; ESRS G1-1 9]*

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.

### Code of Ethics

Feralpi Group's Code of Ethics is the main tool for the promotion, dissemination and management of work and business ethics within the Group. The Code defines the company's internal and external ethical and social responsibilities and its values. The principles and provisions it contains are binding on anyone working on behalf of Feralpi, regardless of their relationship with the company.

The document, available on the Group's website, refers to the following principles, which guide Feralpi's business activities: respect, transparency, truth, honesty, trust, loyalty, fairness, collaboration, diligence, professionalism, sustainable development, and protection of the environment, health and safety.

### Organisation, Management and Control Model (MOG)

In addition, 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.

On 19 February 2025, the Board of Directors of Feralpi Siderurgica S.p.A. updated its Organisation, Management and Control Model (pursuant to Legislative Decree no. 231/2001) by including Procedure no. 11 relating to the "Management of the Use of Company Vehicles". Following this action, the Model now 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 structured an anti-trust compliance programme, appointing the Anti-trust Compliance Officer and preparing an industry-specific Anti-trust Manual, complete with an Operational Handbook containing principles and guidelines for personnel most exposed to anti-trust risk. The programme, updated every two years, provides for biennial training for all employees and, for top executives, calibrated audits. The programme was updated in the spring of 2025, so the next update with related training and audits is scheduled for 2027. In the three-year period 2023-2025, nothing was contested against Feralpi Group companies.

### Whistleblowing

*[ESRS G1-1 10.a; ESRS G1-1 10.c i; ESRS G1-1 10.c ii; ESRS G1-1 10.e; ESRS G1-3 20]*

In accordance with Legislative Decree no. 24/2023, there is a dedicated channel for reporting offences, including confirmed incidents of corruption and bribery, 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, Defim Orsogril 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 addition, specific information is provided at the time of recruitment and a mandatory e-learning training course on these topics is activated.

For the receipt and handling of reports, a platform external to the company's information systems has been adopted, and the role of report handler has been entrusted to an independent law firm, which acts promptly to protect whistleblowers against any form of retaliation, discrimination or penalisation. The absolute confidentiality of the whistleblower's identity is ensured during each phase of the handling of the report, without prejudice to legal obligations.

FERALPI STAHL has a whistleblowing platform accessible to customers, suppliers, and employees, with the latter being informed via email. Similarly, the Alpifer Group is also equipped with dedicated channels. In 2025, no complaints were filed.

*[ESRS G1-1 10.h]*

Within the MOG, activities that could give rise to cases of corrupt conduct have been identified, including: Sponsorships, donations and gifts; Entertainment expenses; Extraordinary transactions; Relations with the Public Administration; Procurement of goods and services; Accounting management; Selection and recruitment of personnel.

### Privacy management

In response to the rise of cyber threats due to digitalisation, Feralpi Group constantly works on improving its systems and internal procedures to ensure high levels of security in data management.

The Group has adhered to European Regulation 2016/679 (GDPR - General Data Protection Regulation) and, under the supervision of the Data Protection Officer (DPO), consistently prioritises the safeguarding of personal data, collaborating with representatives from individual operational entities and with a local DPO for Germany. Feralpi Group implements further technical and organisational measures when necessary, monitoring the evolution of European and Italian regulations and best practices.

Throughout 2025, requests from data subjects were also handled and the drafting of the policy for the use of artificial intelligence in the company was started and subsequently completed.

During 2025, no relevant data breach events or complaints related to privacy breaches were reported.

### Supplier Code of Conduct

In 2025, the Feralpi Group **Supplier Code of Conduct** was approved. The document, which will be disseminated during 2026, seeks to act as a clear guide for all the Group's suppliers, establishing the principles that govern collaboration and setting clear expectations on key topics such as ethics, sustainability, safety, human rights, and environmental protection, thereby extending responsibility throughout the entire supply chain. Once fully disclosed to all business partners, compliance with these rules will be an essential contractual requirement, supported by the whistleblowing reporting system and periodic verification procedures. In the event that the latter reveal non-compliance with the provisions of the Code, Feralpi Group may take measures proportionate to the severity of the violations detected.

## G1-2 Management of relations with suppliers

*[ESRS G1-2 14]*

The procurement process is carried out directly by Feralpi Group in compliance with the regulations in force in the countries in which it operates, with company procedures and, in line with its Code of Ethics, with the principles of equal opportunities and non-discrimination.

Sufficient competition is ensured in each tender, and procurement staff are required not to preclude anyone who meets the requirements from competing for contracts. Furthermore, the Group undertakes to respect the agreed payment terms, in accordance with the contracts entered into and the relevant legislation in force.

*[ESRS G1-2 15.a]*

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.

When suppliers are entered into the system, they are provided with the Group's Human Rights Policy and the environmental, safety and energy policies relevant to their activities, while the Code of Ethics is attached to each order confirmation, which they are required to accept by undertaking to respect its values and principles.

Since 2018, Feralpi Group, in the context of the "**Feralpi Scrap Suppliers Dialogue**" project, 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 95% of the scrap suppliers for Italy in 2025. 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.

In order to integrate "sustainability as standard" into the Feralpi Group's procurement processes, this initiative was extended in 2024 to **strategic suppliers** — covering ferro-alloys, electrodes, lime, aluminium, refractories, and plants — by involving them in a sustainable development journey. The commitment relating to ESG mapping, carried out in collaboration with the Open-ES partner, was included in the Group's ESG Scorecard.

In line with this vision, the **Feralpi Value Alliance** was established in 2025, a project that, through a collaborative approach with the Group's strategic suppliers, focuses on integrated sustainability throughout the entire value chain with the aim of improving 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. Also in 2025, in collaboration with the partner CSMT and Confindustria Brescia, an initiative was organised relating to the Organisation Carbon Footprint for Feralpi Group suppliers. On this occasion, participants were provided with the knowledge and methodologies to measure and manage their carbon footprint (Scope 1 and 2), with the aim of supporting them in aligning with regulatory requirements to improve their competitiveness and contribute to climate action. In this way, Feralpi's management of Scope 3 emissions will also be strengthened by the initiative.

| | BASELINE | | 2025 | % change | TARGET | | SCOPE |
|---|---|---|---|---|---|---|---|
| % of strategic suppliers (raw materials and equipment) involved in ESG mapping aspects | 2023 | 0% | 43% | / | 2030 | 75% of the suppliers involved | Feralpi Siderurgica, Acciaierie di Calvisano, Arlenico/Caleotto, FERALPI STAHL, Feralpi-Hungária, Feralpi-Praha |

In addition, Feralpi Group's ESG strategy focuses on creating shared value with local suppliers, integrating this objective with social and cultural support for the communities in which the Group operates. In 2025, considering the main production sites both in Italy and abroad, 28.7% of turnover was recognised to local suppliers. For more information, refer to ESRS S3.

*[ESRS G1-2 15.b]*

At present, the ESG qualification criteria do not constitute barriers to entry for Feralpi Group suppliers. However, as illustrated in ESRS G1-1, Feralpi Group has adopted a Supplier Code of Conduct which, in addition to contributing to the creation of business relationships based on shared values, will allow better risk management within the supply chain, thanks to more controlled and qualified suppliers.

### G1-3 Prevention and detection of corruption and bribery

*[ESRS G1-3 16; ESRS G1-3 18.a]*

Feralpi Group's companies have adopted an Organisation, Management and Control Model, in line with the provisions of Legislative Decree no. 231/2001, which includes the monitoring of risks related to corruption. For more information, refer to ESRS G1-1.

*[ESRS G1-3 18.b; ESRS G1-3 18.c]*

The investigative activities are entrusted exclusively to the external members of the Supervisory Body, so there is no overlap with the management chain affected by any reports. The SB reports to the Board of Directors and the Board of Statutory Auditors on the verification activities carried out on a six-monthly basis.

*[ESRS G1-1 10.g; ESRS G1-3 21.a; ESRS G1-3 21.b; ESRS G1-3 21.c]*

The training programmes provided for by Legislative Decree no. 231/2001, which also include corruption and bribery, involve the entire company workforce from the recruitment stage, as reported in ESRS G1-1, and are adapted to the users for whom they are intended and to the risks associated with their respective activities.

The general training illustrates the basic concepts of the legislation, the preventive purposes of the Organisational Model and the related ethical guidelines. For those working in activities identified as "at risk" by the MOG, targeted meetings are planned to illustrate the operational procedures and processes related to the performance of their duties.

The Supervisory Body ensures that training courses are constantly updated in line with changing regulatory and operational requirements, and monitors their use.

## Digitalisation and cybersecurity

For Feralpi Group, digitalisation is a key element for ensuring business continuity and resilience, supporting the transition towards sustainable production. The use of IoT technologies and business intelligence tools enables the improvement of operational efficiency and real-time data monitoring, with a view to optimising resources and emissions, while also facilitating the accessibility and sharing of information both within and outside the organisation.

Feralpi Group has been on a path of digitalisation of its business processes for years, thanks to Google Cloud technology, which allows it to be at the forefront in the following aspects:

- Flexibility and scalability: faster adaptation of IT resources;
- Cost reduction: eliminates the need to maintain on-premise hardware infrastructure;
- Accessibility and mobility: facilitates remote working and collaboration;
- Security and reliability: ensures data protection and business continuity;
- Environmental sustainability: reduces ecological impact through increased energy efficiency;
- Innovation: provides immediate access to the latest technologies and software updates;
- Artificial Intelligence: immediate access to AI-enabled productivity tools and industry-leading development platforms.

In 2025, the first phase of implementation of the new digital solution dedicated to Sustainability Reporting was completed. The platform is already operational, but work is underway on the necessary adjustments based on the evolution of the relevant European legislation.

### Cybersecurity

The increasing digitalisation of businesses, while improving operational efficiency, also poses risks to business continuity. The opening of digital infrastructure to the outside for diagnostic, maintenance, and remote support activities increases the exposed surface to potential external attacks, worsening the risk of compromises related to the supply chain.

Within the geopolitical context, shaped in particular by the ongoing Russian-Ukrainian conflict and the instability in the Middle East, there has been an uptick in DDoS attacks on institutional sites, banks, public transport, and utilities, aimed at destabilising and swaying public opinion. Moreover, espionage and data theft continue to threaten key sectors such as finance, government entities, critical infrastructure, technological innovation, and defence. At the local level, there has been an increase in attacks on customers and suppliers who have seen their email accounts compromised. This has led to increased surveillance and increased attention requested of Feralpi Group users.

In 2025, the trends of the previous year relating to the spread of generative AI technologies were consolidated, becoming increasingly pervasive in terms of both defence and the exploitation of vulnerabilities by malicious actors. In addition, 2025 saw the full transposition at national level of the NIS2 legislation through Legislative Decree no. 138/2024, and the adaptation of company procedures and policies is therefore in progress.

The Group adopts a proactive approach to cybersecurity, treating it as a strategic investment, and seeks to engage all employees by promoting a corporate culture of collective responsibility in cyber protection.

| IT/OT Security Strategic Committee | |
|---|---|
| Chief Information Officer (CIO) | Chief Technology Officer (CTO) |
| Chief Information Security Officer (CISO) | Group Chief Financial Officer (CFO) |
| | Director of FERALPI STAHL |

The committee is responsible for supporting the alignment between IT/OT Security risk response strategies and strategic business objectives through the involvement of the corporate organisation. Depending on the needs, it may be supported by specific people of primary importance in the management of the processes involved in the IT/OT Security events for which the Committee is held accountable.

Based on international standards ISO 31000, ISO 27005, and NIST 830 and in reference to NIS2, the Group's cyber risk management aims to heighten awareness of IT/OT risks, provide timely information to enable proactive actions, and ensure that the technological and organisational risk management solutions are effective. The IT/OT Security risk management process includes a structured methodology to identify and mitigate risks that exceed the acceptability threshold.

Feralpi Group has implemented an ICT Business Continuity and Disaster Recovery procedure to ensure data retention and the continuity of vital functions, supporting the ongoing execution of critical activities and allowing for the swift recovery of data in case of computer system disruption.

In the course of 2025, the activities dedicated to strengthening cybersecurity continued according to the three areas that characterise it: People, Processes, and Technologies.

## MAIN **CYBERSECURITY** MEASURES

### Training & Awareness

CONTINUATION AT GROUP LEVEL OF THE **TRAINING & AWARENESS PROGRAMME**,

aimed at enhancing employee awareness and skills **on cybersecurity risks** through **e-learning training** activities. The programme has been extended and strengthened compared to previous years in terms of **training hours provided**.

### OT Security by design

CONTINUATION OF THE **OT SECURITY BY DESIGN** INITIATIVE,

which provides **for cybersecurity analyses** of the **Group's production facilities** as part of new installations or modifications to existing facilities according to **ISA 62443 standard**.

### Cyber Threat Intelligence

ADOPTION OF THE **CYBER THREAT INTELLIGENCE SERVICE**,

aimed at **preventing attacks directed** at Feralpi Group, which, through **continuous data collection**, makes it possible to **identify threats** before they can cause significant damage.

### Specific training

**SPECIFIC TRAINING** IS PLANNED FOR 2026

**on the security of OT industrial networks** aimed at the personnel in the Industrial Automation, Maintenance Engineering and Information Technology sectors.

In addition, the IT systems were updated to the latest available versions and the perimeter firewalls were renewed.

With a view to continuous improvement, Feralpi Group intends to consolidate operational continuity by continuing to promote cybersecurity education for employees, increasing awareness of third-party risks, and adopting new technologies to protect infrastructures. For this reason, a target in this regard was included in the 2025 ESG Scorecard, as described in Section 4.1 - Strategic Guidelines of the Report on Operations.

| | BASELINE 2022 | 2025 | % change | TARGET 2030 | SCOPE |
|---|---|---|---|---|---|
| Cybersecurity training coverage - OT divisions (hours provided) | 656 | / | / | 3,800 | Feralpi Siderurgica<br>Acciaierie di Calvisano<br>Arlenico<br>Presider<br>Defim Orsogril<br>FERALPI STAHL<br>Saexpa Group |

Attention will also be focused on strengthening relationships with customers, suppliers, and local businesses, while the expansion of facilities will extend the scope of monitoring relevant to the cyber context.

**Industrial Automation and Operational Technology**
Digitalisation and automation in operational technology (OT) not only improve production efficiency, but are also a driver for a sustainable ecological transition. The adoption of smart manufacturing practices, fuelled by digitalisation and automation, optimises the use of energy and resources, and consolidates the link between technological innovation, financial performance, and ESG objectives.

Feralpi Group is continuously working to refine its digital ecosystems to improve efficiency and flexibility. This commitment concerns all levels of automation: the field level where physical operations and data collection through instrumentation and sensors take place, the control level where processes are managed and monitored, the supervisory level where strategic decisions based on the analysis of collected data are made, as well as MES (Manufacturing Execution System) systems for production optimisation and ERP (Enterprise Resource Planning) systems for the integrated management of enterprise resources.

This approach, based on the adoption of BAT (Best Available Techniques), i.e. the most advanced technical solutions and technologies related to Industry 4.0, such as the Internet of Things (IoT), Artificial Intelligence, and Big Data, aims to optimise energy consumption, reduce greenhouse gas emissions, and promote the reuse of materials.

In 2025, Feralpi Group's efforts focused on the implementation of the MES for the new spooler production line at the Lonato del Garda site and on the completion of activities relating to the new Rolling Mill B at the Riesa plant, for which the modernisation of Rolling Mill A is planned in the coming years. At the Lecco site, work on the Garret line has been completed.

## Metrics and targets

### G1-4 Confirmed incidents of corruption and bribery

*[ESRS G1-4 24.a; ESRS G1-4 24.b; ESRS G1-4 25.a; ESRS G1-4 25.b; ESRS G1-4 25.c; ESRS G1-4 25.d]*

During the period under review, no reports of violations of the 231 Model, the Code of Ethics, or incidents relating to corruption, environment, human rights, health, safety, and privacy were reported. Therefore, there were no convictions or penalties related to corruption and bribery in 2025 and no remediation actions were required.

# Appendix

## Reconciliation table between GHG emissions and SBTi targets

| Emissions (uom: $tco_2eq$) | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Core boundary | Excluded from the core boundary | Not covered by targets | Total | Core boundary | Excluded from the core boundary | Not covered by targets | Total |
| **TOTAL EMISSIONS** | **589,843** | **705,066** | **171,819** | **1,466,728** | **816,033** | **717,192** | **255,196** | **1,788,421** |
| **Scope 1** | **196,986** | **0** | **0** | **196,986** | **208,096** | **0** | **0** | **208,096** |
| **Scope 2 market-based** | **213,223** | **2,258** | **0** | **215,481** | **335,518** | **2,412** | **0** | **337,930** |
| **Scope 3** | **179,634** | **702,807** | **171,819** | **1,054,261** | **272,419** | **714,780** | **255,196** | **1,242,395** |
| *Purchased goods and services* | *176,137* | *407,621* | *0* | *583,758* | *266,358* | *392,499* | *0* | *658,857* |
| *Capital goods* | *0* | *0* | *36,207* | *36,207* | *0* | *0* | *117,342* | *117,342* |
| *Fuel and Energy Related Activities Not Included in Scope 1 or Scope 2* | *0* | *75,214* | *0* | *75,214* | *0* | *96,213* | *0* | *96,213* |
| *Upstream transportation and distribution* | *0* | *196,660* | *0* | *196,660* | *0* | *195,697* | *0* | *195,697* |
| *Waste generated during operations* | *0* | *21,080* | *0* | *21,080* | *0* | *26,587* | *0* | *26,587* |
| *Downstream transportation and distribution* | *0* | *831* | *0* | *831* | *0* | *1,347* | *0* | *1,347* |
| *Transformation of goods sold* | *3,497* | *1,402* | *0* | *4,899* | *6,061* | *2,437* | *0* | *8,498* |
| *End-of-life treatment of products sold* | *0* | *0* | *135,612* | *135,612* | *0* | *0* | *137,854* | *137,854* |

## Membership of associations

| | Trade associations | Technical associations | Sustainability associations |
|---|---|---|---|
| Italy | 1. **AIDAF** Italian Association of Family Businesses<br>2. **Confindustria Brescia** Industrial Association of Brescia<br>3. **A.N.SAG.** National Association of Steel Shapers for Rebar<br>4. **Assogrigliati** National association among Italian manufacturers of electrowelded and pressed gratings made of steel and metal alloys<br>5. **Eurofer** European Steel Association<br>6. **Federacciai** Industry Federation<br>7. **Federmeccanica** Trade Union Federation<br>8. **Ramet** Consortium for Environmental Research for Metallurgy | ◆ **AIM** Italian Metallurgy Association<br>◆ **ESTEP** European Steel Technology Platform<br>◆ **Fondazione Csr** National study centre for corporate risk control and management<br>◆ **ISFOR** Training organisation promoted by Confindustria Brescia<br>◆ **Riconversider** Federacciai consultancy firm that deals with business organisation, technological innovation and financial management<br>◆ **UNSIDER** Italian steel standards unification body for promoting the knowledge of national (UNI) and international (CEN and ISO) standards | 1. **Global Compact of the United Nations (UNGC)** a global network that already includes more than 18,000 companies from over 173 countries around the world, as well as of the Italian network (Global Compact Network Italy)<br>2. **Sustainability Makers** An Italian association that brings together professionals dedicated to defining and implementing sustainability strategies and projects in businesses and other organizations<br>3. **Associazione Fabbrica Intelligente Lombardia** A technology cluster for advanced manufacturing in the Lombardy Region that brings together companies, research centres, universities and industrial associations<br>4. **Cluster Nazionale Fabbrica Intelligente (CFI)** Association with the aim of implementing a strategy based on research and innovation for the competitiveness of Italian manufacturing<br>5. **Associazione Infrastrutture Sostenibili (AIS)** Association with the aim of fostering the dissemination of a culture of sustainability and awareness of the value of having sustainable infrastructures<br>6. **Associazione Cluster Lombardo della Mobilità** System providing services for research project development, innovation, internationalisation and access to public funding opportunities<br>7. **SYMBOLA** Foundation for Italian Qualities<br>8. **SODALITAS** Foundation dedicated to the promotion of Corporate Sustainability |
| Germany | ◆ **Regional Chamber of Commerce and Industry in Dresden**<br>◆ **SachsenMetall, Unternehmensverband der Metall-und Elektroindustrie Sachsen e. V.** Association representing employers in the metal and electrical industry in Saxony<br>◆ **Deutscher Ausschuss für Stahlbeton e.V., Berlin** Regional industrial association of Saxony. National committee for the setting of standards in German industry and the improvement and distribution of construction products<br>◆ **EWI, Energie- und Wasserstoffallianz im Industriebogen Meißen** Association of the Meißen industrial region dealing with the availability of energy and hydrogen for the region<br>◆ **Industrieverein Sachsen 1828 e.V., Chemnitz** Regional association of businesses of Saxony<br>◆ **Vereinigtes Wirtschaftsforum Riesa** Local economic association<br>◆ **Wirtschaftsvereinigung Stahl** German steel industry federation | ◆ **BDSV, Bundesvereinigung Deutscher Stahlrecycling- und Entsorgungsunternehmen e. V., Düsseldorf** German business union for steel recovery and disposal<br>◆ **ESN, Entsorgergemeinschaft der Deutschen Stahl- und NE-Metall- Recycling -Wirtschaft e.V., Düsseldorf** German national association for the recycling of steel and non-ferrous material<br>◆ **ESTEP** European Steel Technology Platform<br>◆ **FEhS, Institut für Baustoff-Forschung e.V., Duisburg** Building materials research institute, focusing mainly on the reuse and recovery of slag<br>◆ **Sächsischer Hafen- und Verkehrsverein e.V., Dresden** Association for the management of harbours in the region of Saxony | ◆ **Klimaschutzunternehmen e.V.** Initiative of the German Federal Environment Ministry exclusively for companies committed to climate and environmental protection |

## System certifications

| | |
|---|---|
| Feralpi Siderurgica | UNI EN ISO 9001, 14001, 45001, 50001, EMAS |
| Acciaierie di Calvisano | UNI EN ISO 9001, 14001, 45001, 50001, EMAS |
| Presider | UNI EN ISO 9001, 14001 |
| Presider Armatures | BS EN ISO 9001 |
| Defim Orsogril | UNI EN ISO 9001 |
| Arlenico | UNI EN ISO 9001, 14001, 45001<br>IATF 16949 - Automotive Quality Management System |
| ESF Elbe-Stahlwerke Feralpi GmbH | DIN EN ISO 9001, 14001, 50001, EMAS, Entsorgungsfachbetried |
| Feralpi Stahlhandel GmbH | DIN EN ISO 9001, 50001 |
| Feralpi-Logistik GmbH | DIN EN ISO 9001, 50001 |
| Feralpi-Praha S.r.o. | ISO 9001 |
| Feralpi-Hungaria Kft. | ISO 9001 |

## Product certifications

| | |
|---|---|
| Feralpi Siderurgica | EPD – Environmental Product Declaration<br>Certificate of minimum recycled/recovered/by-product content for:<br>1. Steel<br>2. Green stone<br>3. Green Lime<br>4. Green Iron<br>SUSTSTEEL<br>SYSTEM 2+ GREEN STONE |
| Acciaierie di Calvisano | EPD – Environmental Product Declaration<br>UNI EN ISO 14067<br>TUV Certificate PED AD2000W 0 Risk and safety control for pressure equipment<br>Certificate of minimum recycled/recovered/by-product content |
| Presider | EPD – Environmental Product Declaration<br>EN ISO 17660-1 (load transmitting welds) and 17660-2 (non-load transmitting welds)<br>AFCAB NF-Armatures |
| Presider Armatures | UK CARES - CERTIFICATION AUTHORITY FOR REINFORCING STEELS<br>AFCAB NF-Armatures |
| Defim Orsogril | UNI EN ISO 1090-1 |
| Arlenico | EPD – Environmental Product Declaration<br>UNI EN ISO 14067 |
| ESF Elbe-Stahlwerke Feralpi GmbH | EPD – Environmental Product Declaration<br>Certification of minimum recycled content<br>Certification of minimum recycled/recovered/by-product content |

The up-to-date overview of system and product certifications for each Group company can be found in the Appendix and on the Product Certifications page of the website www.feralpigroup.com.

3

# CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED FINANCIAL STATEMENTS

# Consolidated accounting schedules

## Statement of financial position - Assets

| Amounts in thousand euros | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current Assets** | | | |
| Property, plant and equipment | 8 | 799,102 | 721,578 |
| Right-of-use assets | 9 | 23,108 | 16,519 |
| Intangible assets | 10 | 7,809 | 8,964 |
| Goodwill | 11 | 8,077 | 8,077 |
| Investments in associates and joint ventures | 12 | 6,607 | 26,897 |
| Other investments | 13 | 463 | 461 |
| Non-current financial assets | 14 | 1,808 | 3,544 |
| Deferred tax assets | 15 | 37,334 | 31,190 |
| Other non-current assets | 16 | 1,131 | 3,482 |
| **Total non-current assets** | | **885,439** | **820,712** |
| **Current assets** | | | |
| Inventories | 17 | 409,785 | 375,983 |
| Trade receivables | 18 | 190,883 | 242,577 |
| Receivables from associates | 19 | 346 | 49,625 |
| Tax receivables | 20 | 2,707 | 2,626 |
| Current financial assets | 21 | 3,658 | 5,563 |
| Other current assets | 22 | 102,819 | 55,698 |
| Cash and cash equivalents and short-term deposits | 23 | 121,749 | 50,720 |
| **Total current assets** | | **831,947** | **782,792** |
| **Total assets** | | **1,717,386** | **1,603,504** |

## Statement of financial position – Labilities and shareholders' equity

| Amounts in thousand euros | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Shareholders' equity and liabilities** | | | |
| **Shareholders' equity** | | | |
| Share capital | 24 | 50,000 | 50,000 |
| Other reserves | 24 | 843,680 | 883,061 |
| Profit/loss for the year | 24 | (2,187) | (37,798) |
| **Total Group Shareholders' Equity** | | **891,943** | **895,263** |
| Minority interest Shareholders' equity | 24 | 20,724 | 331 |
| Minority interest profit | 24 | 2,588 | 56 |
| **Total shareholders' equity** | | **914,805** | **895,650** |
| **Non-current liabilities** | | | |
| Non-current financial payables | 25 | 201,125 | 84,686 |
| Non-current lease payables | 9 | 13,760 | 9,985 |
| Liabilities for employee benefits | 26 | 4,974 | 5,090 |
| Provisions for risks and charges | 27 | 4,922 | 3,481 |
| Deferred tax liabilities | 15 | 3,060 | 1,903 |
| Other non-current liabilities | 28 | 8 | 859 |
| **Total non-current liabilities** | | **227,849** | **106,003** |
| **Current liabilities** | | | |
| Current financial payables | 26 | 98,744 | 107,820 |
| Current lease payables | 9 | 5,063 | 3,781 |
| Trade payables | 29 | 355,134 | 385,381 |
| Trade payables to associates | 30 | 51,663 | 52,703 |
| Tax payables | 31 | 5,477 | 8,480 |
| Other current liabilities | 32 | 58,651 | 43,685 |
| **Total current liabilities** | | **574,732** | **601,850** |
| **Total shareholders' equity and Liabilities** | | **1,717,386** | **1,603,504** |

## Consolidated income statement

| Amounts in thousand euros | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| Revenues from contracts with customers | 33 | 1,703,187 | 1,652,984 |
| Rental income | 34 | 868 | 806 |
| Other income | 35 | 19,941 | 27,764 |
| Changes in inventories of finished and semi-finished products | | (4,411) | 42,678 |
| Raw materials and consumables | 36 | (1,093,799) | (1,176,036) |
| Cost of services | 37 | (383,391) | (382,162) |
| Personnel costs | 38 | (153,065) | (138,277) |
| Other operating costs | 39 | (5,897) | (6,208) |
| Increases in fixed assets for in-house work | 40 | 4,253 | 6,227 |
| Depreciation, amortisation and write-downs | 41 | (71,637) | (70,306) |
| Reversal/(Write-down) of financial assets | 42 | (444) | (132) |
| Financial income | 43 | 477 | 1,199 |
| Financial expenses | 44 | (14,708) | (7,676) |
| Share of profit of associates and joint ventures | 45 | 531 | 3,069 |
| Exchange gains and (losses) | 46 | 231 | (144) |
| **Profit before tax from operating activities** | | **2,136** | **(46,214)** |
| **Income taxes** | **47** | **(1,735)** | **8,472** |
| **Net result from operating activities** | | **401** | **(37,742)** |
| **Net result** | | **401** | **(37,742)** |
| Result for the Group | | (2,187) | (37,798) |
| Minority interest result | | 2,588 | 56 |

## Statement of other comprehensive income

| Amounts in thousand euros | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Net result** | | **401** | **(37,742)** |
| **Other comprehensive income components** | | | |
| *Other comprehensive income components that will be reclassified to profit/loss for the year: (Net of tax)* | | | |
| Net profit from the hedging of net investments | | | |
| Translation differences in foreign financial statements | 23 | 77 | (39) |
| Net (loss)/gain from cash flow hedges | 23 | (1,214) | (2,315) |
| **Total other comprehensive income components that will later be reclassified to profit/(loss) for the year net of tax** | | **(1,137)** | **(2,354)** |
| Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax | | | |
| (Loss)/gain from revaluation on defined benefit plans | 23 | - | 67 |
| **Total other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax** | | **-** | **67** |
| **Total other income statement items after tax** | | **(1,137)** | **(2,287)** |
| **Total comprehensive profit/(loss) after tax** | | **(736)** | **(40,029)** |
| Result for the Group | | (3,324) | (40,118) |
| Minority interest result | | 2,588 | 89 |

## Cash flow statement

| Amounts in thousand euros | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Net result** | | **401** | **(37,742)** |
| **Adjustments to reconcile pre-tax profit with net cash flows:** | | | |
| Depreciation and impairment of property, plant and equipment | 41-8 | 64,502 | 62,532 |
| Amortisation and impairment of intangible assets | 41-10 | 2,946 | 3,864 |
| Amortisation of right of use | 41-9 | 4,189 | 3,783 |
| Further write-downs of fixed assets | | 444 | 127 |
| Capital loss/gain on disposal of assets | 41 | (3,452) | (564) |
| Financial income | 43 | (477) | (1,199) |
| Financial expenses | 44 | 14,708 | 7,676 |
| Finance costs on financial lease liabilities | | 350 | 275 |
| Income taxes | 47 | 1,735 | (8,472) |
| Share of profit for the year of associates and joint ventures | 45 | (531) | (3,069) |
| Write-down of current assets | 42 | 444 | 132 |
| Net change in employee severance indemnity and pension funds | 26 | (253) | (115) |
| Net change in provisions for risks and charges | 27 | 7 | (3,133) |
| Net change in deferred tax assets and liabilities | 15 | (5,808) | (1,622) |
| Interest income received | | 297 | 744 |
| Interest paid | | (13,855) | (6,127) |
| Income taxes paid | | (6,564) | (7,157) |
| **Changes in working capital:** | | | |
| (Increase)/decrease in inventories | 17 | (20,749) | (80,787) |
| (Increase)/decrease in trade receivables | 18 | 89,917 | 64,991 |
| (Increase)/decrease in other non-financial assets | | 2,344 | 7,667 |
| Increase/(decrease) in trade payables | 29 | (36,941) | 97,310 |
| Increase/(decrease) in tax payables | 31 | 2,847 | (4,034) |
| Increase/(decrease) in other non-financial liabilities | | 4,115 | 323 |
| Other decreases/(Other increases) in net working capital | | (33,338) | 9,914 |

| Amounts in thousand euros | Notes | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **CASH FLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES** | | **60,877** | **143,060** |
| **Investing activities:** | | | |
| Net investments in tangible fixed assets | 8 | (115,765) | (222,410) |
| Net investments in intangible assets | 10 | (1,768) | (1,511) |
| Net investments in financial fixed assets | 9 | (2) | (27) |
| Acquisition of subsidiaries, net of cash acquired | | 9,652 | - |
| **CASH FLOW GENERATED/ABSORBED BY INVESTING ACTIVITIES** | | **(107,883)** | **(223,948)** |
| **Financing activities:** | | | |
| New loans | 25 | 229,697 | 838 |
| Repayment of loans | 25 | (101,488) | (51,341) |
| (Increase)/decrease in financial receivables (incl. derivative assets) | | 2,610 | 3,259 |
| Increase/(decrease) in financial payables (incl. derivative liabilities) | | (33,446) | 39,491 |
| Principal payments - lease liabilities | | (6,076) | (3,746) |
| Dividends paid to shareholders | | (500) | - |
| Capital increase/decrease | | - | 7,700 |
| Sale (purchase) of treasury shares | | 37 | - |
| Other changes in Shareholders' equity | | 20,800 | (39) |
| **CASH FLOW GENERATED/ABSORBED BY FINANCING ACTIVITIES** | | **111,634** | **(3,839)** |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | **71,029** | **(122,469)** |
| Net cash and cash equivalents at the beginning of the period | | 50,720 | 173,189 |
| Net cash and cash equivalents at the end of the period | | 121,749 | 50,720 |

## Statement of changes in shareholders' equity 2025

| Amounts in thousand euros | Share capital | Other reserves | FTA Reserve | Reserve for employee benefits | Cash flow hedge reserve | Profit/loss for the year | Total Group Shareholders' Equity | Minority interest Shareholders' equity | Minority interest result | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 December 2024** | **50,000** | **883,763** | **(2,130)** | **(100)** | **1,528** | **(37,798)** | **895,263** | **331** | **56** | **895,650** |
| Allocation of result for the period | - | (37,798) | - | - | - | 37,798 | - | 56 | (56) | - |
| Profit/loss for the period | - | - | - | - | - | (2,187) | (2,187) | - | 2,588 | 401 |
| Other comprehensive income | - | 77 | - | - | (1,214) | - | (1,136) | - | - | (1,136) |
| **Total comprehensive income/loss** | **-** | **77** | **-** | **-** | **(1,214)** | **(2,187)** | **(3,324)** | **-** | **2,588** | **(736)** |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Alpifer consolidation | - | - | - | - | - | - | - | 20,800 | - | 20,800 |
| Shareholder payment | - | - | - | - | - | - | - | (500) | - | (500) |
| Other changes | - | (447) | - | - | - | - | (447) | 37 | - | (410) |
| **Balance as at 31 December 2025** | **50,000** | **845,595** | **(2,130)** | **(100)** | **315** | **(2,187)** | **891,493** | **20,724** | **2,588** | **914,805** |

## Statement of changes in shareholders' equity 2024

| Amounts in thousand euros | Share capital | Other reserves | FTA Reserve | Reserve for actuarial gains (losses) | Cash flow hedge reserve | Profit/loss for the year | Total Group Shareholders' Equity | Minority interest Shareholders' equity | Minority interest result | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 31 December 2023** | **50,000** | **863,261** | **(2,130)** | **(167)** | **3,844** | **12,873** | **927,680** | **274** | **24** | **927,978** |
| Allocation of result for the period 2023 | | 12,873 | | | | (12,873) | - | 24 | (24) | - |
| Profit/loss for the period | | | | | | (37,798) | (37,798) | - | 56 | (37,741) |
| Other comprehensive income | | (72) | | 67 | (2,315) | | (2,320) | 33 | - | (2,287) |
| **Total comprehensive income/loss** | **-** | **(72)** | **-** | **67** | **(2,315)** | **(37,798)** | **(40,118)** | **33** | **56** | **(40,029)** |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Capital increase | - | 7,700 | | | | | 7,700 | - | - | 7,700 |
| Shareholder payment | - | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | - | - | - | - | 1 | - | - | 1 |
| **Balance as at 31 December 2024** | **50,000** | **883,762** | **(2,130)** | **(100)** | **1,528** | **(37,798)** | **895,263** | **331** | **56** | **895,650** |

# Consolidated Annual Financial Report as at 31 December 2025

## 1. Corporate information

The publication of the consolidated financial statements of Feralpi Siderurgica S.p.A. and its subsidiaries (together, the Group) for the year ended 31 December 2025 was authorised by the Board of Directors on 31 March 2026.

Feralpi Siderurgica S.p.A. is a joint-stock company registered and domiciled in Italy, whose registered office is located in Brescia at Via A. Saffi, no. 15.

The activities of the Company and its subsidiaries are described in Note 4, while Note 5 provides information on the structure of the Group. Information on the Group's relations with other related parties is presented in Note 6.7.

Feralpi Group is one of Europe's leading steel producers specialising in building steels, special steels and renewable energy production. See section 5 for more information.

## 2. Transactions during the year 2025

In accordance with the industrial plan, new plants were launched during 2025 and a new production unit was made operational in Sicily with the aim not only of expanding the range of products with a reduced environmental impact, but also of strengthening the verticalisation process with a greater presence in markets in which an increase in the infrastructure sector is expected. With this in mind, the Group, through the company Presider, has launched a new pre-shaping centre in Misterbianco (Catania). The investment responds to a precise logic of geographical proximity to the market of southern Italy, an area with high potential thanks to the expansion cycle marked by the construction sector.

In fact, Feralpi completed and inaugurated a new "spooler" rolling mill at the Riesa site in Germany in May. The plant is at the forefront of the global steel industry, being the first in Germany to operate with zero direct emissions (Scope 1) thanks to electrically powered induction furnaces replacing traditional methane gas furnaces to accelerate decarbonisation. Feralpi has also become the first company in the world to produce spoolers with a format of up to 8 tonnes, ensuring that customers can optimise their production processes.

Also with a view to extending the range, a new spooler line was started up at the Lonato del Garda production site with innovative technology that increases production flexibility and the quality of the finished product, contributing to reduced waste and increased productivity for shaping centres and end customers. This plant is still recorded as an asset under construction, pending final testing, which will take place in the first months of 2026.

On 22 July 2025, Feralpi Power On S.r.l. completed the purchase of the shares of the corporate vehicle (Oriolo S.r.l.) that owns the necessary authorisations to build a 4.0 MWp photovoltaic power plant located in the municipality of Castenaso (Bologna). On 15 January 2026, the same company also purchased all the shares of the corporate vehicle (Cosina S.r.l.) that holds the permit to build a photovoltaic plant with a capacity of 4.18 MWp in the municipality of Collesalvetti (Livorno).

As of 1 January 2025, Feralpi Siderurgica S.p.A. changed the consolidation method for the Alpifer Group, moving from the equity method (adopted until the 2024 financial year) to the line-by-line method. For further details, refer to section 4 of this document.

## 3. Company exercising management and coordination

Feralpi Siderurgica S.p.A., as the Parent Company, is responsible for management and coordination in accordance with Articles 2497 sexies and 2497 septies of the Italian Civil Code.

## 4. Scope of consolidation

As at 31 December 2025, the consolidated financial statements of Feralpi Siderurgica comprise 26 companies, including the parent company Feralpi Siderurgica, its subsidiaries and associates.

The scope of consolidation aggregates the financial statements of the parent company and the companies over which it exercises direct or indirect control. For a complete breakdown of the consolidated companies and the related consolidation method adopted (line-by-line or equity), refer to the tables below.

As of 1 January 2025, Feralpi Siderurgica S.p.A. changed the consolidation method for the Alpifer Group, moving from the equity method (adopted until the 2024 financial year) to the line-by-line method.

This change, although it did not involve monetary outlays and left the distribution of the share capital unchanged (50.0% Feralpi Siderurgica S.p.A. and 50.0% Groupfer S.p.A.), is supported by the update of the shareholders' agreements of Alpifer S.r.l. signed in the 2025 financial year, in accordance with Article 2341-bis of the Italian Civil Code and IFRS 10. It should be noted that Alpifer S.r.l. owns Unifer S.p.A. and Steelfer S.r.l., companies active in the steel industry.

In addition, from the 2025 financial year, the company Oriolo Srl was also included in the scope of consolidation, following the acquisition of the relevant shares by Feralpi Power On S.r.l., as further specified in Paragraph 2.

In light of the above, the company Alpifer S.r.l., previously recorded among the associates, has been fully consolidated with its investee companies Unifer S.r.l. and Steelfer S.r.l.

**Subsidiaries:**

| Name and location | Address of registered office | Share capital | Reference currency | % of ownership | Equity relationship | Consolidation method |
|---|---|---|---|---|---|---|
| Acciaierie di Calvisano S.p.A. | Calvisano (IT) | 3,250 | Euro | 100.00% | Direct | Line-by-line |
| Defim Orsogril S.p.A. | Brescia (IT) | 300 | Euro | 100.00% | Indirect | Line-by-line |
| Fer-Par S.r.l. | Lonato del Garda (IT) | 20 | Euro | 100.00% | Indirect | Line-by-line |
| Presider S.p.A. | Borgaro Torinese (IT) | 4,160 | Euro | 100.00% | Direct | Line-by-line |
| Presider Armatures S.a.S. | Saint-Soupplets (FR) | 1,022 | Euro | 100.00% | Indirect | Line-by-line |
| Caleotto S.p.A. | Lonato del Garda (IT) | 2,000 | Euro | 100.00% | Direct | Line-by-line |
| Arlenico S.p.A. | Lonato del Garda (IT) | 1,000 | Euro | 100.00% | Direct | Line-by-line |
| Calvisano S.r.l. | Lonato del Garda (IT) | 300 | Euro | 100.00% | Indirect | Line-by-line |
| ESF Elbe-Stahlwerke Feralpi GmbH | Riesa (DE) | 11,000 | Euro | 100.00% | Direct | Line-by-line |
| Feralpi Stahlhandel GmbH | Riesa (DE) | 2,100 | Euro | 100.00% | Direct | Line-by-line |
| Feralpi-Logistik GmbH | Riesa (DE) | 1,000 | Euro | 100.00% | Indirect | Line-by-line |
| Feralpi-Praha S.r.o. | Kralupy (CZ) | 95,000 | Czech Koruna | 100.00% | Indirect | Line-by-line |
| Feralpi-Hungária kft. | Budapest (HU) | 4,833 | Euro | 100.00% | Indirect | Line-by-line |
| Industria de Expositores y Parrilas S.A. | Barcelona (ES) | 163 | Euro | 100.00% | Indirect | Line-by-line |
| P.R. Soldadura S.L. | Girona (ES) | 3 | Euro | 100.00% | Indirect | Line-by-line |
| Immobiliare Feralpi S.r.l. | Lonato del Garda (IT) | 1,000 | Euro | 100.00% | Direct | Line-by-line |
| Feralpi Algerié S.a.r.l. | Orano (DZ) | 55,000 | Algerian Dinar | 70.00% | Indirect | Line-by-line |
| Feralpi Power On S.r.l. | Lonato del Garda (IT) | 500 | Euro | 100.00% | Direct | Line-by-line |
| Feralpi Villasor S.r.l. | Lonato del Garda (IT) | 50 | Euro | 100.00% | Indirect | Line-by-line |
| Feralpi Cellere S.r.l. | Lonato del Garda (IT) | 50 | Euro | 100.00% | Indirect | Line-by-line |
| Oriolo S.r.l. | Faenza (IT) | 2.5 | Euro | 100.00% | Indirect | Line-by-line |
| Alpifer S.r.l. | Piacenza (IT) | 9,560 | Euro | 50.00% | Direct | Line-by-line |
| Unifer S.r.l. | Finale Emilia (IT) | 3,000 | Euro | 50.00% | Indirect | Line-by-line |
| Steelfer S.r.l. | Collecchio (IT) | 51 | Euro | 50.00% | Indirect | Line-by-line |

**Associates and joint ventures**

| Name and location | Address of registered office | Share capital | Reference currency | % of ownership | Equity relationship | Consolidation method |
|---|---|---|---|---|---|---|
| Dima S.r.l. | Montichiari (IT) | 1,000 | Euro | 31.00% | Indirect | Shareholders' equity |
| Media Steel S.r.l. | Massa (IT) | 200 | Euro | 45.00% | Direct | Shareholders' equity |

## 5. Group information

As at 31 December 2025, Feralpi Group incorporates a group of companies mainly operating in the following sectors:

- Construction Steel: divided into two business units, one called Construction Italy, the other Construction Germany. In particular, the range of products consists of long hot-rolled and cold-preprocessed products, which include wire rods, drawn coils, spacers, lattice girders, bars, spooler, electrowelded wire meshes, recoiled coils, shaped and pre-shaped products, as well as assembled and pre-assembled products, mechanical joints, and billets.
- Specialities: the area is divided into two business units, one called Specialities focusing on the mechanical and automotive sectors and the other called Diversified Products, which operates in the construction and coatings sectors.
- Production of energy from renewable sources.

The Group's consolidated financial statements include:

| Name | Main activities | Registered office | Participation % |
|---|---|---|---|
| Acciaierie di Calvisano S.p.A. | Steelworks and trade in related products | Calvisano (IT) | 100.00% |
| Defim Orsogril S.p.A. | Wholesale of building materials | Brescia (IT) | 100.00% |
| Fer-Par S.r.l. | Holding, management and assumption of equity investments | Lonato del Garda (IT) | 100.00% |
| Presider S.p.A. | Ironwork and metal carpentry | Borgaro Torinese (IT) | 100.00% |
| Presider Armatures S.a.S. | Manufacture of wire products, chains and springs | Saint-Soupplets (FR) | 100.00% |
| Caleotto S.p.A. | Wholesale of metal ores, ferrous metals and semi-finished products | Lonato del Garda (IT) | 100.00% |
| Arlenico S.p.A. | Production of iron, steel and ferro-alloys | Lonato del Garda (IT) | 100.00% |
| Calvisano S.r.l. | Production of iron, steel and ferro-alloys | Lonato del Garda (IT) | 100.00% |
| ESF Elbe-Stahlwerke Feralpi GmbH | Steelworks and trade in related products | Riesa (DE) | 100.00% |
| Feralpi Stahlhandel GmbH | Sale of metal and plastic for construction | Riesa (DE) | 100.00% |
| Feralpi-Logistik GmbH | Road haulage services | Riesa (DE) | 100.00% |
| Feralpi-Praha S.r.o. | Manufacture of wire products, chains and springs | Kralupy (CZ) | 100.00% |
| Feralpi-Hungária kft. | Manufacture of wire products, chains and springs | Budapest (HU) | 100.00% |
| Industria de Expositores y Parrilas S.A. | Manufacture of products from wire | Barcelona (ES) | 100.00% |
| P.R. Soldadura S.L. | Manufacture of products from wire | Girona (ES) | 100.00% |
| Feralpi Power On S.r.l | Power generation using photovoltaic solar technology | Lonato del Garda (IT) | 100.00% |
| Feralpi Villasor S.r.l. | Power generation using photovoltaic solar technology | Lonato del Garda (IT) | 100.00% |
| Feralpi Cellere S.r.l. | Power generation using photovoltaic solar technology | Lonato del Garda (IT) | 100.00% |
| Oriolo S.r.l. | Power generation using photovoltaic solar technology | Faenza (IT) | 100.00% |
| Immobiliare Feralpi S.r.l. | Lease of owned real estate | Lonato del Garda (IT) | 100.00% |
| Feralpi Algerié S.a.r.l. | Resale products in stock | Orano (DZ) | 70.00% |
| Alpifer S.r.l. | Management activities and trade in metal building products | Piacenza (IT) | 50.00% |
| Unifer S.r.l. | Manufacture of wire products. | Finale Emilia (IT) | 50.00% |
| Steelfer S.r.l. | Sale of steel products. | Collecchio (IT) | 50.00% |

In addition, the Group holds investments in associates listed below:

| Name | Main activities | Registered office | Participation % |
|---|---|---|---|
| Dima S.r.l. | Recovery and preparation for recycling of municipal solid waste, industrial waste and biomass | Montichiari (IT) | 31.00% |
| Media Steel S.r.l. | Wholesale of scrap and by-products of industrial metal processing | Massa (IT) | 45.00% |

# 6. Main accounting standards

## 6.1. Drafting principles

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets represented by equities or bonds in the portfolio, and contingent consideration, which are recorded at fair value. The carrying amount of assets and liabilities that are the subject of fair value hedges and would otherwise be carried at amortised cost is adjusted for changes in fair value attributable to the hedged risks.

The consolidated financial statements are presented in Euro and all values are rounded to the nearest thousand, unless otherwise indicated.

The Group has prepared the Financial Statements on the basis of the continued satisfaction of the going concern requirement.

## 6.2. Content and form of the financial statements

The formats adopted by the Group, in accordance with IAS 1, are composed as follows:

- *Statement of financial position*: by showing current/non-current assets and liabilities separately, as specified in Section 6.3 "Classification criteria" below.
- *Consolidated income statement*: shows the items by nature, as it is considered the one that provides the most explanatory information.
- *Statement of other comprehensive income*: this includes other income and expense items that are allowed to be recognised in equity under IAS/IFRS.
- *Cash flow statement*: this presents the cash flows from operating, investing and financing activities as required by IAS 7.
- *Statement of changes in shareholders' equity*: shows the overall result for the year and further movements in the company's and the Group's risk capital.

## 6.3. Classification criteria

Assets and liabilities in the Group's balance sheet are classified on a current/non-current basis. An asset is current when:

- it is intended to be realised, or is held for sale or consumption, in the normal course of business;
- it is held primarily for trading purposes;
- it is intended to be realised within twelve months after the end of the financial year; or
- it is cash or cash equivalents unless it may be exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- it is expected to expire in its normal operating cycle;
- it is held primarily for trading purposes;
- it must be extinguished within twelve months after the end of the financial year; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

With reference instead to the income statement, it should be noted that it is classified by nature, as it is considered that this representation is the one that best provides a correct representation of the Group's operations.

The Group has decided to present two separate statements, a consolidated statement of profit/(loss) for the year and a statement of other comprehensive income (OCI), rather than a single statement combining the two. The Group presents each OCI item net of the relevant tax impact.

The cash flow statement is presented using the indirect method.

## 6.4. Principles of consolidation

The consolidated financial statements include the financial statements of Feralpi Siderurgica S.p.A. and its subsidiaries as at 31 December 2025.

Control is achieved when the Group is exposed or entitled to variable returns from its relationship with the investee entity and, at the same time, has the ability to affect those returns by exercising its power over that entity. Specifically, as required by IFRS 10, the Group controls an investee if, and only if, the Group has:

- power over the investee entity (i.e. holds valid rights that give it the current ability to direct the relevant activities of the investee entity);
- the exposure or rights to variable returns arising from the relationship with the investee entity;
- the ability to exert its power over the investee entity to affect the amount of its returns.

Generally, there is a presumption that a majority of voting rights implies control. To support this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the investee entity, including:

- Contractual agreements with other holders of voting rights;
- Rights arising from contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control over an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control.  The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.

The profit (loss) for the year and each of the other components of the statement of comprehensive income are allocated to the shareholders of the parent company and the non-controlling interests, even if this implies that the non-controlling interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of subsidiaries to ensure compliance with the group's accounting policies. All intercompany assets and liabilities, shareholders' equity, revenues, costs and cash flows related to transactions between group entities are eliminated completely upon consolidation.

Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for in equity.

If the Group loses control of a subsidiary, it must derecognise the related assets (including goodwill), liabilities, minority interests and other components of shareholders' equity, while any gain or loss is recognised in the income statement. Any retained interest must be recognised at fair value.

### Conversion of items in foreign currency

The consolidated financial statements are presented in Euro, the functional and presentation currency adopted by the Parent Company. Each Group company defines its own functional currency, which is used to measure the items included in the individual financial statements. The Group uses the direct consolidation method; the profit or loss reclassified to the income statement upon the disposal of a foreign subsidiary represents the amount arising from the use of this method.

Below are the exchange rates used to convert the financial statements of companies in foreign currencies into euros:

| Currency | 2025 - Average exchange rate | 31.12.25 - Exact exchange rate | 2024 - Average exchange rate | 31.12.24 - Exact exchange rate |
|---|---|---|---|---|
| Algerian Dinar | 144.4750 | 152.0642 | 140.4777 | 140.8920 |
| Hungarian Forint | 399.8052 | 385.15 | 411.986 | 411.35 |
| Czech Koruna | 25.0012 | 24.237 | 25.1361 | 25.185 |

## 6.5. Summary of the main accounting standards

### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed in the financial year and classified under administrative expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organised labour force that has the necessary skills, knowledge or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort or delay to the ability to continue generating an output.

When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms, economic terms and other relevant conditions in place at the acquisition date. This includes testing whether an embedded derivative should be separated from the host contract.

Any contingent consideration to be recognised is recorded by the acquirer at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent payment is recognised in equity. The change in fair value of contingent consideration classified as an asset or liability, such as a financial instrument that is within the scope of IFRS 9 Financial Instruments must be recognised in the income statement in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in the income statement.

Goodwill is initially recognised at cost represented by the excess of the aggregate of the consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the remeasurement still results in a fair value of the net assets acquired exceeding the consideration, the difference (gain) is recognised in the income statement.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the discontinued operation is determined on the basis of the relative values of the discontinued operation and the retained portion of the cash-generating unit.

### Investments in associates and joint ventures

An associate is a company over which the Group exercises significant influence. Significant influence means the power to participate in determining the financial and operating policies of the investee without having control or joint control over it.

A joint venture is a jointly controlled arrangement in which the parties with joint control have rights to the net assets of the arrangement. Joint control means sharing control of an arrangement on a contractual basis, which only exists when decisions on relevant activities require the unanimous consent of all parties sharing control.

The considerations made to determine significant influence or joint control are similar to those required to determine control over subsidiaries. The Group's investments in associates and joint ventures are accounted for using the equity method.

Under the equity method, an investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is increased or decreased to recognise the investor's share of the investee's profits and losses realised after the acquisition date. Goodwill pertaining to the associate or joint venture is included in the carrying amount of the investment and is not subject to a separate impairment test.

The statement of profit/(loss) for the year reflects the Group's share of the profit/(loss) for the year of the associate or joint venture. Any changes in the other components of the statement of comprehensive income relating to these investees are presented as part of the Group's statement of comprehensive income. Furthermore, in the event that an associate or joint venture recognises a change with a direct charge to equity, the Group recognises its share, where applicable, in the statement of changes in shareholders' equity. Unrealised gains and losses arising from transactions between the Group and associates or joint ventures are eliminated in proportion to the interest in the associates or joint ventures.

The Group's aggregate share of the profit/(loss) for the year of associates and joint ventures is recognised in the statement of profit/(loss) for the year after operating profit/(loss) and represents the profit/(loss) after tax and the share of the other shareholders of the associate or joint venture.

The financial statements of associates and joint ventures are prepared on the same date as the Group's financial statements. Where necessary, the financial statements are adjusted to bring them into line with Group accounting standards.

Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise an impairment loss of its investment in associates or joint ventures. The Group assesses at each reporting date whether there is objective evidence that investments in associates or joint ventures are impaired. In this case, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and the carrying amount of the associate or joint venture in its financial statements, and recognises this difference in the statement of profit/(loss) for the year under the caption "share of profit/(loss) of associates and joint ventures".

Upon the loss of significant influence over an associate or joint control over a joint venture, the Group measures and recognises the residual investment at fair value. The difference between the carrying amount of the investment at the date of loss of significant influence or joint control and the fair value of the residual investment and consideration received is recognised in the income statement.

**Fair value measurement**

The Group measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability, in a regular transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they would act to satisfy their economic interest in the best way possible.

A fair value measurement of a non-financial asset considers the ability of a market participant to generate economic benefits by deploying the asset to its highest and best use or by selling it to another market participant who would deploy it to its highest and best use.

The Group uses measurement techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised according to the fair value hierarchy, as described below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3 - measurement techniques for which the input data is not observable for the asset or liability.

The fair value measurement is classified entirely in the same level of the fair value hierarchy in which the lowest level of the hierarchy input used for the valuation is classified.

For assets and liabilities recognised at fair value on a recurring basis, the Group determines whether transfers between levels of the hierarchy have occurred by reviewing the categorisation (based on the lowest level input, which is significant to the fair value measurement in its entirety) at each reporting date.

The Group Finance Department determines the criteria and procedures for both recurring fair value measurements, such as investments in equity instruments in unlisted companies, and non-recurring measurements, such as discontinued assets held for sale. At each reporting date, the Group Finance Department analyses changes in the values of assets and liabilities for which remeasurement or restatement is required under Group accounting standards.

For the purposes of fair value disclosures, the Group determines classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as illustrated above.

**Revenues from contracts with customers**

Feralpi Group is a leading manufacturer of construction steels and special steels for the mechanical engineering and automotive industries.

Revenues from contracts with customers is recognised when control of the goods is transferred to the customer, generally upon delivery, in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group considers whether there are other promises in the contract that represent contractual obligations on which part of the transaction consideration is to be allocated (e.g. guarantees). In determining the price of the product sales transaction, the Group considers the possible effects of variable consideration and significant financial components.

If the consideration promised in the contract includes a variable amount, the Group estimates the amount of the variable consideration at the time the contract is entered into. This value is not recognised until it is highly probable that it will be recognised in view of what has been agreed upon.

**Government grants**

Government grants are recognised when there is reasonable certainty that they will be received and that all the conditions attached to them have been met. Grants related to cost components are recognised as revenues, but are systematically allocated between periods in order to be commensurate with the recognition of the costs they are intended to offset. The grant related to an asset is recognised as revenue on a straight-line basis over the expected useful life of the relevant asset.

Where the Group receives a non-monetary contribution, the asset and the related contribution are recognised at nominal value and released to the income statement on a straight-line basis over the expected useful life of the relevant asset.

**Contract assets**

The contract asset represents the entity's right to obtain the agreed consideration for the transfer of control of assets to the customer.

If the Group settles the obligation by transferring goods to the customer before the customer pays the consideration or before payment is due, the entity shall recognise an asset arising from the contract, excluding amounts presented as receivables.

**Trade receivables**

A receivable is recognised if the consideration is unconditionally due from the customer (i.e. it is only necessary for time to run out for payment of the consideration to be obtained). Please refer to the paragraph on standards in the section on Financial instruments - Initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is an obligation to transfer to the customer goods or services for which the Group has already received consideration (or for which a portion of the consideration is due). If the customer pays the consideration before the Group has transferred control of the goods or services to the customer, the contract liability is recognised when payment is made or (if earlier) when it is due. Liabilities arising from contracts are recognised as revenues when the Group fulfils its obligations to do so under the relevant contract.

**Income taxes**

*Current taxes*

Current tax assets and liabilities for the year are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted, or substantially in effect, at the reporting date in the country where the Group operates and generates its taxable income.

Current taxes related to items recognised directly in equity are also recognised in equity and not in profit/(loss) for the year. The Management periodically assesses the position taken in the tax return in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

*Deferred taxes*

Deferred taxes are calculated by applying the liability method to temporary differences at the reporting date between the tax amounts of assets and liabilities and the corresponding carrying amounts.

Deferred tax liabilities are recognised on all taxable temporary differences, with the following exceptions:

- deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits and tax losses carried forward, to the extent that it is probable that sufficient future taxable income will be available to allow the utilisation of deductible temporary differences and tax credits and tax losses carried forward, except where:

- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial statement result nor the tax result;

- in the case of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow for the recovery of such temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow all or part of this credit to be utilised. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent that it becomes probable that taxable income will be sufficient to allow for the recovery of these deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which these assets are realised or these liabilities are settled, taking into account the rates in force and those already enacted, or substantially in force, at the reporting date.

Deferred taxes relating to items recognised outside the income statement are also recognised outside the income statement and, therefore, in equity or in the statement of comprehensive income, consistently with the item to which they relate.

Tax benefits acquired as a result of a business combination, but which do not meet the criteria for separate recognition at the acquisition date, may be recognised at a later date, when new information on changes in facts and circumstances is obtained. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), if recognised during the measurement period, or in the income statement, if recognised subsequently.

The Group offsets deferred tax assets and deferred tax liabilities if and only if there is a legal right to offset current tax assets and current tax liabilities, and the deferred tax assets and liabilities refer to income taxes owed to the same tax authority by the same or different taxpayers that intend to settle current tax assets and liabilities on a net basis.

*Indirect taxes*

Costs, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the cost recognised in the income statement;
- trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered from or paid to the Treasury is included in the balance sheet either as a receivable or as a payable.

With regard to the Pillar Two legislation, aimed at guaranteeing a minimum overall level of taxation of 15%, the Company has carried out the appropriate analyses and, on the basis of current data, does not foresee any significant impact on its tax management, maintaining an effective rate consistent with the thresholds provided for.

**Transactions and balances**

Foreign currency transactions, if any, are initially recognised in the functional currency, applying the spot exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Realised exchange rate differences or those arising from the translation of monetary items are recognised in the income statement. Taxes attributable to exchange rate differences on monetary items are also recognised in the statement of comprehensive income.

Non-monetary items measured at historical cost in foreign currencies are translated at the exchange rates on the date of initial recognition of the transaction. Non-monetary items recorded at fair value in a foreign currency are translated at the exchange rate on the date the value was determined. The gain or loss that arises from the translation of non-monetary items is treated consistently with the recognition of gains and losses related to the change in fair value of those items (i.e. translation differences on items whose change in fair value is recognised in the statement of comprehensive income or the income statement are recognised in the statement of comprehensive income or the income statement, respectively).

**Property, plant and equipment**

Property, plant and equipment under construction are recognised at historical cost, less any accumulated impairment losses. Property, plant and equipment are recognised at historical cost, less accumulated depreciation and accumulated impairment losses. This cost includes costs for the replacement of part of machinery and plant at the time they are incurred, if they meet the recognition criteria. Where it is necessary to replace significant parts of plant and equipment on a regular basis, the Group depreciates them separately in accordance with their specific useful lives. Similarly, in the case of major overhauls, the cost is included in the carrying amount of the plant or machinery as in the case of replacement, where the criterion for recognition is met. All other repair and maintenance costs are recognised in the income statement when incurred.

Depreciation of tangible assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| Category | % |
|---|---|
| Buildings | 2.5% to 5% |
| Lightweight construction - Roofing | 10% |
| Plant and machinery | from 5% to 20% |
| Industrial and commercial equipment | 12,50% - 20% - 25% |
| Other assets | 12% - 20% - 25% |

The carrying amount of an item of property, plant and equipment and any significant components initially recognised is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain/loss arising on derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognised in the income statement when the item is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each year-end and, where appropriate, adjusted prospectively.

**Rights of use**

The Group assesses when entering into a contract whether it is, or contains, a lease. In other words, if the contract confers the right to control the use of an identified asset for a period of time in return for a consideration.

*Group as lessee*

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and leases of low-value assets. The Group recognises liabilities relating to lease payments and the right-of-use asset representing the right to use the underlying asset.

*Right-of-use assets*

The Group recognises right-of-use assets on the lease commencement date (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, net of accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the commencement date net of any incentives received. Right-of-use assets are amortised on a straight-line basis from the effective date of the contract to the end of the useful life of the asset underlying the right-of-use or the end of the lease term, whichever is earlier.

If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the asset consisting of the right of use reflects the fact that the lessee will exercise the purchase option, the lessee shall amortise the asset consisting of the right of use from the effective date until the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment. Please refer to section s) Impairment of non-financial assets.

*Lease liabilities*

At the lease inception date, the Group recognises lease liabilities by measuring them at the present value of unpaid lease payments due at that date. Payments due include fixed payments (including fixed payments in substance) net of any lease incentives to be received, variable lease payments that depend on an index or rate, and amounts expected to be paid as guarantee for the residual value. Lease payments also include the exercise price of a purchase option if it is reasonably certain that such option will be exercised by the Group and lease termination penalty payments if the lease term takes into account the Group's exercise of its lease termination option.

Variable lease payments that do not depend on an index or rate are recognised as expenses in the period (unless incurred in the production of inventories) in which the event or condition that generated the payment occurs.

In calculating the present value of payments due, the Group uses the incremental borrowing rate at the start date if the implied interest rate cannot be easily determined. After the effective date, the amount of the lease liability increases to reflect interest on the lease liability and decreases to reflect payments made. In addition, the carrying amount of lease payables is restated in the event of any changes to the lease or for the revision of the contractual terms for the change in payments; it is also restated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments resulting from a change in the index or rate used to determine such payments. The Group's lease liabilities are recorded under the specific item "Finance lease payables" (current/non-current).

*Short-term leases and leases of low-value assets*

The Group applies the exemption for the recognition of short-term leases relating to machinery and equipment (i.e., leases that have a term of 12 months or less from the commencement date and do not contain a purchase option). The Group has also applied the low-value asset exemption in respect of leases relating to office equipment whose value is considered low. Lease payments for short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

*Group as lessor*

Lease agreements that essentially leave the Group with all the risks and rewards of ownership of the asset are classified as operating leases. Lease income from operating leases must be recognised on a straight-line basis over the lease term, and is included as revenues in the income statement due to its operating nature. Initial trading costs are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Unbudgeted rents are recognised as revenues in the period in which they accrue.

**Financial expenses**

Financial expenses directly attributable to the acquisition, construction or production of an asset that requires a substantial period of time before it is available for use are capitalised on the cost of the asset. All other financial expenses are recognised as an expenses in the year in which they are incurred. Financial expenses consist of interest and other costs that an entity incurs in connection with obtaining financing.

**Intangible assets**

Intangible assets acquired separately are initially recognised at cost, while those acquired through business combinations are recognised at fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, with the exception of development costs, are not capitalised and are recognised in the income statement of the year in which they are incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with a finite useful life are amortised over their useful life and are tested for impairment whenever there are indications of possible impairment. The amortisation period and amortisation method for an intangible asset with a finite useful life is reviewed at least at each year-end. Changes in the expected useful life or the manner in which the future economic benefits associated with the asset will be realised are recognised through changes in the period or method of amortisation, as appropriate, and are considered changes in accounting estimates. The amortisation of intangible assets with a finite useful life is recognised in the statement of profit/(loss) for the year in the cost category consistent with the function of the intangible asset.

Intangible assets with an indefinite useful life are not amortised, but are tested annually for impairment, both at the individual and cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether this allocation continues to be sustainable, otherwise, the change from indefinite to finite useful life is applied on a prospective basis.

An intangible asset is derecognised on disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

*Patents and licences*

The Group paid advances to acquire patents and licences. The patents were granted for use by the relevant body for a minimum period of 10 years, with an option to renew at the end of that period. Licences for the use of intellectual property were granted for a period of five to ten years, depending on the specific licence. Licences could be renewed at no or minimal cost.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

| Intangible fixed assets Category | % |
|---|---|
| Development costs | 20% |
| Industrial patent rights | 20% |
| Concessions, licences and trademarks | 10% 20% |

**Financial instruments - Recognition and measurement**

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

*Financial assets*

Initial recognition and measurement

Upon initial recognition, financial assets are classified, as appropriate, according to subsequent measurement methods, i.e. at amortised cost, at fair value through OCI and at fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the contractual cash flow characteristics of the financial assets and the business model the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

The purchase or sale of a financial asset that requires delivery within a time-frame generally established by regulation or market conventions (a standardised sale or regular way trade) is recognised on the trade date, i.e. the date on which the Group committed to purchase or sell the asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- Financial assets at fair value through other comprehensive income without reversal of accumulated gains and losses on derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

*Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or revalued.

*Investments in equity instruments*

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments recognised at fair value through other comprehensive income (OCI) when they meet the definition of equity instruments under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined for each individual instrument.

Gains and losses realised on such financial assets are never reversed to the income statement. Dividends are recognised as other revenues in the income statement when the right to payment has been resolved upon, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such gains are recognised in the statement of comprehensive income.

The Group has chosen to irrevocably classify its unlisted equity investments in this category.

*Financial assets at fair value through profit or loss*

Financial instruments at fair value through profit or loss are recognised in the statement of financial position at fair value and net changes in fair value are recognised in the statement of profit/(loss) for the year.

This category includes derivative instruments and listed equity investments that the Group has not irrevocably elected to classify at fair value through other comprehensive income. Dividends on listed equity investments are recognised as other income in the statement of profit/(loss) for the year when the right to payment has been established.

*Derecognition*

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (e.g. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of it.

*Impairment loss*

The Group recognises an expected credit loss ("ECL") for all financial assets represented by debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but fully recognises the expected loss at each reporting date. The Group has established a matrix system based on historical information, revised to consider forward-looking elements with reference to specific types of debtors and their economic environment, as a tool for determining expected losses.

For assets represented by debt instruments measured at fair value through OCI, the Group applies the simplified approach allowed for low credit risk assets. At each reporting date, the Group assesses whether the debt instrument is considered to have low credit risk using all available information that can be obtained without undue cost or effort. In making this assessment, the Group monitors the creditworthiness of the debt instrument. Furthermore, the Group assumes that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

*Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as mortgages and loans, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognised at fair value plus, in the case of mortgages, loans and debts, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, mortgages and loans, including overdrafts and derivative financial instruments.

Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

*Financial liabilities at amortised cost (loans and borrowings)*

This is the most relevant category for the Group. After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is extinguished, as well as through the amortisation process.

Amortised cost is calculated by recognising the discount or premium on the acquisition and the fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in financial expenses in the statement of profit/(loss).

This category generally includes interest-bearing loans and receivables.

Derecognition

A financial liability is derecognised when the obligation underlying the liability is discharged, cancelled or fulfilled. Where an existing financial liability is exchanged for another financial liability of the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognised in the statement of profit/(loss) for the year.

*Derivative financial instruments and hedge accounting*

Initial recognition and subsequent measurement

The Group uses derivative financial instruments including forward currency contracts, interest rate swaps and forward commodity contracts to hedge its currency exchange risks, interest rate risks and commodity price risks, respectively. These derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

When initiating a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets hedge effectiveness requirements (including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it satisfies all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not prevail over changes in value resulting from the aforementioned economic report;
- the hedging ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the Group actually hedges and the amount of the hedging instrument that the Group actually uses to hedge that amount of the hedged item.

Transactions that meet all the qualifying criteria for hedge accounting are accounted for as follows:

1) Fair value hedges

The change in the fair value of hedging derivatives is recognised in other expenses in the statement of profit/(loss) for the year. The change in the fair value of the hedged item attributable to the hedged risk is recognised as part of the carrying amount of the hedged item and is also recognised in the statement of profit/(loss) for the year in the specific item.

When an unrecognised firm commitment is designated as a hedged item, subsequent cumulative changes in its fair value attributable to the hedged risk are recognised as assets or liabilities and corresponding gains or losses recognised in the statement of profit/(loss) for the year.

2) Cash flow hedges

The portion of the gain or loss on the hedged item relating to the effective portion of the hedge is recognised in other comprehensive income in the "cash flow hedge reserve", while the ineffective portion is recognised directly in the statement of profit/(loss) for the year. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

The Group uses forward currency contracts to hedge its exposure to exchange rate risk related to both planned transactions and already established commitments; likewise, it uses forward commodity contracts to hedge against the volatility of commodity prices. The ineffective portion of forward currency contracts is recognised in other expenses and the ineffective portion of commodity forward contracts is recognised in other operating income or expenses.
The Group only designates the spot component of forward contracts as a hedging instrument. The forward component is cumulatively recognised in the statement of comprehensive income in a separate item.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows impact the income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in the statement of comprehensive income must remain so if the hedged future cash flows are expected to occur. Otherwise, the amount must be immediately reclassified to profit/(loss) for the year as a reclassification adjustment. After suspension, once the hedged cash flow occurs, any accumulated amount remaining in the statement of comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

**Inventories**

Inventories are valued at the lower of cost and net realisable value. The valuation criterion adopted is the weighted average cost method.

The costs incurred in bringing each asset to its present location and condition are recognised as follows:

- Raw materials: purchase cost calculated using the weighted average cost method
- Finished and semi-finished products: purchase cost calculated using the direct weighted average cost method of materials and labour plus a share of production overheads, defined on the basis of normal production capacity, excluding financial expenses, through a bill of materials.

Net realisable value is the estimated normal selling price in the normal course of business, less estimated completion costs and estimated costs to realise the sale.

Provisions are calculated for obsolete or slow-moving inventories, taking into account their expected future use and realisable value.

**Impairment of non-financial assets**

At each reporting date, the Group assesses whether there are any indicators of asset impairment. In such cases, or in cases where an annual impairment test is required, the Group makes an estimate of the recoverable amount. The recoverable amount is the higher of the fair value of the asset or cash-generating unit, less costs to sell, and its value in use. The recoverable amount is determined for each individual asset, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is greater than its recoverable amount, that asset has suffered an impairment loss and is consequently written down to its recoverable amount.

For assets other than goodwill, at each reporting date, the Group assesses whether there are any indicators of the reversal (or reduction) of previously recognised impairment losses and, if such indicators exist, estimates the recoverable amount of the asset or CGU. The value of an asset previously written down may only be reinstated if there have been changes in the assumptions on which the calculation of the determined recoverable amount was based, subsequent to the recognition of the last impairment loss. The write-back may not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. This reversal is recognised in profit/(loss) for the year unless the fixed asset is recognised at revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment at least once a year or more frequently if circumstances indicate that the carrying amount may be impaired.

Goodwill impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which goodwill has been allocated, an impairment loss is recognised. The impairment of goodwill cannot be reversed in future years.

**Cash and cash equivalents and short-term deposits**

Cash and cash equivalents include cash balances, unencumbered deposits and other treasury investments with an original scheduled maturity of three months or less. A cash investment is considered to be a cash equivalent when it is readily convertible to cash with no significant risk of change in value and when it is intended to meet short-term cash commitments and is not held for investment purposes.

**Provisions for risks and charges**

Provisions for liabilities and charges are made when the Group has a present obligation (legal or constructive) as a result of a past event, an outflow of resources to meet that obligation is probable, and a reliable estimate of the amount can be made. When the Group believes that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately as an asset if, and only if, it is practically certain. In this case, the cost of the provision, if any, is presented in the statement of profit/(loss) for the year net of the amount recognised for the indemnity.

If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the specific risks of the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a financial expense.

**Liabilities for employee benefits**

The cost of expected benefits under the defined benefit plan is determined using the projected unit credit actuarial method.

Revaluations, which include actuarial gains and losses, changes in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position by debiting or crediting retained earnings through other comprehensive income in the period in which they arise.

Revaluations are not reclassified to the income statement in subsequent years.

Past service cost is recognised in the income statement at the earliest of the following dates:

- the date on which an amendment or curtailment of the plan occurs; and
- the date on which the Group recognises related restructuring costs or employee termination benefits.

Net interest on the defined benefit liability/net asset is to be determined by multiplying the liability/net asset by the discount rate. The Group recognises the following changes in the net defined benefit obligation in the costs to sell, administrative expenses and selling and distribution costs in the income statement (by nature):

- Labour costs, including current and past labour costs, gains and losses on non-routine reductions and extinguishments;
- Net interest income or expense.

**Discretionary assessments and significant accounting estimates**

The preparation of the Group's financial statements requires the directors to make discretionary assessments, estimates and assumptions that affect the amounts of revenues, costs, assets and liabilities and the disclosure of contingent liabilities. The uncertainty surrounding these assumptions and estimates could lead to outcomes that will require a significant adjustment to the carrying amounts of these assets and/or liabilities in the future.

*Discretionary assessments*

Duration of lease agreements containing an extension option

The Group determines the lease term as the non-cancellable period of the lease to which is added both the periods covered by the lease extension option where there is reasonable certainty of exercising that option and the periods covered by the lease termination option where there is reasonable certainty of not exercising that option.

The Group has the option, for some of its leases, to extend the lease or terminate it early. The Group applies its judgement in assessing whether there is reasonable certainty of exercising the renewal options. That said, the Group considers all factors noted that may result in an economic incentive to exercise the renewal options or to terminate the contract. After the commencement date, the Group revises its estimates of the lease term in the event of a significant event or a significant change in circumstances within its control that may affect the ability to exercise (or not exercise) the option to renew or to cancel the lease early (e.g., investment in leasehold improvements or significant specific changes to the leased asset).

*Estimates and assumptions*

The main assumptions concerning the future and other major causes of valuation uncertainty that, at the reporting date, present a material risk of giving rise to significant adjustments to the carrying amounts of assets and liabilities within the next financial year are illustrated below. The Group has based its estimates and assumptions on parameters available at the time the consolidated financial statements were prepared. However, current circumstances and assumptions about future events may change due to variations in the market or events beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The calculation of value in use is based on a discounted cash flow model. The cash flows are derived from a 5-year business plan and do not include restructuring activities for which the Group has not yet committed or significant future investments that will increase the results of the business included in the cash-generating unit being measured. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model, as well as the expected future cash flows and the growth rate used for extrapolation.

Given the uncertainties involved, it is important for entities to provide detailed information on the assumptions made, the evidence on which they are based, and the impact of changing key assumptions (sensitivity analysis). Given the level of inherent risk and the variability of judgements and estimates, disclosure of the key assumptions used and the assessments made in estimating recoverable amount plays a key role.

Entities will need to assess the key assumptions used to determine the recoverable amount for different CGUs. The key inputs used in the models with reference to the determination of value in use and fair value less cost to sell will have to be reviewed to determine any impact.

Provision for expected losses on trade receivables and contract assets

The Group uses a matrix to calculate ECLs for trade receivables and contract assets. Provisioning rates are based on days past due for each class of customers grouped into the various segments with similar historical loss trends (e.g. by geographic area, product type, customer type, rating and collateral).

The matrix is initially based on the Group's observed historical default rates. The Group calibrates the matrix to refine the historical data on credit losses with forward-looking elements. For example, if forecast economic conditions (e.g. gross domestic product) are expected to deteriorate in the following year, this may lead to an increase in the number of defaults in the manufacturing sector, and historical default rates are therefore adjusted. At each reporting date, historical default rates are updated and changes in estimates are analysed on forecasting elements.

Assessing the correlation between historical default rates, forecast economic conditions and ECLs is a meaningful estimate.

The amount of ECL is sensitive to changes in circumstances and expected economic conditions.

### Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that there will be a taxable profit in the future that will allow the losses to be utilised. Significant estimation by management is required to determine the amount of tax assets that may be recognised based on the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

### Defined benefit plans (pension funds)

The cost of defined benefit pension plans and other post-employment benefits and the present value of the defined benefit obligation are determined using actuarial valuations. As far as the Group is concerned, it is only applicable for Italian companies and with insignificant impacts. Actuarial valuation requires the development of various assumptions that may differ from actual future developments. These assumptions include the determination of the discount rate, future wage increases, mortality rates and future pension increases. Due to the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All assumptions are reviewed annually.

The discount rate is the parameter most subject to change. Bonds are subjected to further qualitative analysis and those with a credit spread deemed excessive are excluded from the basket of bonds from which the discount rate is calculated, as they do not represent a high quality bond category. The mortality rate is based on available country-specific mortality tables. These tables tend to vary only in response to a change in demographic assumptions. Future wage and pension increases are based on expected inflation rates for each country. These plans currently only apply to the Group's Italian companies.

### Fair value of financial instruments

When the fair value of a financial asset or financial liability recognised in the statement of financial position cannot be measured by reference to prices in an active market, fair value is determined using various measurement techniques, including the discounted cash flow model. The inputs into this model are taken from observable markets where possible, but where this is not possible, some degree of estimation is required to define fair value. The estimates include considerations on variables such as liquidity risk, credit risk and volatility. Changes in assumptions about these items could have an impact on the fair value of the financial instrument recognised.

Contingent consideration related to business combinations are measured at fair value at the acquisition date in the business combination as a whole. If the contingent consideration meets the definition of a derivative and is therefore a financial liability, its value is subsequently remeasured at each reporting date. The determination of fair value is based on discounted cash flows. The key assumptions take into account the probability of achieving each contractually agreed performance target and the discount factor.

### Lease - Estimating the incremental borrowing rate

The Group cannot easily determine the implicit interest rate of the lease and therefore uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate the lessee would have to pay for a loan, with a similar term and guarantees, required to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the group would have had to pay, and this requires estimation when there is no observable data (as in the case of investees that are not direct counterparts to financial transactions) or when rates need to be adjusted to reflect the terms and conditions of the lease (for example, when the leases are not in the investee's functional currency). The Group estimates the incremental borrowing rate using observable data (such as market interest rates) if available, and making specific considerations about the conditions of the investee (such as the creditworthiness of the investee alone).

### Decommissioning provisions

Feralpi Group did not set aside any decommissioning provisions for the plants because it considered their useful life to be more than 50 years. Consequently, it was concluded that although a present obligation exists from past events, the amount of the obligation cannot be measured with sufficient reliability. This conclusion was reached on the basis that liquidation dates are indeterminate and that other estimates, such as discount rates over too long a time horizon, do not represent an observable measure and are therefore not considered reliable. Consequently, there is a decommissioning and restoration obligation that cannot be recognised or quantified and is referred to as a contingent liability.

### Goodwill

In accordance with the accounting standards adopted for the preparation of the Financial Statements, goodwill is tested annually for impairment to be recognised in the Income Statement. In particular, this test involves the allocation of goodwill to groups of cash-generating units (CGUs) and the subsequent determination of the related recoverable amount, understood as the higher of fair value and value in use.

If the recoverable amount is lower than the carrying amount of the group of cash-generating units to which the goodwill has been allocated, the goodwill allocated to them is written down.

With reference to the impact of the adoption of IFRS 16 - Leases, the carrying amount of cash-generating units includes the value of the rights of use belonging to the CGUs themselves. In determining the present value of future cash flows, flows relating to the repayment of lease obligations are excluded as they represent flows from financing activities. Consequently, the value of lease payables is excluded from the carrying amount of the CGU at the impairment test date.

## 6.6. Recently enacted standards

The Group has applied certain standards or amendments for the first time, which are effective as of 1 January 2025. The Group has not early adopted any new standards, interpretations or amendments that have been issued but are not yet in force.

**Lack of exchangeability – Amendments to IAS 21**

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should consider whether a currency is exchangeable and how it should determine the spot exchange rate when exchangeability is lacking. The amendments also require the disclosure of information that allows users of the financial statements to understand how the currency that is not convertible into another currency affects, or is expected to affect, the entity's economic result, financial condition, and cash flows.

These amendments had no significant impact on the Group's financial statements.

### 6.6.1. Standards issued but not yet in force

*Standards issued but not yet in force*

The standards and interpretations that had already been issued but were not yet in force at the date of preparation of the Group's consolidated financial statements are illustrated below. The Group intends to adopt these standards and interpretations, if applicable, when they come into force.

*IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specific totals and subtotals. Furthermore, entities must classify all expenses and revenues in the income statement into five categories: operating, investing, financing, income tax, and discontinued operations, noting that the first three categories are newly introduced.

The standard further requires that disclosures adhere to the new definition of management-defined performance measures (MPMs), subtotals of costs and revenues, and includes new provisions for the aggregation and disaggregation of financial information based on the identified roles of the Primary Financial Statements (PFS) and notes.

Furthermore, amendments were introduced to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows from operations using the indirect method; from profit or loss to operating profit or loss, and removing the option to classify cash flows from dividends and interest. Furthermore, consequential changes were made to several other accounting standards.

IFRS 18, and amendments to other standards, are effective for financial years beginning on or after 1 January 2027, but early application is permitted subject to disclosure. IFRS 18 will apply retrospectively.

The Group is currently working to identify the impacts the changes will have on its financial statements and notes to the financial statements. The preliminary assessments of the main expected impacts on the Group's consolidated financial statements are as follows:

- Rental income, changes in fair value relating to investment property and the share of profit of an investee and a joint venture will be classified in the "investing" category in the income statement.
- Exchange rate differences will be classified within the category in which the related income and expenses that gave rise to the exchange rate difference were classified.
- New supplementary information will be introduced with reference to: (a) “management-defined performance measures”; (b) costs by nature if costs are presented by function in the “operating” category in the statement of profit/(loss) for the year; and (c) a reconciliation, for each item in the income statement, between the amounts restated applying IFRS 18 and those previously presented under IAS 1. Interest income and interest expense will be classified, respectively, as investing and financing activities in the cash flow statement.

*IFRS 19 Subsidiaries without Public Accountability: Disclosures*

In May 2024, the IASB issued IFRS 19, permitting eligible entities to reduce their disclosure requirements while still adhering to the recognition, measurement, and presentation stipulations of other IFRS accounting standards. To be eligible at the end of the financial year, an entity must be a subsidiary as defined under IFRS 19, cannot have "public accountability", and must have a parent company (ultimate or intermediate) that prepares consolidated financial statements available to the public, in accordance with IFRS accounting standards.

IFRS 19 will become effective for financial years beginning on or after 1 January 2027, with the possibility of early application.

The Group is not eligible for the application of IFRS 19.

*Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, called Amendments to the Classification and Measurement of Financial Instruments (the "Amendments"). The Amendments include:

- a clarification that a financial liability is derecognised on the "settlement date" and the introduction of an accounting policy option (if specific conditions are met) to derecognise financial liabilities settled through electronic payment systems before the settlement date;
- additional guidance on how to measure contractual cash flows for financial assets with environmental, social, and governance (ESG) or similar characteristics;
- clarifications on what the characteristics of a "non-recourse" instrument (non-recourse feature) are and what the characteristics of contractually linked instruments are;
- the introduction of disclosure requirements for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted only for the classification of financial assets and related disclosures.

The Group does not expect the amendments to have a significant effect on the consolidated financial statements.

*Annual Improvements to IFRS Accounting Standards - Volume 11*

In July 2024, the IASB issued nine amendments of limited scope as part of the regular maintenance of IFRS. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and relative Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, and adequate disclosure must be made.

These amendments are not expected to have a significant impact on the Group's consolidated financial statements.

*Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7*

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity. The amendments apply exclusively to contracts that refer to this type of electricity and:

- clarify the application of the own-use requirements for contracts falling within the scope;
- amend the requirements for designating a hedged item in a cash flow hedging relationship for the contracts in question;
- introduce new disclosure requirements to enable investors to understand the effects of such contracts on a company's financial performance and cash flows.

The amendments will be effective for financial years beginning on or after 1 January 2026. Early adoption is permitted, but adequate disclosure must be made.

The amendments relating to the own-use exception must be applied retrospectively, while those relating to hedge accounting must be applied prospectively to new designated hedging relationships from the date of first application. In addition, the amendments to the disclosures required by IFRS 7 must be implemented in conjunction with the amendments to IFRS 9. If an entity does not restate comparative information, it will not be able to present comparative disclosures.

The Group does not expect these amendments to have a significant impact on its consolidated financial statements.

*Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)*

In November 2025, the IASB issued Amendments for translation to a hyperinflationary presentation currency, which amended IAS 21 — The Effects of Changes in Foreign Exchange Rates, in order to clarify how companies should translate financial statements from a non-hyperinflationary currency to a hyperinflationary one.

The amendments will be effective from 1 January 2027, with the possibility of early application. These amendments are not expected to have an impact on the consolidated financial statements as the Group does not operate in hyperinflationary economies.

### 6.7. Information on transactions with related parties

During the year, transactions with related parties of both a commercial and financial nature were carried out at market conditions. Transactions with related parties, when not dictated by specific regulatory conditions, were usually settled at market conditions.

Details of the transactions that took place during the year and the previous year are given below:

| Financial relations - 2025 | Assets | Liabilities | Costs | Revenues |
|---|---|---|---|---|
| | Receivables | Payables | Expenses | Income |
| Tuxor | - | - | - | 11 |
| **Total** | **-** | **-** | **-** | **11** |

| Commercial relations 2025 | Assets | Liabilities | Costs | | Revenues | |
|---|---|---|---|---|---|---|
| | Receivables | Payables | Services | Other | Services | Other |
| Media Steel S.r.l. | - | 84,277 | - | 138,830 | 75 | 250 |
| Ecoeternit S.r.l. | - | 2 | 10 | - | - | 3 |
| Dima S.r.l. | - | 651 | 2,046 | 1 | | 4 |
| Agroittica Lombarda S.p.A. | 425 | 252 | - | 43 | - | - |
| Comeca Tecnologie S.p.A. | 7 | 3,554 | 6,335 | - | 6 | - |
| Far Energia | - | 311 | 16 | - | - | - |
| Tuxor | 24 | - | - | - | - | 4,617 |
| **Total** | **456** | **89,048** | **8,407** | **138,874** | **81** | **4,875** |

## 7. Business combinations

During 2025, as already described above, Feralpi Group acquired the company Oriolo S.r.l., through the purchase of the relevant shares by Feralpi Power On S.r.l., and changed the consolidation method for the Alpifer Group, moving from the equity method (adopted until the 2024 financial year) to the line-by-line method. Details are given in Paragraph 2.

In this regard, the Group completed two business combinations accounted for in accordance with IFRS 3. These acquisitions, aimed at expanding the scope of consolidation, resulted in the recognition of the assets acquired and liabilities assumed at their respective fair values at the acquisition date, as detailed in the tables and schedules below.

The fair value of the identifiable assets and liabilities of Oriolo S.r.l. at the acquisition date was:

### Acquisition of Oriolo S.r.l.

| Balance Sheet<br>Amounts in thousands of euros | Fair value recognised upon acquisition |
|---|---|
| **Assets** | |
| **Non-current Assets** | |
| Property, plant and equipment | 198,575 |
| **Total non-current assets** | **198,575** |
| **Current assets** | |
| Other current assets | 40,930 |
| **Total current assets** | **40,930** |
| **Total assets** | **239,505** |
| **Shareholders' equity and liabilities** | |
| **Shareholders' equity** | |
| Share capital | 2,500 |
| Other reserves | 288,346 |
| Retained earnings/accumulated losses | (37,298) |
| Profit/loss for the year | (17,992) |
| **Total Group Shareholders' Equity** | **235,556** |
| **Total shareholders' equity** | **235,556** |
| **Non-current liabilities** | |
| **Total non-current liabilities** | **-** |
| **Current liabilities** | |
| Other current liabilities | 3,949 |
| **Total current liabilities** | **3,949** |
| **Total shareholders' equity and Liabilities** | **239,505** |
| **Total net identifiable assets at fair value** | **235,556** |
| **Total purchase of equity investments** | **700,576** |
| **Differential value with effect on equity** | **(447,027)** |

During 2025, the shareholders of Alpifer S.r.l. signed an update of the shareholders' agreements, pursuant to Article 2341-bis of the Italian Civil Code; this update did not change the distribution of the share capital, which remains unchanged.

In light of the above and in accordance with the provisions of IFRS 10, Feralpi Siderurgica S.p.A. acquired control of the Alpifer Group and consequently changed the consolidation method from the equity method to the line-by-line method. The consolidation of the Alpifer Group has its business foundation in the verticalisation of steel processing, which, together with internationalisation and diversification, forms the basis of Feralpi Group's strategic development.

The fair value of the Alpifer Group's identifiable assets and liabilities as at 1 January 2025 was:

### Acquisition of Alpifer S.r.l.

| **Balance Sheet**<br>Amounts in thousand euros | **Fair value recognised upon acquisition** |
|---|---|
| **Assets** | |
| **Non-current Assets** | |
| Intangible assets | 1,803 |
| Property, plant and equipment | 30,504,571 |
| Right-of-use assets | 209,060 |
| Other investments | 250 |
| Non-current financial assets | 2 |
| Deferred tax assets | 168,049 |
| **Total non-current assets** | **30,883,735** |
| | |
| **Current assets** | |
| Inventories | 13,053,572 |
| Trade receivables | 39,241,269 |
| Tax receivables | 432,392 |
| Current financial assets | 2,331 |
| Other current assets | 1,455,459 |
| Cash and cash equivalents and short-term deposits | 10,311,121 |
| **Total current assets** | **64,496,144** |
| Assets held for sale | - |
| **Total assets** | **95,379,879** |

| Balance Sheet<br>Amounts in thousand euros | Fair value recognised upon acquisition |
|---|---|
| **Non-current liabilities** | |
| Non-current financial payables | 9,448,136 |
| Non-current lease payables | 123,432 |
| Liabilities for employee benefits | 136,535 |
| Provisions for risks and charges | 1,433,693 |
| Deferred tax liabilities | 2,782,487 |
| **Total non-current liabilities** | **13,924,283** |
| **Current liabilities** | |
| Current financial payables | 2,299,260 |
| Current lease payables | 89,043 |
| Trade payables | 34,745,955 |
| Trade payables to associates | 8,268 |
| Tax payables | 2,338 |
| Other current liabilities | 2,710,032 |
| **Total current liabilities** | **39,854,896** |
| Liabilities directly associated with assets held for sale | - |
| **Total shareholders' equity and Liabilities** | **95,379,879** |
| | |
| **Total net identifiable assets at fair value** | **41,600,700** |
| Minority interests measured at fair value | (20,800,350) |
| Goodwill arising from the acquisition | - |
| **Value of previously held equity investment** | **20,800,350** |

As required by the accounting standard IFRS 3, management carried out a Purchase Price Allocation (PPA) in order to verify whether the positive difference arising from the line-by-line consolidation of the Alpifer Group was allocated within the assets and liabilities acquired. Following a report prepared by an independent expert, the capital gain of €8,831 thousand, gross of deferred taxes of €2,464 thousand, was fully allocated to the buildings at the Ceprano and Villanova sull'Arda sites owned by the company.

## 8. Property, plant and equipment

The net carrying amount of property, plant and equipment as at 31 December 2025 was €799,102 thousand, compared to €721,578 thousand the previous year.

The table opposite shows changes in tangible fixed assets and their respective accumulated depreciation:

During the period, the Group made investments totalling €115,765 thousand. Investments mainly relates to new plants and revamping of existing plants at the various production sites. For further details, refer to the report on operations in section 4. Strategy and investments of Feralpi Group.

During the year, there were disposals in the Parent Company amounting to €888 thousand that generated capital gains of €3,465 thousand and capital losses of €333 thousand. The most significant item refers to the disposal of some land and buildings for the construction of the high-speed railway line bordering the Lonato del Garda (Bs) production site.

The assets under construction mainly concern the new spooler production line at the Parent Company and the new rolling mill at the subsidiary ESF Elbe-Stahlwerke Feralpi GmbH, which are still recorded as assets under construction pending final testing, which will take place in the first months of 2026.

| (amounts in thousand euros) | Land and buildings | Plant and machinery | Industrial and commercial equipment | Other assets | Assets under construction and advances to suppliers | Total property, plant and equipment |
|---|---|---|---|---|---|---|
| **Historical cost - 31 December 2024** | **393,911** | **953,051** | **18,931** | **59,296** | **303,700** | **1,728,889** |
| Increases | 11,836 | 27,498 | 980 | 3,318 | 72,134 | 115,765 |
| Decreases | (555) | (1,868) | (23) | (1,063) | (2,658) | (6,166) |
| Change in the scope of consolidation | 34,118 | 19,305 | 1,253 | 2,101 | 1,752 | 58,529 |
| Reclassifications | 28,548 | 12,212 | 267 | 294 | (41,621) | (299) |
| **Historical cost - 31 December 2025** | **467,857** | **1,010,198** | **21,409** | **63,946** | **333,308** | **1,896,718** |
| **Accumulated amortisation - 31 December 2024** | **(162,534)** | **(780,587)** | **(15,477)** | **(48,645)** | **(69)** | **(1,007,311)** |
| Amortisation | (11,285) | (47,225) | (1,449) | (4,543) | - | (64,502) |
| Decreases | - | 1,256 | - | 1,034 | - | 2,291 |
| Change in the scope of consolidation | (12,094) | (13,463) | (1,031) | (1,506) | - | (28,094) |
| **Accumulated amortisation - 31 December 2025** | **(185,912)** | **(840,019)** | **(17,957)** | **(53,659)** | **(69)** | **(1,097,616)** |
| **Net carrying amount- 31 December 2024** | **231,378** | **172,464** | **3,455** | **10,651** | **303,631** | **721,578** |
| **Net carrying amount- 31 December 2025** | **281,945** | **170,179** | **3,452** | **10,287** | **333,239** | **799,102** |

## 9. Right-of-use assets

The Group has lease agreements in place for property, plant, machinery, cars and equipment that are used in operations. Leases relating to buildings generally last between 6 years and 12 years, those relating to equipment between 2 years and 8 years, those for plant and machinery between 3 years and 12 years, and those for cars between 3 and 5 years. The Group's liabilities under these leases are secured by the lessor's title to the leased assets. Generally, the Group may not grant the leased assets to third parties and certain contracts require the Group to meet certain liquidity ratios. There are many leasing agreements that include options for renewal and cancellation and variable payments, which are better described below.

The Group also has certain leases for machinery with a duration of 12 months or less and office equipment with a low value. For these contracts, the Group has chosen to apply the exemptions in IFRS 16 regarding short-term or low-value leases. See section 39 for more information.

The table alongside shows a breakdown of the right of use by nature of the underlying assets as at 31 December 2025 and the previous year:

| (amounts in thousand euros) | Properties | Equipment | Plant and machinery | Cars | Total Right of Use |
|---|---|---|---|---|---|
| **Right of use as at 31 December 2024** | **8,164** | **6,268** | **17,432** | **2,153** | **34,017** |
| Change in the scope of consolidation | 61 | 134 | - | 13 | 209 |
| Increases | 3,227 | 1,499 | 4,600 | 1,462 | 10,787 |
| Decreases | - | (128) | - | - | (128) |
| **Right of use as at 31 December 2025** | **11,452** | **7,773** | **22,032** | **3,628** | **44,885** |
| **Accumulated amortisation as at 31 December 2024** | **4,240** | **4,169** | **7,671** | **1,418** | **17,498** |
| Change in the scope of consolidation | 12 | 73 | - | 5 | 90 |
| Increases | 1,013 | 1,064 | 1,720 | 391 | 4,189 |
| **Accumulated amortisation as at 31 December 2025** | **5,265** | **5,307** | **9,391** | **1,814** | **21,777** |
| **Net carrying amount as at 31 December 2024** | **3,924** | **2,099** | **9,761** | **735** | **16,519** |
| **Net carrying amount as at 31 December 2025** | **6,187** | **2,466** | **12,641** | **1,814** | **23,109** |

The increases of €10,787 thousand are mainly attributable to the new lease contract for Presider at Misterbianco (CT) and for the new welding plant of Defim Orsogril, which became operational in November 2025.

The table opposite shows the details of financial liabilities:

| (amounts in thousand euros) | Properties | Equipment | Plant and machinery | Cars | Total financial lease liability |
|---|---|---|---|---|---|
| **Financial lease liability as at 31 December 2024** | 3,920 | 2,157 | 6,941 | 748 | **13,766** |
| Short-term financial liability as at 31 December 2024 | 814 | 870 | 1,875 | 222 | **3,781** |
| Long-term financial liability as at 31 December 2024 | 3,106 | 1,286 | 5,065 | 526 | **9,985** |
| Increases | 3,227 | 1,499 | 3,220 | 1,462 | **9,407** |
| Decreases | (1,023) | (1,233) | (1,928) | (380) | **(4,563)** |
| Exchange rate effect | - | - | - | - | **-** |
| Other changes | - | - | - | - | **-** |
| Change in the scope of consolidation | 62 | 137 | - | 14 | **212** |
| **Financial lease liability as at 31 December 2025** | **6,187** | **2,559** | **8,233** | **1,843** | **18,823** |
| Short-term financial liability as at 31 December 2025 | 1,019 | 1,010 | 2,503 | 531 | **5,063** |
| Long-term financial liability as at 31 December 2025 | 5,168 | 1,550 | 5,730 | 1,312 | **13,760** |

The IBR (Incremental Borrowing Rate) was calculated as the sum of the risk free rate (Swap Standard Rates vs 6-month Euribor) for each maturity, measured as at 31 December 2025, and a pure risk component reflecting the "credit risk" attributable to Feralpi Group. The Risk free component takes into account the economic environment in which the Group operates.

## 10. Intangible assets

The net carrying amount of intangible assets as at 31 December 2025 was €7,809 thousand, compared to €8,964 thousand as at 31 December 2024.

The table opposite shows the changes in intangible assets and their respective accumulated amortisation.

The increase of €533 thousand in patent rights is mainly attributable to the development and customisation of the Group SAP ERP.

The item other intangible assets includes deferred charges relating to the Metalinterconnector consortium. This consortium aims to make investments in the Metalinterconnector project through the construction of interconnection power lines with foreign countries and has the purpose of granting consortium members the purchase of electricity at lower prices than the market. The value recorded was €1,573 thousand as at 31 December 2025 against €2,097 thousand in the previous year.

| (amounts in thousand euros) | Patent Rights | Other intangible fixed assets | Total intangible fixed assets |
|---|---|---|---|
| **Historical cost - 31 December 2024** | **13,106** | **33,348** | **46,454** |
| Increases | 533 | 1,235 | 1,768 |
| Decreases | (35) | - | (35) |
| Change in the scope of consolidation | 326 | 614 | 940 |
| Change in the scope of consolidation | - | (381) | (381) |
| **Historical cost - 31 December 2025** | **13,928** | **34,816** | **48,746** |
| **Accumulated amortisation - 31 December 2024** | **(11,280)** | **(26,210)** | **(37,490)** |
| Amortisation | (1,174) | (1,772) | (2,946) |
| Decreases | 35 | - | 35 |
| Change in the scope of consolidation | - | (536) | (536) |
| **Accumulated amortisation - 31 December 2025** | **(12,419)** | **(28,518)** | **(40,937)** |
| **Net carrying amount - 31 December 2024** | **1,826** | **7,138** | **8,964** |
| **Net carrying amount - 31 December 2025** | **1,509** | **6,298** | **7,809** |

## 11. Goodwill

The total value, unchanged from the previous year, refers to the goodwill arising from the acquisition of the Saexpa Group, which is part of the "Diversified Products CGU". Below is a breakdown with the comparative of the previous year:

The value is entirely allocated to the Diversified Products CGU.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Saexpa Group | 8,077 | 8,077 |
| **Total** | **8,077** | **8,077** |

### 11.1. Recoverability of goodwill and intangible assets

According to IAS 36, goodwill is not subject to amortisation and is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). The impairment test must be carried out by verifying that the fair value of the individual CGUs does not exceed the total carrying amount of the goodwill and all net assets independently capable of producing cash flows (CGUs). Goodwill acquired through business combinations is allocated to cash-generating units for impairment testing purposes.

For the year 2025, the Group performed its own impairment test on the excess cost generated in connection with the acquisition of Saexpa, which is part of the Diversified Products CGU. The test was carried out on the basis of a specific procedure drawn up by company management and subject to specific approval by the Board of Directors. The recoverable amount was estimated on the basis of the value in use, which in turn was defined by applying the Discounted Cash Flow (DCF) method in its unlevered version, by discounting the expected cash flows over an analytical and residual forecast period (Terminal Value). Cash flows were determined on the basis of projections from the business plan for a five-year period, approved by the Board of Directors. The Terminal Value was in turn estimated as the yield of a normalised cash flow at full capacity, possibly increasing by a factor g.

If the value of the assets thus obtained, the Enterprise Value (EV), was lower than their carrying amount, an impairment loss, equal to the difference, would arise to align the carrying amount with the recoverable amount.

The business plan used for the DCF was prepared on the basis of 2026 Budget to which an additional four years were added by applying growth rates for revenues, profitability and cash flow evolution based on knowledge of the business and expected developments in the relevant sectors.

The impairment test was conducted by identifying cash flow projections for the years 2026-2030 obtained through the indirect method. The discounting of the expected cash flows from the aforementioned projections was obtained through an appropriate discount rate expressive of the related business risk, applying the Discounted Cash Flow. The present value of the 2026-2030 explicit cash flows was supplemented by the Terminal Value, i.e. the present value of the perpetual annuity obtainable with a normalised cash flow. Specifically, a WACC (weighted average cost of capital) of 9.56% and a g-rate of 1% were used.

The discount rates reflect the market assessment of the specific risk, taking into account the time value of money and the specific risks of the underlying assets that have not already been included in the cash flow estimate. The calculation of the discount rate is based on the specific circumstances of its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and shareholders' equity. The cost of shareholders' equity is derived from the expected rate of return on investments by investors in comparable companies. The cost of debt is based on the onerous financing it has to cover. Sector-specific risk is incorporated by applying specific beta factors. Beta factors are reviewed annually on the basis of available market data. The discount rates considered are net of the tax effect.

The EBITDA margin used is based on the 2026 budget and has been essentially stable over the plan period in relation to expected improvements in market dynamics and expected volume growth.

In determining the Terminal Value, an average Value of Production of the last three plan years and an EBITDA margin reflecting the average of the same three years were used.

Based on the analyses carried out, the enterprise value of the Diversified CGU was significantly higher than the carrying amount, which matches the net invested capital (Capital Employed).

A sensitivity analysis was carried out to test the change in the Enterprise Value and, therefore, of the cover (EV - Capital Employed - Excess Cost) by alternatively assuming increases in investments, reductions in EBITDA, increases in WACC and reductions in the g-rate compared to the values used for the base case. The sensitivity analysis led to the following results:

- a linear decrease in EBITDA of 20% over all plan years, all other variables being equal, could lead to a cover of zero;
- an increase in the WACC rate of 2.9 percentage points, all other variables being equal, would result in a cover of zero;
- a decrease in the g-rate by 100% could lead, all other variables being equal, to a reduction in cover of 28%.

Regarding the other CGUs for which there is no obligation for annual impairment in the absence of allocated goodwill, the Group evaluated the presence of impairment indicators. When reviewing its impairment indicators, the Group considers several factors, including the performance of reference markets, the costs of major commodities, the uncertainty caused by geopolitical events and macroeconomic trends, and the subsequent impacts on margins. Based on forecasts expected in the medium to long term, the Group has not identified indicators of lasting loss of value.

## 12. Investments in associates and joint ventures

Investments in associates and joint ventures held by the Group are summarised below:

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Media Steel S.r.l. | 3,752 | 3,482 |
| Dima S.r.l. | 2,871 | 2,595 |
| Alpifer S.r.l. | - | 20,820 |
| **Total investments in associates and joint ventures** | **6,607** | **26,897** |

The decrease in value is due to the line-by-line consolidation of Alpifer S.r.l., as better described in paragraph 7, which results in the reclassification of the investment, including the company among the subsidiaries.

In addition, the adjustment of the value of investments in associates to equity resulted in a total income of €531 thousand.

Financial information on the Group's investments in the three companies is given in the appendix.

## 13. Other investments

Other investments amounted to €463 thousand as at 31 December 2025 compared to €461 thousand in the previous year.

As in the previous year, the most significant item refers to Webuild and Astaris participatory financial instruments in the amount of €228, unlisted and not negotiable on any regulated market or organised multilateral trading system, issued by the composition with creditors of Astaldi S.p.A., which give the creditor/owner the right to contribute to the net proceeds of the liquidation of the assets included in the earmarked assets, assigned to creditors in the ratio of 1 SFP for each Euro of credit claimed.

## 14. Non-current financial assets

Non-current financial assets amounted to €1,808 thousand as at 31 December 2025 compared to €3,544 thousand as at 31 December 2024. Details are given below:

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Derivative assets | 500 | 2,268 |
| ESF security deposits | 1,001 | 1,001 |
| Financial receivables from others | 307 | 275 |
| **Total non-current financial assets** | **1,808** | **3,544** |

The item derivative instruments receivable refers to the long-term portion of derivatives subscribed by the Group. The decrease from the previous year is mainly due to the termination of hedging derivatives.

Security deposits refer mainly to the ESF Group and were taken out to guarantee the retirement of its employees.

The Group's outstanding derivative contracts are summarised below with their market value as at 31 December 2025.

**Interest rate hedging 31 December 2025**

| Contract type | Counterpart | Position | Date of signing | Start date | Expiry date | Notional (Euro) | Market value as at 31.12.25 |
|---|---|---|---|---|---|---|---|
| Rate Coverage | UNICREDIT | Buy | 1/21/2021 | 1/31/2021 | 1/31/2026 | 4,000.00 | 1.95 |
| Rate Coverage | INTESA SANPAOLO | Buy | 03/04/2021 | 03/05/2021 | 03/04/2026 | 29,500.00 | 34.99 |
| Rate Coverage | INTESA SANPAOLO | Buy | 03/04/2021 | 03/05/2021 | 03/04/2026 | 10,500.00 | 12.53 |
| Rate Coverage | Cariparma | Buy | 08/06/2019 | 01/02/2020 | 07/02/2029 | 6,012.73 | 105.16 |
| Rate Coverage | UNICREDIT | Buy | 02/11/2021 | 2/28/2021 | 2/28/2026 | 5,500.00 | 2.63 |
| Rate Coverage | Unicredit var./fix. | Buy | 1/31/2025 | 31/01/2025 | 12/19/2031 | 9,701.49 | 18.84 |
| Rate Coverage | Unicredit collar | Buy | 2/28/2025 | 31/12/2025 | 12/19/2031 | 12,037.04 | 39.55 |
| Rate Coverage | BPM | Buy | 1/31/2025 | 31/01/2025 | 12/20/2031 | 6,218.91 | 12.80 |
| Rate Coverage | BPM | Buy | 2/28/2025 | 31/12/2025 | 12/19/2031 | 7,716.06 | 23.63 |
| Rate Coverage | Bnl var./fix. | Buy | 1/31/2025 | 31/01/2025 | 12/19/2031 | 9,701.49 | 18.72 |
| Rate Coverage | Bnl collar | Buy | 2/28/2025 | 31/12/2025 | 12/19/2031 | 12,037.04 | 99.61 |
| Rate Coverage | Intesa | Buy | 1/31/2025 | 31/01/2025 | 12/19/2031 | 9,701.49 | 18.66 |
| Rate Coverage | Intesa | Buy | 2/28/2025 | 31/12/2025 | 12/19/2031 | 12,037.04 | 36.85 |
| Rate Coverage | Credit Agricole | Buy | 1/31/2025 | 31/01/2025 | 12/19/2031 | 9,701.49 | 21.33 |
| Rate Coverage | Bper var./fix. | Buy | 1/31/2025 | 31/01/2025 | 12/19/2031 | 4,975.12 | 9.83 |
| Rate Coverage | Bper collar | Buy | 2/28/2025 | 31/12/2025 | 12/19/2031 | 6,172.83 | 43.18 |
| | | | | | | | **500** |

*IRS derivatives designated as hedging*

The IRS derivative contracts in place were designated to hedge the exposure to the variability of future interest expense flows generated by a recognised financial liability, whose effects impact the company's income statement at the same time as the related interest expense is recognised in the accounts.

The specific objective that the Group intends to pursue through the hedging interest rate derivatives portfolio is to mitigate its exposure to the risk arising from market rate volatility by fixing the cost of its variable-rate debt.

## 15. Deferred tax assets and deferred tax liabilities

Deferred tax assets as at 31 December 2025 amounted to €37,334 thousand, compared to €31,190 thousand in the previous year. Deferred tax liabilities as at 31 December 2025 amounted to €3,060 thousand, compared to €1,903 thousand in the previous year.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Deferred tax assets | 37,334 | 31,190 |
| Deferred tax liabilities | 3,060 | 1,903 |
| **Total** | **34,274** | **29,287** |

It should be noted that the offsetting of tax assets and liabilities has been carried out at the level of the individual consolidated company in cases where the prerequisites provided for in this regard by IAS 12 are met. The tax effect related to temporary differences as at 31 December 2025 and 31 December 2024 is determined based on the tax rates in effect in the relevant countries at the assumed realisation date of the temporary differences. Deferred tax liabilities and deferred tax assets are thus analysed according to the nature of the most significant temporary differences.

During the year, deferred tax assets were allocated on tax losses as a result of the tax consolidation entered into in the 2025 financial year only in the Parent Company. It is also emphasised that deferred tax assets were recognised due to the reasonable certainty, as from prepared financial projections, that in the subsequent years the Group will be able to generate taxable income adequate for the full recovery of the recognised credits. The change in other deferred liabilities relates to the allocation of Alpifer's first-time consolidation differential; in this regard, refer to section 7 of this document.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| **Deferred tax assets:** | | |
| Slag disposal | - | 52 |
| Provisions for sundry risks | 1,130 | 456 |
| Inventory write-down | 1,525 | 2,392 |
| Maintenance | 450 | 734 |
| Amortisation | 10,949 | 9,540 |
| Impairment of fixed assets | - | 69 |
| Tax losses | 21,912 | 15,601 |
| Goodwill | - | 25 |
| Write-down of receivables | - | 468 |
| Leases | 414 | 641 |
| Elimination of intercompany margins | 567 | 151 |
| Other minor items | 387 | 1,061 |
| **Total** | **37,334** | **31,190** |
| **Deferred tax liabilities:** | | |
| Derivative instruments | - | 740 |
| Customer list | 37 | 16 |
| Amortised cost | 30 | 61 |
| Discounting of employee severance indemnity and FISC | 165 | 165 |
| Temporary difference ESF costs | - | 921 |
| Other | 2,623 | - |
| **Total** | **3,060** | **1,903** |

## 16. Other non-current assets

Other non-current assets amounted to €1,131 thousand as at 31 December 2025 compared to €3,482 thousand as at 31 December 2024. Details are given in the table opposite:

The decrease in the item is attributable to Industry 4.0 tax credits that will see their numerical manifestation during the financial year.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| 4.0 – 5.0 tax credits – Single ZES zone | 1,131 | 3,482 |
| **Total other non-current assets** | **1,131** | **3,482** |

## 17. Inventories

Inventories, net of the related finished goods and merchandise write-down provision, amounted to €409,785 thousand as at 31 December 2025, compared to €375,983 thousand in the previous year. Details are provided in the table opposite.

Inventories valued at the lower of cost and market value are valued using the weighted average cost method. This method appears more appropriate to normalise price variations of both the raw material and, consequently, of the finished product, allowing the reader a better interpretation of the data.

Inventories are recorded net of an inventory write-down provision totalling €5,074 thousand. The increased costs of raw materials and scrap recorded in 2025, linked with the rise in the unit value of goods in stock, also resulted in a price effect.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Raw materials, supplies and consumable | 195,063 | 176,794 |
| Work in progress and semi-finished products | 55,357 | 39,924 |
| Advances | 445 | 287 |
| Finished products and goods | 162,175 | 169,804 |
| Contract work in progress | 1,819 | 677 |
| Inventory write-down provision | (5,074) | (11,504) |
| **Total** | **409,785** | **375,983** |

It should be noted that during the previous year, with support from external consultants, a comprehensive study was carried out with the aim of assessing the true condition of spare parts and component management in different warehouses. It also sought to redefine a procedure for determining the inventory obsolescence provision, tailored more specifically to the characteristics of the maintenance warehouse components. This activity made it possible to better value spare parts.

As for the increases in raw materials and semi-finished products and those under construction, these were due to the increase in quantities compared to the previous year.

The table opposite shows a breakdown of inventories by company as at 31 December 2025.

| (amounts in thousand euros) | Gross inventory value | Inventory write-down provision | Total inventories 31.12.2025 |
|---|---|---|---|
| Siderurgica S.p.A. | 143,025 | (3,121) | 139,904 |
| ESF Elbe-Stahlwerke Feralpi GmbH | 136,437 | (2,446) | 133,991 |
| Calvisano S.p.A. | 45,137 | (1,309) | 43,828 |
| Caleotto S.p.A. | 26,170 | (1,133) | 25,038 |
| Presider S.p.A. | 15,965 | (242) | 15,723 |
| Defim Orsogril S.p.A. | 10,771 | 0 | 10,771 |
| Arlenico S.p.A. | 12,372 | 0 | 12,372 |
| Alpifer S.r.l. | 16,607 | (78) | 16,529 |
| Presider Armatures | 5,320 | (190) | 5,130 |
| Feralpi Algerié S.a.r.l. | 2,379 | 0 | 2,379 |
| Industria de Expositores y Parrilas S.A. | 4,121 | 0 | 4,121 |
| **Total inventories** | **418,304** | **(8,519)** | **409,785** |

## 18. Trade receivables

As at 31 December 2025, the value of the Group's trade receivables amounted to a total of €190,883 thousand (as at 31 December 2024, it amounted to €242,577 thousand) net of the related provision for doubtful debts of €4,364 thousand. Details are given in the table opposite.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Trade receivables from third parties | 195,247 | 246,918 |
| Provision for doubtful debts | (4,364) | (4,341) |
| **Total** | **190,883** | **242,577** |

The nominal value of receivables was adjusted to their presumed realisable value by means of a special provision for doubtful debts, which underwent the following changes during the year (see table alongside).

| | |
|---|---|
| **Balance 1 January 2025** | **4,341** |
| Provisions | 444 |
| Provision uses/releases | 421 |
| **Balance 31 December 2025** | **4,364** |

The decrease in trade receivables is related to careful management of working capital, even in the presence of an increase in business volume. It should be noted that credit management operations are underway through revolving commercial assignments with leading financial institutions.

The credit quality of customers is assessed on the basis of an evaluation of their creditworthiness. Individual credit limits are also set for all customers on the basis of this assessment. Outstanding receivables from customers and contract assets are regularly monitored. At each reporting date, an impairment analysis is conducted on receivables, using a matrix to measure expected losses. Impairment percentages are determined on the basis of days past due and by grouping receivables from customers that are characterised by similar causes of impairment (geographic area, type of product, type of customer, rating, presence of guarantees or other insurance). The calculation is based both on the probability of credit recovery and on a historical analysis of credit losses, which, it is noted, have never been of a significant amount.

Finally, the valuation takes into account the time factor of money, and information on past events that are available at the reporting date, current conditions and expected market scenarios. This analysis led to a provision of €444 thousand and use of the provision for doubtful debts amounting to €421 thousand.

Below is the breakdown of receivables by past due band and geographical area.

| (amounts in thousand euros) | Total as at 31/12/2025 | Not past due | Past due 0-30 | Past due 30-60 | Past due | Past due 90-180 | Past due over 180 |
|---|---|---|---|---|---|---|---|
| Italy | 162,840 | 146,450 | 6,531 | 3,842 | 1,335 | 1,113 | 3,568 |
| Europe | 27,075 | 22,543 | 3,868 | 249 | 76 | 178 | 161 |
| Extra - Europe | 5,332 | 785 | 4,433 | 50 | 25 | 43 | -4 |
| **Gross trade receivables** | **195,247** | **169,778** | **14,832** | **4,142** | **1,435** | **1,334** | **3,725** |
| Incidence % | 2% | 0% | 6% | 12% | 61% | 57% | 29% |
| Write-down of receivables | (4,364) | (322) | (853) | (483) | (874) | (763) | (1,069) |
| **Net trade receivables** | **190,883** | **169,457** | **13,979** | **3,659** | **562** | **572** | **2,655** |

## 19. Receivables from associates

As at 31 December 2025, the receivables from associates amounted to €346 thousand, compared to €49,625 thousand in the previous year.

The remaining balance for the year relates to the receivable claimed by Feralpi Siderurgica S.p.A. from the associate Media Steel S.p.A., in relation to tax transparency transactions.

The significant decrease in the item is attributable to the change in the scope of consolidation: the high amount recorded in the previous year referred in fact to trade receivables (mainly deriving from the sale of wire rod) from the company Unifer S.r.l., which was subsequently fully consolidated in the Group (as a result of the consolidation of Alpifer) and therefore the related balances were eliminated upon consolidation.

## 20. Tax receivables

As at 31 December 2025, the Group's tax receivables amounted to €2,707 thousand, compared to €2,626 thousand in the previous year.

As in the previous year, this item refers entirely to the IRAP receivable claimed by the Group.

## 21. Current financial assets

As at 31 December 2025, the Group's current financial assets amounted to €3,658 thousand, compared to €5,563 thousand in 2024. Details are provided below.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Financial receivables - purchase of equity investments | 3,637 | 4,690 |
| Short-term receivables from subsidiaries | 18 | 18 |
| Other receivables | - | 855 |
| Derivative assets | 3 | - |
| **Total current financial assets** | **3,658** | **5,563** |

Financial receivables for the purchase of equity investments refer to the advance paid by the company Feralpi Villasor S.r.l., for the purchase of shares in an SPV, established is to obtain authorisation for and then to manage a photovoltaic park. Following a debt acknowledgement agreement, the counterparty company Greencells Energy Holding B.V. has undertaken to repay the full amount; the first instalment, which justifies the change in the period, of €1,165 thousand, was already collected in December 2025, while the three remaining instalments will be collected in 2026 and 2027.

Other receivables from the previous year, on the other hand, refer to receivables for interest income accrued and collected during the year.

## 22. Other current assets

As at 31 December 2025, the Group's other receivables amounted to €102,819 thousand, compared to €55,698 thousand in the previous year. Details are provided in the table opposite.

This item shows an increase over the previous year as a result of a combination of events, the main ones of which are discussed below:

- Increase in energy-intensive subsidies of €45,770 thousand. The contributions entered as at 31 December 2025 relate mainly to the Parent Company and the company ESF Elbe-Stahlwerke Feralpi GmbH, collected for a total amount of €17,688.
- Decrease in VAT credit for a total of €2,675 thousand mainly due to the ESF Group.
- Insurance receivable linked to an insurance reimbursement received by the company Caleotto S.p.a. following an extraordinary fire that involved the lubrication plants. The Company received the relevant compensation from the insurance company in the first quarter of 2026 as the holder of the insurance policy.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Energy-intensive subsidies | 82,785 | 37,170 |
| Social security institutions | 452 | 177 |
| Sundry receivables | 1,133 | 2,559 |
| Advance payments to suppliers | 1,169 | 250 |
| Accrued income and prepaid expenses | 6,494 | 3,639 |
| VAT credit | 3,758 | 6,434 |
| 4.0 – 5.0 tax credits – Single ZES zone | 4,315 | 5,179 |
| Insurance receivable | 1,349 | - |
| Other tax receivables | 1,364 | 291 |
| **Total other current assets** | **102,819** | **55,698** |

## 23. Cash and cash equivalents and short-term deposits

As at 31 December 2025, the Group's cash and cash equivalents and short-term deposits amounted to €121,749 thousand, compared to €50,720 thousand in the previous year. Details are provided in the table opposite.

The balance includes cash in hand and in bank accounts, as well as bank deposits that bear interest at a rate in line with the market rate. For a better understanding of cash outflows and inflows during the year, refer to the cash flow statement.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Bank and postal deposits | 121,737 | 50,716 |
| Cash and valuables in hand | 12 | 5 |
| **Total cash and cash equivalents** | **121,749** | **50,720** |

## 24. Shareholders' Equity

For an analysis of the changes, refer to the statement of changes in consolidated shareholders' equity. The following is a breakdown of shareholders' equity.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Share capital | 50,000 | 50,000 |
| Other reserves | 845,595 | 883,762 |
| First Time Adoption reserve | (2,130) | (2,130) |
| Cash flow hedge reserve | 315 | 1,528 |
| Reserve for actuarial gains /(losses) | (99) | (99) |
| Profit/loss for the year | (2,188) | (37,798) |
| **Total** | **891,493** | **895,263** |
| Minority interest Shareholders' equity | 20,724 | 331 |
| Minority interest profit | 2,588 | 56 |
| **Total shareholders' equity** | **914,805** | **895,650** |

### Share capital

As at 31 December 2025, the Share capital of the parent company Feralpi Siderurgica S.p.A. amounted to €50,000 thousand, unchanged from the previous year and fully subscribed and paid-up; it consisted of 5,000,000 ordinary shares with a value of €10 each. There are no shares encumbered by rights, privileges or restrictions on the distribution of dividends.

The item Other reserves is detailed below.

| **Description** (Amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Share premium reserve | 13,600 | 13,600 |
| Reserves for shareholders' capital contributions | 40,700 | 40,700 |
| Revaluation reserves | 27,460 | 27,460 |
| Legal reserve | 9,798 | 9,798 |
| Foreign exchange difference reserve | 624 | 548 |
| Retained earnings/(accumulated losses) | 753,413 | 791,656 |
| **Total Other reserves** | **845,595** | **883,762** |

**Share premium reserve**

As at 31 December 2025, the item amounted to €13,600, unchanged from the previous year.

**Legal reserve**

As at 31 December 2025, this reserve amounted to €9,798 thousand.

**Revaluation reserve**

As at 31 December 2025, it amounted to €27,460, unchanged from the previous year.

**Reserves for shareholders' capital contributions**

As at 31 December 2025, it amounted to €40,700, unchanged from the previous year.

**First Time Adoption reserve**

The reserve relates to the recognition made on the first-time application of IAS/IFRS.

**Reserve for actuarial gains (losses)**

The item "Reserve for actuarial gains (losses)" as at 31 December 2025 includes the net effect on actuarial gains (losses) resulting from the application of the amendment to IAS 19 (Employee Benefits), recognised directly in equity.

**Cash flow hedge reserve**

The reserve as at 31 December 2025 amounted to €624 and included the change in fair value of derivatives net of the related tax effect.

**Retained earnings/(accumulated losses)**

As at 31 December 2025, the item amounted to €753,413 thousand, and the changes that occurred during the year related to the carry-forward of the 2024 loss.

### 24.1. Other comprehensive income components, net of tax

Details of the changes in other comprehensive income components are shown below.

| (amounts in thousand euros) | Cash flow hedge reserve | Hedging cost reserve | FV reserves for financial assets measured at FV through other comprehensive income | Reserve for translation differences | Asset revaluation reserve | Reserve for employee benefits | Total |
|---|---|---|---|---|---|---|---|
| Exchange rate differences on translation of foreign currency transactions | | | | 77 | | - | 77 |
| Forward contracts on commodities | | | | | | - | - |
| IRS contracts | (1,214) | | | | | | (1,214) |
| | **(1,214)** | **-** | **-** | **77** | **-** | **-** | **(1,137)** |

### 24.2. Reconciliation statement between Shareholders' equity and net profit of the parent company and consolidated Shareholders' equity and net profit

The reconciliation between Feralpi Siderurgica S.p.A.'s shareholders' equity and net profit for the year and the respective figures in the Consolidated financial statements as at 31 December 2025 is as shown in the table alongside.

| (amounts in thousand euros) | Result for the period - 2025 | Capital and Reserves | Shareholders' equity 31.12.2025 |
|---|---|---|---|
| **Feralpi Siderurgica S.p.A.** | **1,966** | **510,713** | **512,679** |
| Intra-group margins included in the value of inventories | (1,077) | (389) | (1,466) |
| Customer list | (119) | (119) | (119) |
| Subsidiary contribution | 4,710 | 746,513 | 751,223 |
| Elimination of equity investments in subsidiaries | | (354,894) | (354,894) |
| Other Group operations | (4,868) | 4,868 | - |
| Consolidation with the equity method | 31 | 4,379 | 4,410 |
| IFRS effects | (243) | 3,333 | 2,972 |
| **Consolidated profit (loss)/capital** | **401** | **914,404** | **914,805** |
| **Minority interest profit (loss)/Minority interest capital** | **2,588** | **20,724** | **23,312** |
| **Group profit (loss)/capital** | **(2,187)** | **893,680** | **891,493** |

### 24.3. Profit (Loss) per share

Basic earnings (loss) per share is calculated by dividing the profit (loss) for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to the parent company's ordinary shareholders (after adjustment to account for interest on bonds convertible into preference shares, if any) by the weighted average number of ordinary shares outstanding during the year and those potentially arising from the conversion of all convertible bonds.

The result and share information used in the calculation of basic and diluted earnings per share are presented in the table alongside.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Profit (Loss) attributable to ordinary shareholders of the parent company: | | |
| Operating assets | (2,187) | (37,798) |
| Assets held for sale | - | - |
| **Profit (Loss) attributable to ordinary shareholders of the parent company for basic earnings** | **(2,187)** | **(37,798)** |
| Interest on convertible bonds | - | - |
| **Net profit attributable to ordinary shareholders of the parent company adjusted for diluted effect** | **(2,187)** | **(37,798)** |
| **Weighted average number of ordinary shares (excluding treasury shares) for the purpose of basic earnings per share** | **5,000,000** | **5,000,000** |
| Effect of dilution: | | |
| Stock options | - | - |
| Bonds convertible into preference shares | - | - |
| **Weighted average number of ordinary shares adjusted for dilution effect** | **5,000,000** | **5,000,000** |
| **Net profit/(loss) attributable to ordinary shareholders of the parent company for the purpose of calculating basic and diluted earnings per share from discontinued operations** | **(0.44)** | **(7.56)** |

## 25. Financial payables (current and non-current)

Financial payables as at 31 December 2025 amounted to €298,969 thousand (€192,506 thousand as at 31 December 2024). The item is split between non-current and current portions, respectively, amounting to €213,806 thousand and €85,160 thousand. For further details, please refer to the table opposite.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Loans to banks | 201,125 | 84,628 |
| Payables for derivative instruments | - | 58 |
| **Total non-current financial payables** | **201,125** | **84,686** |
| Loans to banks | 45,681 | 49,763 |
| Bank overdrafts and invoice advances | 52,973 | 57,858 |
| Payables to other lenders | 3 | - |
| Payables for derivative instruments | 87 | 199 |
| **Total current financial payables** | **98,744** | **107,820** |
| **Total financial payables** | **298,969** | **192,506** |

It should be noted that the item Loans to banks has increased following the taking out of a new loan as reported below.

It should be noted that the covenants on the new existing loan have been respected.

The table opposite summarises, at nominal value, the bank loans received by Feralpi Group as at 31 December 2025.

| Counterpart | Original amount | Amount as at 31.12.25 | Disbursement date | Expiry | Parameter |
|---|---|---|---|---|---|
| Banco del Sabadell | 900 | 47 | 3/31/2021 | 3/31/2026 | Fixed rate |
| BNL "Pool" | 170,000 | 170,000 | 1/31/2025 | 12/21/2031 | 6-month Euribor |
| Capex Ancillary UNI/BNP | 20,000 | 17,500 | 1/24/2025 | 12/31/2026 | 3-month Euribor |
| Club Deal ESF KFW | 50,000 | 32,500 | 2022/2023 | 6/30/2029 | Fixed rate |
| ISP | 29,500 | 2,950 | 03/05/2021 | 03/04/2026 | 6-month Euribor |
| ISP | 10,500 | 1,050 | 03/05/2021 | 03/04/2026 | 6-month Euribor |
| MPS | 3,500 | 119 | 03/11/2021 | 2/28/2026 | 6-month Euribor |
| MPS | 1,500 | 51 | 03/11/2021 | 2/28/2026 | 6-month Euribor |
| MPS | 1,292 | 1,211 | 06/12/2023 | 06/30/2032 | Fixed rate |
| MPS | 20,000 | 20,000 | 12/15/2025 | 12/31/2030 | Fixed rate |
| SIMEST | 360 | 180 | 4/27/2021 | 12/31/2027 | 6-month Euribor |
| SIMEST | 480 | 240 | 06/04/2021 | 12/31/2027 | Fixed rate |
| UNICREDIT | 4,000 | 333 | 1/21/2021 | 1/31/2026 | 3-month Euribor |
| UNICREDIT | 5,500 | 458 | 02/11/2021 | 2/28/2026 | 6-month Euribor |
| UNICREDIT | 2,000 | 167 | 3/31/2021 | 3/31/2026 | 6-month Euribor |

As mentioned in Note 2, in the first months of 2025 the existing pool loan was fully repaid.

It should be noted that as part of the financing plan of the business plan defined in previous years, during the previous financial year and with an additional addendum dated 31 January 2025, Feralpi Siderurgica S.p.A. agreed to a medium-to-long-term Sustainability Linked Loan amounting to a total of €170 million. In addition, in December 2025, a further Sustainability Linked Loan amounting to €20.0 million was agreed to and drawn down, to be used for the investments and liquidity needs of the Group companies.

During the year, loans amounting to €229,697 thousand were taken out and loans amounting to €101,488 thousand were repaid.

The Group's outstanding liability derivative contracts are summarised in the table alongside, with their market value as at 31 December 2025.

| Contract type | Counterpart | Position | Start date | Expiry date | Notional (Euro/000) | Market value 31.12.25 (Euros) |
|---|---|---|---|---|---|---|
| Rate Coverage | BNL collar | Buy | 31/12/2025 | 19/12/2031 | 12,037 | 47 |
| Rate Coverage | BNL collar | Buy | 31/12/2025 | 19/12/2031 | 12,037 | 14 |
| Rate Coverage | BNL collar | Buy | 31/12/2025 | 19/12/2031 | 6,173 | 25 |
| **Total** | | | | | | **87** |

**IRS derivatives designated as hedging**

Please refer to the description in note 14. Non-current financial assets. The total of €87 thousand refers to MTM contracts with a positive value.

### 25.1. Analysis of net financial debt

The net financial debt schedule was prepared on the basis of the latest ESMA guidelines.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| A Cash | 121,749 | 50,720 |
| B Cash equivalents | - | - |
| C Other current financial assets | - | - |
| **D Liquidity (A+B+C)** | **121,749** | **50,720** |
| E Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) | 5,063 | 4,057 |
| F Current part of non-current financial debt | 98,744 | 107,545 |
| **G Current financial debt (E + F)** | **103,807** | **111,601** |
| **H Net current financial debt (G - D)** | **(17,942)** | **60,881** |
| I Non-current financial debt (excluding current portion and debt instruments) | 214,885 | 94,671 |
| J Debt instruments | - | - |
| K Trade and other non-current payables | - | - |
| **L Non-current financial debt (I + J + K)** | **214,885** | **94,671** |
| **M Total financial debt (H + L)** | **196,943** | **155,552** |

In accordance with the ESMA Guidelines dated 4 March 2021, the Net Financial Position mentioned above excludes trade payables owed to strategic suppliers with whom agreements have been made to extend original payment terms through arrangements with a major financial institution. Under these arrangements, the Group pays invoices issued by these suppliers directly to the involved financial institution, while the suppliers have the option, on an invoice-by-invoice basis, to receive payment from the financial institution earlier than the agreed extension.
At the reporting date, the payables recorded and subject to these agreements and classified among trade payables amount to €25,897 thousand. Please refer to Note 31 for further details.

The consolidated Net Financial Position reports a net debt value of €196,943 thousand, compared to €155,552 thousand reported as at 31 December 2024. The increase is due to investment activities carried out during the year and the partially offset reduction in working capital.

## 26. Liabilities for employee benefits

As at 31 December 2025, liabilities for employee benefits amounted to a total of €4,974 thousand, compared to €5,090 thousand in the previous year, and related solely to the Group's Italian companies.

The provision set aside represents the company's actual debt at year-end to employees in force at that date, net of advances paid.

The valuation of the provision for severance indemnity, as required by the international accounting standard IAS19, follows the method of projecting the present value of the defined benefit obligation with an estimate of the benefits accrued by employees.

Following the changes introduced by Law no. 296 of 27 December 2006 ("2007 Budget Law") and subsequent implementing Decrees and Regulations, the severance indemnities accrued up to 31 December 2006 will continue to remain with the company, constituting a defined benefit plan (obligation for accrued benefits subject to actuarial valuation), while the portions accruing from 1 January 2007 as a result of the choices made by employees during the year, will be allocated to supplementary pension schemes or transferred by the company to the treasury fund managed by INPS, representing defined contribution plans (no longer subject to actuarial valuation) from the moment the choice is formalised by the employee.

| Balance 31 December 2024 (amounts in thousand euros) | 5,090 |
|---|---|
| Provisions | 3,620 |
| Use of provisions and payment to social security funds | (3,736) |
| **Balance 31 December 2025** | **4,974** |

The determination of the employee severance indemnity is thus the result of the application of an actuarial model that is based on various assumptions, both demographic and economic.

For the 2025 financial year, the calculation of the actuarial model was not carried out as the effects were deemed to be immaterial.

## 27. Provisions for risks and charges

As at 31 December 2025, the item Provisions for risks and charges amounted to a total of €4,922 thousand, compared to €3,481 thousand in the previous year.

The table opposite shows a breakdown of their movement and composition:

| (amounts in thousand euros) | Supplementary customer allowance | Slag disposal | Other risk provisions | Total provisions for risks and charges |
|---|---|---|---|---|
| Balance 31 December 2024 | 1,154 | 187 | 2,139 | 3,481 |
| Provisions | 187 | 204 | 268 | 660 |
| Provision discounting | | - | - | - |
| Change in the scope of consolidation | 1,310 | - | 123 | 1,433 |
| Provision uses and releases | (4) | (188) | (460) | (651) |
| **Balance 31 December 2025** | **2,647** | **204** | **2,071** | **4,922** |

As shown in the table, the provisions for risks and charges include the supplementary customer allowance, the provision for slag disposal and other risk provisions. The item "Other risk provisions" is equal to €2,071 thousand and relates to provisions made during the year for €268 thousand in relation to an assessment received from the tax authorities. The use amounts to €460 thousand, with the most significant elements pertaining to an open dispute with a supplier for damages suffered and a dispute with an agent, which were resolved during the year for €275 thousand.

### Information on pending litigation

The Group has ongoing legal disputes with personnel and for the reclamation of land belonging to Feralpi Siderurgica S.p.A. Adequate risk provisions have been set aside for both types.

## 28. Other non-current liabilities

Other non-current liabilities amounted to €8 thousand as at 31 December 2025, compared to €859 thousand the previous year.

In relation to the item "security deposits" in the previous year, the amount of €850 thousand consisted of security deposits received by the German subsidiary ESF Elbe-Stahlwerke Feralpi GmbH as a guarantee for the supply of goods.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Security deposits | 8 | 858 |
| Other non-current liabilities | - | 1 |
| **Total other non-current financial liabilities** | **8** | **859** |

## 29. Trade payables

Trade payables as at 31 December 2025 amounted to €355,134 thousand, compared to €385,381 thousand last year. Details are given in the table opposite.

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Trade payables to suppliers | 350,953 | 379,825 |
| Advances | 4,181 | 5,556 |
| **Total** | **355,134** | **385,381** |

Trade payables are stated net of trade discounts. The nominal value of these payables has been adjusted for returns or allowances (billing adjustments) to the extent of the amount defined with the counterpart.

As at 31 December 2025, payables to suppliers decreased compared to the previous year: this change is mainly due to ESF and is attributable to the completion of investments for the construction of the new rolling mill, which resulted in a reduction in the volume of invoices received and the related commercial commitments at the reporting date.

Included in trade payables is €25,897 thousand owed to strategic suppliers, with whom arrangements have been made to extend the original due dates by up to a maximum of 300 days beyond the initially agreed payment terms. The deferral was carried out through the signing of agreements with leading financial institutions, whereby the Group makes payments of invoices issued by these suppliers directly to the financial institution involved, which pays the suppliers at the natural maturity of the issued invoices. There are no significant financial charges related to these agreements.

The Group evaluated these agreements to determine if the payables still met the definition of trade payables or if they should be classified as financial liabilities. Taking into account the terms of these agreements and the analysis of their characteristics, the Group concluded that as at 31 December 2025, these payables met the criteria to be included among trade payables.
As at 31 December 2025, payables for advances amounted to €4,181 thousand. The main item relates to the parent company and refers to advances received from customers.

The Group has no significant overdue amounts.

## 30. Trade payables to associates

Trade payables to associates as at 31 December 2025 amounted to €51,663 thousand compared to €52,703 thousand in the previous year.

Trade payables to associates mainly include payables of the parent company and Acciaierie di Calvisano S.p.A. to the associate Media Steel S.r.l. for scrap supplies.

## 31. Tax payables

Tax payables as at 31 December 2025 amounted to €5,477 thousand, compared to €8,480 thousand in the previous year. The item includes payables solely for the income taxes of the group companies, both Italian and foreign.

## 32. Other current liabilities

Other current liabilities amounted to €58,651 thousand as at 31 December 2025, compared to €43,685 thousand the previous year. Details are given below:

| (amounts in thousand euros) | 31.12.2025 | 31.12.2024 |
|---|---|---|
| Personnel costs allocated | 18,842 | 14,011 |
| Bonuses to customers | 6,978 | 5,300 |
| Payables to social security institutions | 9,923 | 6,471 |
| Accrued expenses and deferred income | 11,268 | 7,934 |
| Irpef debt | 3,678 | 2,940 |
| Other current liabilities | 3,291 | 7,029 |
| VAT debt | 4,671 | - |
| **Total other current liabilities** | **58,651** | **43,685** |

The most significant payable relates to the December salaries of employees and partners, which are, as usual, paid in the following month.

The item for accrued expenses and deferred income mainly refers to the deferral of contributions of 4.0, 5.0 and Single ZES zone tax credits.

Bonuses to customers, on the other hand, refer to bonuses earned by customers of the subsidiary ESF Elbe-Stahlwerke Feralpi GmbH who are members of the consortium.

## 33. Revenues from contracts with customers

Revenues from contracts with Group customers as at 31 December 2025 amounted to €1,703,187 thousand, compared to €1,652,984 thousand in the previous year.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Revenues from contracts with customers | 1,703,187 | 1,652,984 |
| **Total revenues from contracts with customers** | **1,703,187** | **1,652,984** |

A breakdown by geographical area is given below:

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Italy | 665,618 | 626,649 |
| E.U. countries | 888,530 | 868,948 |
| Non-EU countries | 149,039 | 157,387 |
| **Total revenues from contracts with customers** | **1,703,187** | **1,652,984** |

## 34. Rental income

The Group's rental income as at 31 December 2025 amounted to €868 thousand, compared to €806 thousand in the previous year.

Rental income refers to recharges of rented space to companies outside the scope of consolidation and to the rental of industrial mobile platforms to third parties.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Rental income | 868 | 806 |
| **Total rental income** | **868** | **806** |

## 35. Other income

As at 31 December 2025, other Group income amounted to €19,941 thousand, compared to €27,764 thousand in the previous year. Details are provided in the table opposite:

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Operating grants | 3,506 | 3,414 |
| Insurance reimbursements | 2,036 | 902 |
| Capital gain on sale of assets | 3,950 | 737 |
| Refund of customs charges | 752 | 568 |
| Energy revenues | 4,463 | 16,007 |
| Release of funds | 160 | 1,439 |
| Compensation for TAV land expropriation agreement | 2,015 | - |
| Other income | 3,059 | 4,697 |
| **Total other income** | **19,941** | **27,764** |

Operating grants amounting to €3,506 thousand mainly refer to subsidies from institutional bodies for research and development or investment projects.

The item for insurance reimbursements relates to an insurance reimbursement received by the company Caleotto S.p.a. following an extraordinary fire that involved the lubrication plants. In this regard, refer to paragraph 22.

The item Capital gain on sale of assets mainly concerns the sale of part of the land and buildings owned by the customer that was responsible for the construction of the high-speed railway bordering the Lonato del Garda (Bs) production site.

The item "Energy revenues" amounting to €4,463 thousand pertains to the sale of $CO_2$ allowances by Feralpi Siderurgica S.p.A., accounted for primarily using the free allowances allocated compared to those purchased for a fee.

The item "Compensation for TAV land expropriation agreement" amounting to €2,015 thousand pertains to the financial compensation received by Feralpi Siderurgica S.p.A. as the owner of land in the Municipality of Lonato del Garda (Bs) expropriated for the construction of the works related to the High-Speed Train (TAV) during the year.

## 36. Raw materials and consumables

As at 31 December 2025, costs for raw materials and consumables used by the Group amounted to €1,093,799 thousand, compared to €1,176,036 thousand for the year. Details are provided in the table opposite:

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Purchase of finished products, raw materials, supplies and consumables | 1,123,370 | 1,215,335 |
| Change in inventories of raw materials, supplies and consumable and goods | 29,571 | 39,299 |
| **Total costs for raw materials and consumables** | **1,093,799** | **1,176,036** |

See note 17 to the statement of financial position for changes in inventories. It should be noted that the cost of scrap accounted for 80% of the total raw material cost.

For more information on the economic performance for the year, refer to the Report on Operations.

## 37. Cost of services

As at 31 December 2025, the Group's cost of services amounted to €383,391 thousand compared to €382,162 thousand in the previous year. Details are provided in the table opposite.

The item Hires - Rentals of costs of services mainly refers to contracts for which the Group has applied the IFRS 16 exemption.

In the 2025 financial year, costs of services are substantially in line with the previous year.

The item Miscellaneous energy and utilities includes the contribution received from the subsidiary ESF directly to reduce the cost of energy.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Maintenance and third-party services | 65,357 | 37,517 |
| Production services | 42,812 | 57,453 |
| Miscellaneous energy and utilities | 142,935 | 159,075 |
| Internal transport and transfers | 64,254 | 66,343 |
| Consultancy, Insurance, Advertising | 19,300 | 22,472 |
| Directors' compensation | 3,270 | 2,232 |
| Board of Statutory Auditors' compensation | 228 | 170 |
| Hires - Rentals | 1,929 | 2,141 |
| Fees for user licences | 4,733 | 4,909 |
| Commissions | 16,140 | 13,624 |
| Other miscellaneous minor items | 22,433 | 16,227 |
| **Total cost of services** | **383,391** | **382,162** |

## 38. Personnel costs

As at 31 December 2025, the Group's personnel costs amounted to €153,065 thousand, compared to €138,277 thousand in 2024. Details are provided in the table opposite:

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Wages and salaries | 110,806 | 101,763 |
| Social security contributions | 31,636 | 27,755 |
| Employee severance indemnity | 3,619 | 2,986 |
| Other personnel costs | 7,004 | 5,773 |
| **Total personnel costs** | **153,065** | **138,277** |

This item includes the entire expense for employees, including merit increases, promotions, automatic cost-of-living increases, the cost of untaken holidays and provisions as provided for by law and collective agreements, bonuses to be paid for the achievement of certain objectives, and costs related to temporary staff if employed.

In 2025, there was an overall increase in the workforce of 174 employees compared to 2024, with the consolidated figure rising from 1,972 to 2,146.  This increase is largely due to the consolidation of Alpifer, with an average workforce of 116.

In addition to the above, in the Italian plants, staff growth was 25, mainly driven by the stabilisation of staff previously employed on temporary contracts and to a lesser extent by the recruitment of staff in training for specific projects in the technical and production areas. In the foreign plants, staff growth was 33, linked to the strengthening of the technical-production area for the rolling mill B plant in Riesa (Germany).

The table opposite shows the number of Group employees by category and the number:

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Executives | 42 | 38 |
| Employees | 606 | 575 |
| Blue-collars | 1,525 | 1,373 |
| **Total employees** | **2,173** | **1,986** |
| Average annual employees | | |
| Executives | 41 | 38 |
| Employees | 611 | 574 |
| Blue-collars | 1,493 | 1,360 |
| **Total employees** | **2,145** | **1,972** |

## 39. Other operating costs

As at 31 December 2025, other operating costs amounted to €5,897 thousand, compared to €6,208 thousand in 2024. Details are provided in the table opposite:

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Provisions for risks | 294 | 236 |
| Loss on sale/disposal of assets | 392 | 173 |
| Charity | 119 | 199 |
| Membership fees | 849 | 617 |
| Miscellaneous taxes and duties | 1,660 | 1,962 |
| Deductible credit losses | 79 | 22 |
| $CO_2$ allowances – Guarantees of origin | 724 | 1,345 |
| Other operating costs | 1,780 | 1,655 |
| **Total other operating costs** | **5,897** | **6,208** |

Under "$CO_2$ allowances – Guarantees of origin", the purchases of guarantees of origin and $CO_2$ allowances are accounted for.

Miscellaneous taxes and duties mainly refer to costs for IMU (municipal property tax), regional taxes for land reclamation, TARI (waste tax).

The capital losses relate to the scrapping of some obsolete components used in the Parent Company's production process.

## 40. Increases in fixed assets for in-house work

As at 31 December 2025, increases in fixed assets for in-house work amounted to €4,253 thousand, compared to €6,227 thousand in the previous year.

Increases in fixed assets refer to the participation of internal staff in the extraordinary maintenance and construction on a timework basis of certain parts of investments carried out during the year.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Increases in fixed assets for in-house work | 4,253 | 6,227 |
| **Total increases in fixed assets for in-house work** | **4,253** | **6,227** |

## 41. Depreciation, amortisation and write-downs

As at 31 December 2025, the Group's depreciation, amortisation and write-downs amounted to €71,637 thousand, compared to €70,306 thousand in the previous year. Details are provided in the table opposite.

As regards depreciation and amortisation, it is specified that it was calculated on the basis of the useful life of the assets and their use in the production phase, taking into account technical and technological obsolescence, as well as physical-technical degradation.

The increase of €1,331 thousand is mainly due to the commissioning of new plants during the year and the line-by-line consolidation of Alpifer, as mentioned above, which generated higher amortisation of intangible assets.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Amortisation of intangible fixed assets | 2,946 | 3,864 |
| Depreciation of tangible fixed assets | 64,502 | 62,532 |
| Amortisation of right of use | 4,189 | 3,783 |
| Write-down of receivables | 444 | 127 |
| **Total depreciation, amortisation and write-downs** | **71,637** | **70,306** |

## 42. Reversal/(Write-down) of financial assets

In 2025, the item Reversal/(write-down) of financial assets is positive and equal to €444 thousand, against €132 thousand in the previous year. Details are provided in the table opposite.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Reversal / (Write-down) of receivables included in current asset and cash and cash equivalents | (444) | (132) |
| **Total Reversal/(Write-down) of financial assets** | **(444)** | **(132)** |

## 43. Financial income

As at 31 December 2025, the Group's financial income amounted to €477 thousand, compared to €1,199 thousand in the previous year. Details are provided in the table opposite.

The marked decrease compared to the previous year, as demonstrated in the table, is due to the interest accrued on Time Deposits closed during 2024, which are no longer present in Immobiliare Feralpi, ESF Elbe-Stahlwerke Feralpi GmbH, and Fer-Par Srl.

It should also be noted that the item relating to interest income concerns interest accrued on current account balances.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Interest income - Time deposit | - | 183 |
| Interest income on current accounts | 378 | 756 |
| Other financial income | 16 | 233 |
| Income from derivative instruments | 82 | 27 |
| **Total financial income** | **477** | **1,199** |

## 44. Financial expenses

As at 31 December 2025, the Group's financial expenses amounted to €14,708 thousand, compared to €7,676 thousand in 2024. Details are provided in the table opposite.

The increase in financial expenses compared to the previous year is due to greater use of credit for the management of working capital, following transactions carried out through revolving commercial assignments with leading financial institutions. This component justifies the most significant deviation from the previous year.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Bank interest for credit lines | 4,003 | 3,030 |
| Bank interest for mortgages | 5,069 | 2,217 |
| Interest on credit facilities | 4,788 | 1,610 |
| Finance charges on financial lease liabilities | 503 | 510 |
| Other interest expenses | 345 | 308 |
| **Total financial charges** | **14,708** | **7,676** |

## 45. Share of profit of associates and joint ventures

In 2025, the share of profit of associates and joint ventures amounted to €531 thousand, compared to €3,069 thousand in the previous year. Details are given in the table opposite.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Alpifer S.r.l. | - | 2,307 |
| Dima S.r.l. | 261 | 442 |
| Media Steel S.r.l. | 270 | 320 |
| **Total share of profit of associates and joint ventures** | **531** | **3,069** |

## 46. Exchange gains and (losses)

The item Exchange gains and (losses) for the year 2025 amounts to a loss of €231 thousand compared to a loss of €144 thousand in the previous year. The change is mainly attributable to the increase in purchases of raw materials from non-European countries compared to the previous year.

## 47. Income taxes

The tax burden for the year 2025 totalled a negative €1,735 thousand. As at 31 December 2024, the Group closed with an income tax balance of €8,472 thousand.

Details are given in the table opposite.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Current taxes and income/expenses | (1,064) | (5,508) |
| Deferred tax assets | (819) | 13,522 |
| Deferred taxes | 148 | 458 |
| **Total income taxes** | **(1,735)** | **8,472** |

The reconciliation between the theoretical tax burden determined by applying the current Italian IRES tax rate of 24% (same value in 2024) and the actual tax burden is as shown in the table alongside.

The change in the tax rate for 2025 is primarily due to the change in the scope of consolidation, which includes Alpifer starting from the 2025 financial year.

See note 15 for details of deferred tax assets and liabilities.

| (amounts in thousand euros) | | | 2025 | | 2024 |
|---|---|---|---|---|---|
| | | Taxable | Tax | Taxable | Tax |
| **Pre-tax profit** | **A** | **2,135** | | **(46,213)** | |
| Applicable tax rate (IRES) | B | 24.00% | | 24.00% | |
| **Theoretical taxes** | **C=AxB** | | **513** | | **(11,091)** |
| Deduction of contributions for the period | | (1,593) | (382) | (1,014) | (243) |
| Hyper/super amortisation | | (3,630) | (871) | (3,277) | (786) |
| Joint venture shares | | 531 | 127 | 3,069 | 737 |
| Intra-group dividend taxation effect | | (7,736) | (1,857) | 701 | 168 |
| Non-deductible write-downs | | 4,224 | 1,014 | 2,868 | 688 |
| Allocations to non-deductible provisions | | 1,099 | 264 | 37 | 9 |
| Higher taxation effect of foreign companies | | 12,236 | 2,986 | 3,554 | 853 |
| Other increases/decreases | | (5,019) | (1,205) | 4,763 | 1,143 |
| **Total changes** | **D** | | **76** | | **2,568** |
| IRAP effect | E | | 1,146 | | 51 |
| **Tax charge recorded in the income statement** | **F=C+D+E** | | **1,735** | | **(8,472)** |

## 48. Information on financial risks

The Group's main financial liabilities, other than derivatives, include bank loans and financing, and trade and other payables. The main purpose of these liabilities is to finance the Group's operating activities. The Group has financial and other receivables, trade and non-trade receivables, cash and cash equivalents and short-term deposits that originate directly from operations. The Group enters into derivative contracts.

As required by IFRS, information on the main financial risks to which the Group is exposed is provided below. In particular, the Group is exposed to the following risks: market, interest rate, foreign exchange, commodity price, securities, credit and liquidity.

The Group's management is responsible for managing these risks. It receives support in this activity from the Administration, Finance and Control Department, which provides information on financial risks and suggests an appropriate Group-wide risk management practice based on appropriate business practices and procedures so that financial risks are identified, assessed and managed as required by Group policies and procedures. It is the Group's established practice not to enter into derivatives for trading or speculative purposes. The Board of Directors reviews and approves the management policies for each of the risks outlined below.

### 48.1. Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will change due to changes in the market price. Market price risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as equity risk and commodity price risk. Financial instruments affected by market risk include loans and financing, deposits, debt and equity instruments and derivative financial instruments.

The sensitivity analyses presented below refer to positions as at 31 December 2025 and 2024 and have been prepared under the assumption that the amount of net debt, the ratio of fixed and variable interest rates on debt and derivatives, and the portion of financial instruments in foreign currencies are all constant and aligned with the designation of hedges in place as at 31 December 2025.
The analyses exclude the impact of movements in market variables on the carrying amount of pension plans and other post-employment obligations, provisions and non-financial assets and liabilities of foreign subsidiaries.

The following assumptions were made in the calculation of the sensitivity analyses:

- the sensitivity analysis of the relevant elements of the statement of profit/(loss) for the year is the effect of changes assumed with respect to market risks. It is based on financial assets and liabilities held as at 31 December 2025 and 2024 including the effect of hedge accounting;
- the sensitivity analysis on equity is calculated considering the effect of any cash flow hedges and hedges of net investments in foreign operations as at 31 December 2025, associated with the effects of estimated changes in the underlying risk.

### 48.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is primarily related to long-term debt with variable interest rates.

The Group manages its interest rate risk through a balanced portfolio of loans and financing at fixed and variable interest rates. The Group's policy is to hold medium- to long-term loans at variable rates, excluding loans related to discontinued operations, against which interest rate swaps (IRS) are entered into for no less than 50% of the amount of medium- to long-term debt. Through IRSs, the Group agrees to exchange, at defined intervals, the difference in amount between the fixed and variable rate calculated by reference to an agreed amount of notional principal. These swaps are designated to hedge the underlying debt.

The following table illustrates the sensitivity to a reasonably possible change in interest rates on that portion of debts and loans, after the impact of hedge accounting. With all other variables held constant, the Group's pre-tax profit is affected by the impact on variable-rate loans as shown in the table alongside.

| (amounts in thousand euros) | Increase/decrease in basis points | 2025 | 2024 |
|---|---|---|---|
| Pre-tax profit | +50 | 1,494 | 151 |
| | -50 | (1,494) | (151) |

### 48.3. Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of an exposure will change as a result of changes in exchange rates. The Group's exposure to the risk of exchange rate changes mainly relates to the Group's operating activities (when revenues or costs are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. It is considered that the exchange rate risk is not significant because the transactions are carried out mainly in euros.

### 48.4. Commodity price risk

The Group is affected by the volatility of the price of certain commodities such as mainly ferrous scrap, energy and natural gas. The Group is exposed to changes in the price of scrap with regard to planned purchases of this product. The Group's Board of Directors has developed and implemented a risk management strategy, including the increase in sales prices to customers related to rising commodity prices, aimed at mitigating the impact of commodity prices on margins.

In the long run, trends in the price of ferrous scrap and electricity on the one hand and the price of the finished product on the other tend to run on parallel lines; any hedging transactions are assessed in the light of the liquidity of the official markets in which the main trades are conducted.

The following table shows the effect of the change in raw material prices.

| Commercial relations 2025 | Year-end price change | Effect on pre-tax profit | | Gross effect on shareholders' equity | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| Iron scrap | 10% | 89,361 | 96,000 | 89,361 | 96,000 |
| | -10% | (89,361) | (96,000) | (89,361) | (96,000) |
| Energy | 10% | 17,604 | 15,106 | 17,604 | 15,106 |
| | -10% | (17,604) | (15,106) | (17,604) | (15,106) |
| Methane gas | 10% | 2,991 | 2,991 | 2,991 | 2,991 |
| | -10% | (2,991) | (2,991) | (2,991) | (2,991) |

## 48.5. Equity price risk

The Group's listed and unlisted equities are exposed to market price risk arising from uncertainties in the future values of securities. The Group manages price risk through diversification and by placing single or total limits on equities. Reports on the share portfolio are regularly submitted to the Group's management. The Group's Board of Directors reviews and approves all equity investment decisions.

## 48.6. Credit risk

Feralpi is exposed to credit risk arising from the business relations it establishes with its customers. Failure by customers to meet payment deadlines could jeopardise the Group's overall financial situation.

Commercial credit risk is mitigated by the application of the Credit Policy, the related Group procedures and guidelines for the selection and assessment of the customer portfolio, the definition of credit limits, the monitoring of expected collection flows and any recovery actions. In addition, the Group takes out insurance policies with counterparts of primary standing and, in some cases, requires customers to provide additional guarantees. Credit risk management and monitoring are the tasks entrusted to Group Credit Management, which is committed to ensuring the effectiveness of the policies adopted and to identifying possible areas for improvement. Credit risk is also mitigated by the use of the non-recourse rotary assignment instrument to specialised financial operators.

### 48.6.1. Trade receivables and contract assets

Trade credit risk is mitigated by the application of Group procedures and guidelines for the selection and assessment of the customer portfolio, for the definition of credit limits, for monitoring expected collection flows and for any recovery actions. They provide, where possible and appropriate, for the conclusion of insurance policies with leading counterparts as well as, in some cases, requesting additional guarantees from customers. Group Credit Management manages and monitors credit risk in the Group.

The Group considers the concentration risk of trade receivables and contract assets to be low, based on the size of the customer portfolio and the location of customers, which operate in different countries and in partly independent markets. Credit risk is also mitigated by the use of the non-recourse assignment instrument to specialised financial operators.

### 48.6.2. Financial instruments and bank deposits

Credit risk related to relations with banks and financial institutions is managed by the Group Treasury in accordance with Group practice. The investment of available funds is made only with approved counterparts and within the credit limits allocated to each counterpart. Counterpart credit limits are reviewed annually by the Board of Directors and may be updated throughout the year. Limits are defined to minimise the concentration of risks and, consequently, mitigate the financial loss generated by the potential failure of the counterpart.

## 48.7. Liquidity risk

Liquidity risk refers to the ability of available financial resources to meet payment commitments to commercial or financial counterparts on pre-established terms and deadlines. Prudent management of liquidity risk, arising from the Group's normal operations, involves maintaining an adequate level of cash and cash equivalents as well as funds available through committed credit lines. The Administration, Finance, and Control Department (AFC) of the Group undertakes financial planning aimed at equipping the Group with adequate credit lines that are consistent with the business's cash-generating capacity over the planning period. Additionally, the AFC Department monitors forecasts for the utilisation of the Group's liquidity reserves, starting with the analysis of expected cash flows, and arranges the necessary credit lines (Business Plan, Budget, Forecast, Report).

### 48.7.1. Risk of over-concentration

Concentration arises when a number of counterparts are engaged in a similar business or exercise their activities in the same geographical area or have economic characteristics such that their ability to honour contractual commitments is affected by economic, political or other changes. Concentration indicates the relative sensitivity of the Group's result to changes that may affect a particular sector.

In order to avoid excessive risk concentration, the Group's rules and procedures include specific guidelines for maintaining a diversified portfolio. If situations of credit risk concentration are identified, they are controlled and managed accordingly.

The table alongside summarises the maturity profile of the Group's financial liabilities on the basis of contractually agreed undiscounted payments.

| As at 31 December 2025 (Amounts in thousand euros) | At sight | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Loans and borrowings | 17,748 | 19,999 | 32,959 | 229,077 | - | **299,782** |
| Lease liabilities | - | - | 5,063 | 13,760 | - | **18,823** |
| Other financial liabilities | - | - | - | - | - | **-** |
| Trade payables | 355,134 | - | - | - | - | **355,134** |
| Downstream products | - | - | 87 | | - | **87** |
| **Total** | **372,882** | **19,999** | **38,109** | **242,837** | **-** | **673,826** |

| As at 31 December 2024 (Amounts in thousand euros) | At sight | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| Loans and borrowings | 47,274 | 8,800 | 48,837 | 87,595 | - | **192,506** |
| Lease liabilities | - | - | 3,781 | 9,964 | 21 | **13,766** |
| Other financial liabilities | - | - | - | - | - | **-** |
| Trade payables | 385,381 | - | - | - | - | **385,381** |
| Downstream products | - | - | 257 | 58 | - | **315** |
| **Total** | **432,655** | **8,800** | **52,875** | **97,617** | **21** | **591,968** |

### 48.8. Climate risk

The Group considers climate-related issues in its estimates and assumptions when necessary. This assessment includes a broad spectrum of possible impacts for the Group arising from both physical and transition risks. Even though the Group believes that its business model and products will remain appealing after the transition to a low-emission economy, climate-related issues increase the uncertainty of estimates and assumptions concerning numerous elements or items in the financial statements. For further details, refer to the specific paragraph in the Unified Document.

### 48.9. Risks associated with the international geopolitical situation

The Group is exposed to risks associated with the deterioration of the global geopolitical and macroeconomic environment. The emergence of global wars and crises, the imposition of economic sanctions and stops on certain countries, the application of duties, the establishment of protectionist policies in export countries or possible restrictions on exports, could lead to difficulties in sourcing inputs with subsequent delays or business interruptions and the potential loss of markets and customers. These events also lead to very significant indirect impacts on operating costs, in particular in view of trends in the cost of electricity and gas, to which the steel sector is heavily exposed. Although the Group has no operations in territories where there are ongoing wars or in countries characterised by major political instability, the occurrence of such risks is considered to be of medium probability but of high significance, as they could have very significant negative effects on the Group's economic, financial and equity situation. Such emergencies are handled by promptly adopting the necessary measures to prevent, control and contain the negative effects, while at the same time trying to ensure, as far as possible, business continuity.

### 48.10. Capital Management

For the purposes of the group's capital management, the definition includes the issued share capital, the share premium reserve and all other capital reserves attributable to the shareholders of the parent company. The main objective of capital management is to maximise shareholder value. The Group manages the capital structure and makes adjustments according to economic conditions and the requirements of financial covenants. In order to maintain or adjust the capital structure, the Group could take action on dividends paid to shareholders, repay capital to shareholders or issue new shares. The Group monitors assets using mainly three indicators: Gearing Ratio, consisting of the ratio between Net Financial Position and Shareholders' Equity; Debt Coverage Ratio, consisting of the ratio between Net Financial Position and EBITDA; Debt Service Coverage Ratio, consisting of the ratio between Free Operating Cash Flow after taxes and loan instalments to be repaid plus related interest. The group's policy is to maintain this ratio so as to keep safety margins with respect to financial covenants. The Group's Net Financial Position includes interest-bearing loans, borrowings, leases and in general financial liabilities less cash and cash equivalents and short-term deposits and excluding discontinued operations.

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Interest-bearing loans and borrowings | 300,019 | 192,507 |
| Lease payables | 18,673 | 13,766 |
| Less: cash and cash equivalents and short-term deposits | (121,749) | (50,720) |
| **Net debt** | **196,943** | **155,552** |
| Group and minority interest Shareholders' equity | 915,305 | 895,650 |
| **Capital and net debt** | **1,112,248** | **1,051,202** |
| *Gearing ratio* | *17.7%* | *14.8%* |

Interest-bearing loans and borrowings also include other non-current financial liabilities.

In order to achieve this, the Group's capital management aims, among other things, to ensure that the covenants, linked to interest-bearing loans and borrowings, which define the capital structure requirements, are met. Violations of covenants would allow banks to demand immediate repayment of loans and financing. In the current and previous years, there were no breaches of covenants in connection with interest-bearing loans and borrowings.

No changes were made to capital management objectives, policies and procedures during the year ended 31 December 2025.

**48.10.1. Fair value measurement**

The table alongside compares, by individual class, the carrying amount and fair value of financial instruments held by the Group, excluding those whose carrying amount reasonably approximates fair value.

Management has verified that the carrying amount of cash and cash equivalents and short-term deposits, trade receivables and payables, bank overdrafts and other current liabilities approximates fair value as a result of the short-term maturities of these instruments.

The following methods and assumptions were used to estimate fair value:

- Long-term loans and receivables, both fixed-rate and variable-rate, are assessed by the Group on the basis of parameters such as interest rates, country-specific risk factors, the individual creditworthiness of each customer and the characteristic risk of the financial project. On the basis of this valuation, allocations for estimated losses on these receivables are recognised in the accounts.
- The fair value of listed securities and bonds is based on the quoted price at the reporting date. The fair value of unlisted instruments, such as loans from banks or other non-current financial liabilities, is estimated by discounting future cash flows using current rates available for debt with similar terms, such as credit risk and remaining maturities. In addition to being sensitive to reasonably possible changes in expected cash flows or the discount rate, the fair value of equity securities is also sensitive to reasonably possible changes in growth rates. The evaluation requires management to use unobservable input data. Management regularly defines a range of reasonably possible alternatives for these significant unobservable inputs and determines their impact on total fair value.

| (amounts in thousand euros) | 2025 | | 2024 | |
|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Carrying amount |
| **Financial assets** | | | | |
| Non-current financial assets | 1,808 | 1,808 | 3,544 | 3,544 |
| Current financial assets | 3,658 | 3,658 | 5,563 | 5,563 |
| Cash and other liquid assets | 121,749 | 121,749 | 50,720 | 50,720 |
| **Total financial assets** | **127,215** | **127,215** | **59,827** | **59,827** |
| **Financial liabilities** | | | | |
| Non-current financial payables | 214,885 | 214,885 | 84,686 | 84,686 |
| Current financial payables | 103,807 | 103,807 | 107,820 | 107,820 |
| **Total financial liabilities** | **318,692** | **318,692** | **192,506** | **192,506** |

- The fair value of investments in unlisted companies was estimated using the discounted cash flow model. The assessment requires management to make certain assumptions with respect to model inputs, including expected cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably verified and are used in management's estimates of fair value for these investments in unlisted companies.
- There is an active market for the Group's investments in listed shares and listed debt instruments.

- The Group enters into derivative financial instruments with various counterparts, mainly financial institutions with an assigned credit rating. Derivatives measured using valuation techniques with observable market data consist mainly of interest rate swaps, currency and commodity forward contracts. The most frequently applied valuation techniques include "forward pricing" and "swaps" models, which use present value calculations. The models consider various inputs, including the credit quality of the counterpart, foreign currency spot and forward rates, interest rate curves and forward rate curves of the underlying commodities, the yield curves of the respective currencies, and the base spread between the respective currencies. All derivative contracts are fully secured by liquidity, thus eliminating both counterpart risk and the risk of default by the Group. As at 31 December 2025, the mark-to-market value of other derivative assets is shown net of an adjustment related to the recognition of counterpart default risk in the derivative contract. The change in counterpart credit risk did not have a material effect on the assessment of hedge effectiveness for derivatives designated as hedging and for other financial instruments recognised at fair value.
- The fair value of the Group's loans and borrowings that bear interest is determined using the discounted cash flow method and using a discount rate that reflects the interest rate of the issuer at the end of the financial year. The Group's default risk as at 31 December 2025 was assessed as insignificant.

The following table shows the fair value hierarchy for the Group's assets and liabilities as at 31 December 2025 and in the previous year:

| (amounts in thousand euros) | | | 31/12/2025 | | | 31/12/2024 |
|---|---|---|---|---|---|---|
| **Financial assets** | **Prices quoted in an active market (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs** | **Prices quoted in an active market (Level 1)** | **Significant observable inputs (Level 2)** | **Significant unobservable inputs (Level 3)** |
| Non-current financial assets | - | 1,808 | - | - | 3,544 | - |
| Current financial assets | - | 3,658 | - | - | 5,563 | - |
| Cash and other liquid assets | 121,749 | - | | 50,720 | - | - |
| **Total financial assets** | **121,749** | **5,466** | **-** | **50,720** | **9,107** | **-** |
| **Financial liabilities** | | | | | | |
| Non-current financial payables | - | 214,885 | - | - | 65,276 | - |
| Current financial payables | - | 103,807 | - | - | 143,897 | - |
| **Total financial liabilities** | **-** | **318,692** | **-** | **-** | **209,173** | **-** |

During the year 2025, there were no transfers between Level 1 and Level 2.

## 49. Other information

### 49.1. Off-balance sheet commitments, guarantees and risks

The table alongside summarises the guarantees issued by the Group:

| Guarantees | 2025 | 2024 |
|---|---|---|
| Guarantees - subsidiaries | 248,920 | 238,518 |
| Guarantees - associates | 105,660 | 93,360 |
| Other guarantees | 5,824 | 5,458 |
| **Total** | **360,404** | **337,336** |

The above guarantees refer to letters of patronage in favour of Group companies for loans and credit facilities granted and for the purchase of certain commodities.

### 49.2. Amount of compensation to directors, statutory auditors and independent auditors

The compensation paid in 2025 to the Directors and the Board of Statutory Auditors (Article 2427, no. 16 of the Italian Civil Code) of the parent company for performing this function also in other companies included in the scope of consolidation is shown alongside:

| (amounts in thousand euros) | 2025 compensation |
|---|---|
| Directors | 3,270 |
| Board of Statutory Auditors | 228 |
| **Total** | **3,498** |

Such compensation includes emoluments and any other sum of a remuneration, social security and welfare nature due for the performance of the function of director or auditor that constituted a cost for the Group, even if not subject to personal income tax.

In the table alongside are details of the fees due to the independent auditors for the statutory audit and other services rendered during the year:

| Statutory audit and other services (amounts in thousand euros) | 2025 compensation |
|---|---|
| Statutory audit services | 204 |
| Other audit services performed | 42 |
| Other non-audit services | 92 |
| **Total** | **338** |

## 49.3. Categories of shares issued and securities issued by the Group

The share capital of €50,000 thousand, fully subscribed and paid-up, is divided into 5,000,000 shares, each with a value of €10.

The Group has not issued any securities or similar instruments.

## 49.4. National tax consolidation, Group VAT and Tax liability

Feralpi Group's individual companies operate in compliance with local tax regulations. The Group has not received any notifications from its stakeholders concerning tax matters, and if any were to arise, they would be managed by the appropriate corporate departments. The Group companies provide the competent Authorities with all the necessary information in terms of completeness, correctness, and timeliness in accordance with the principles of the Group's Code of Ethics. The Administration and Finance Department of the Parent Company Feralpi Siderurgica S.p.A. plays a supervisory, guidance and coordination role with regard to intercompany relations in tax matters, while responsibility for compliance in this respect lies with the Administration and Finance functions of each individual subsidiary.

It should also be noted that Feralpi Siderurgica S.p.A., as consolidating company, has adhered for the 2025 financial year to the national tax consolidation scheme pursuant to Articles 117-129 of the T.U.I.R.

As can be seen in the OP section of the Modello Unico (single tax return form) sent on 17 December 2025, other Group companies have adhered to this procedure: Acciaierie di Calvisano S.p.A., Defim Orsogril S.p.A., Fer-Par S.r.l., Presider S.p.A., Immobiliare Feralpi S.r.l, Caleotto S.p.A. and Arlenico S.p.A..

Each company participating in the tax consolidation scheme transfers taxable income or a tax loss to Feralpi Siderurgica S.p.A., which recognises a receivable (equal to the IRES to be paid) from the companies that transfer taxable income, or a payable to the companies that transfer a tax loss.

Feralpi Siderurgica S.p.A., as consolidating company, is liable not only for any higher taxes assessed and related penalties and interest referred to its own individual total income, but also for any amounts that may be due, with reference to the consolidated tax return, also as a result of "formal control" activities pursuant to Article 36-ter of Presidential Decree no. 600/73, as well as, jointly and severally, for the amounts due corresponding to penalties imposed on companies participating in the consolidation that committed the breach in determining the individual position. Similarly, the consolidated companies are jointly and severally liable to Feralpi Siderurgica S.p.A., as consolidating company, for the higher taxes assessed in relation to the consolidated company's income tax return referring to adjustments to the income resulting from its own tax return, also as a result of "formal control" activities pursuant to Article 36-ter of Presidential Decree no. 600/1973. All this, as regulated by the Fiscal Consolidation Agreement stipulated and signed on 16 February 2026.

As for VAT, Feralpi Siderurgica S.p.A. opted into the Group VAT regime on 18 April 2025, as the "controlling entity or company", in section VK of form 2025 for the year 2024. This optional regime allows a single taxable entity to be considered for VAT purposes, offering certain benefits such as the simplification and reduction of tax obligations, the balancing of credit and debit positions of individual companies, the optimisation of liquidity management, and the reduction of the total financial burden.

The Group companies participating in this tax regime are the following: Acciaierie di Calvisano S.p.A., Defim Orsogril S.p.A., Fer-Par S.r.l., Presider S.p.a, Caleotto S.p.a, Arlenico S.p.a and Feralpi Villasor S.r.l..

It should be noted that the German companies Feralpi Stahlhandel GmbH and Feralpi-Logistik GmbH also adhere to the tax consolidation scheme in Germany where the consolidating company is ESF Elbe-Stahlwerke Feralpi GmbH.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### 49.5. Information pursuant to Article 1, paragraph 125, of Law no. 124 of 4 August 2017

With reference to Article 1 paragraph 125 of Law 124/2017, the company is obliged to disclose public grants received.

To this end, the following table shows the main grants and subsidies received during the year.

#### Feralpi Siderurgica S.p.A.

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| Acquirente Unico S.p.A. | €17,688,768.42 | 31/12/2025 | | Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") | Aid for the compensation of indirect costs of carbon emissions for the year 2024, D.D. no. 79 of 25 November 2025 | Subsidy/Interest grant | Aid scheme/RNA |
| CSEA Energy and Environmental Services Fund | €26,539,940.85 | 03/11/2025 | | Incentives for companies with high electricity consumption | Energy-intensive companies 2024 | Other forms of tax advantage (Category: Tax relief or tax exemption) | Aid scheme/RNA |
| Unioncamere Lombardy | €19,600.00 | 29/07/2025 | | Inclusive Employment Call 2024 | INCLUSIVE EMPLOYMENT CALL 2024 | Subsidy/Interest grant | Aid scheme DE MINIMIS/RNA |
| CSEA Energy and Environmental Services Fund | €19,889,101.06 | 20/06/2025 | | Incentives for companies with high electricity consumption | Energy-intensive companies 2023 | Other forms of tax advantage (Category: Tax relief or tax exemption) | Aid scheme/RNA |
| INPS | €39,000.00 | 16/06/2025 | | Reg. EC 651/2014 General Block Exemption Regulation (GBER), as amended. Aid scheme to support the employment of women working in professions or sectors with gender disparity or who have been without paid employment for at least 24 months, wherever they reside. Article 23, paragraph 2, of Italian Decree Law no. 60 of 07/05/2024 (Regional Council Resolution implementing Article 2, paragraphs 1 and 3) converted with amendments by Italian Law no. 95 of 04/07/2024 | Contribution exemption for the permanent employment of women working in professions or sectors with gender disparity or who have been without paid employment for at least 24 months, wherever resident (Article 23, Decree Law no. 60/2024) | Tax exemption | Aid scheme/RNA |
| INPS | €15,600.00 | 14/06/2025 | | Reg. EC 651/2014 General Block Exemption Regulation (GBER), as amended. Aid scheme to support the employment of women working in professions or sectors with gender disparity or who have been without paid employment for at least 24 months, wherever they reside. Article 23, paragraph 2, of Italian Decree Law no. 60 of 07/05/2024 (Regional Council Resolution implementing Article 2, paragraphs 1 and 3) converted with amendments by Italian Law no. 95 of 04/07/2024 | Contribution exemption for the permanent employment of women working in professions or sectors with gender disparity or who have been without paid employment for at least 24 months, wherever resident (Article 23, Decree Law no. 60/2024) | Tax exemption | Aid scheme/RNA |

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| FONDIMPRESA | €15,569.84 | 12/06/2025 | | Reg. (EC) 651/2014 General Block Exemption Regulation (GBER) and subsequent amendments and additions Provisions for the drafting of the annual and multi-year State budget (2001 Budget Law)Regulation for interprofessional funds for continuing training for the granting of State aid exempted under Regulation (EC) no. 651/2014 and under the de minimis regime under Regulation (EC) no. 1407/2013 | C.OR.E. Competences for Advanced Organisations | Subsidy Interest grant (exemption) | Aid scheme/RNA |
| UNIONCAMERE LOMBARDY | €9,000.00 | 07/04/2025 | | Reg. EU 2831/2023 general de minimis REGIONAL PROGRAMME EUROPEAN SOCIAL FUND PLUS 2021-2027, Training for hiring - Employment incentives associated with vouchers for skills upgrading | Training for hiring - FERALPI SIDERURGICA S.P.A. | Subsidy Interest grant | Aid scheme DE MINIMIS/RNA |
| UNIONCAMERE LOMBARDY | €54,000.00 | 25/03/2025 | | Reg. EU 2831/2023 general de minimis REGIONAL PROGRAMME EUROPEAN SOCIAL FUND PLUS 2021-2027, Training for hiring - Employment incentives associated with vouchers for skills upgrading | Training for hiring - FERALPI SIDERURGICA S.P.A. | Subsidy Interest grant | Aid scheme DE MINIMIS/RNA |
| INPS | €1,190.93 | 31/01/2025 | | Exemption from the payment of social security contributions for the hiring of young workers (Article 1, paragraphs 10-15 of Law 178/2020 - Article 1, paragraph 297 of Law 197/2022) Total exemption from the payment of the employer's contribution for a period of 36/48 months, up to a limit of €8,000 per year | Contribution exemption for the recruitment of young workers from 1 July 2022 to 31 December 2023 (Article 1, paragraph 297, Law 197/2022) | Tax relief or tax exemption | Aid scheme/RNA |
| INPS | €3,933.66 | 25/01/2025 | | Exemption from the payment of social security contributions for new hires/transfers to permanent contracts in the two-year period 2021 - 2022 (Article 1, paragraphs 10 - 15 of Law 178/2020) Total exemption from the payment of the employer's contribution for a period of 36/48 months up to a limit of €6,000 per year | Contribution exemption for the recruitment of young workers from 1 January 2021 to 30 June 2022 (Article 1, paragraphs 10 - 15, Law 178/2020) | Tax relief or tax exemption | Aid scheme/RNA |
| Brescia Musei Foundation | €9,750.00 | | 10/08/2025 | Regulatory reference: Article 1 of Decree Law no. 83/2014 (converted into Law no. 106/2014) Charitable donation made through Art Bonus in favour of the Brescia museum system | ART BONUS 2024 The credit due corresponds to 65% of the disbursement and can be used for offsetting in three annual instalments of the same amount | Tax benefit/ Tax credit | |
| Ministry of Business and Made in Italy (MIMIT) | €18,190.01 | | | Subsidised assets according to the provisions of the Law of 30 December 2020, no. 178 (Article 1, paragraphs 1054-1058-ter), as amended by Law 234/2021 (Article 1, paragraph 44) and by Law 207/2024 (Article 1, paragraphs 445-448), in accordance with the requirements of Law 232/2016 | Transition Plan 4.0 (ANNEX A) Aid pursuant to Article 1, paragraphs 1051-1067, of Law 178/2020 (and subsequent amendments). The accrued credit of 18,190.01 is available in 3 equal annual instalments starting from the year of interconnection (2025). | Tax benefit/ Tax credit | |

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| EUROPEAN COMMUNITY EUROPEAN COMMISSION EUROPEAN RESEARCH EXECUTIVE AGENCY | €223,549.52 | | 05/09/2025 | The code HORIZON-CL4-2022-TWIN-TRANSITION-01 identifies the specific calls of the Horizon Europe Framework Programme, launched within Cluster 4 ("Digital, Industry and Space"). The programme supports research and innovation (RIA) and innovation (IA) projects and focuses on the "Twin Green and Digital Transition", with the aim of making European industry more digitalised and sustainable ("Destination 1" - focused on climate-neutral and circular production). | Project 101178210 — E-ECO Downstream HORIZON-CL4-2022-TWIN-TRANSITION-01 Funded European project that is part of the Horizon Europe Cluster 4 programme: Digital, Industry and Space and is managed by the HaDEA (European Health and Digital Executive Agency). | Non-repayable grant | |
| EUROPEAN COMMUNITY EUROPEAN COMMISSION EUROPEAN RESEARCH EXECUTIVE AGENCY | €56,775.00 | | 10/16/2025 | The code HORIZON-CL4-2022-TWIN-TRANSITION-01 identifies the specific calls of the Horizon Europe Framework Programme, launched within Cluster 4 ("Digital, Industry and Space"). The programme supports research and innovation (RIA) and innovation (IA) projects and focuses on the "Twin Green and Digital Transition", with the aim of making European industry more digitalised and sustainable ("Destination 1" - focused on climate-neutral and circular production). | Project 101092234 — ModHEATechHORIZON-CL4-2022-TWIN-TRANSITION-01Funded European project that is part of the Horizon Europe Cluster 4 programme: Digital, Industry and Space and is managed by the HaDEA (European Health and Digital Executive Agency). | Non-repayable grant | |
| EUROPEAN COMMUNITY EUROPEAN COMMISSION EUROPEAN RESEARCH EXECUTIVE AGENCY | €77,302.93 | | 1/20/2025 | The Research Fund for Coal and Steel (RFCS) for the year 2022 has allocated non-repayable grants for research and innovation projects focused on the coal and steel sectors, with a strong orientation towards the objectives of the European Green Deal. | Project 101099118 — MODIPLANT RFCS-2022 European project funded by the RFCS (Research Fund for Coal and Steel) | Non-repayable grant | |
| EUROPEAN COMMUNITY EUROPEAN COMMISSION EUROPEAN RESEARCH EXECUTIVE AGENCY | - € 7,516.54 | | 7/31/2025 | The Research Fund for Coal and Steel (RFCS) for the year 2022 has allocated non-repayable grants for research and innovation projects focused on the coal and steel sectors, with a strong orientation towards the objectives of the European Green Deal. | Project: 101112488 - MultiSensEAFRFCS-2022 European project funded by the RFCS (Research Fund for Coal and Steel) | Non-repayable grant | |
| Ministry of Business and Made in Italy (MIMIT), formerly MiSE | €117,487.01 | | 07/08/2025 | Sustainable Growth Fund and Revolving Fund for support to companies and investments in research – "Sustainable Industry" call, referred to in Ministerial Decree 15.10.2014, Ministerial Decree 24.7.2015 and subsequent amendments and Ministerial Decree 18.10.2017. Application for subsidy dated 6.8.2018 | Ministerial Project called WireAccuracy4.0 Ref. Pos. No. 41 Sustainable Industry Call FRI Ministerial Decree 18 10 2017 Project no. F/150041/00/X40 CUP: B81B20000090005COR: 1638315 | Non-repayable grant | |
| **Total** | **€64,771,242.69** | | | | | | |

## Acciaierie di Calvisano S.p.A.

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| INPS | €4,000.00 | 25/01/2025 | | Exemption from the payment of social security contributions for new hires/conversions to permanent contracts in the two-year period 2021–2022 (Article 1, paragraphs 10–15 of Law 178/2020) | Contribution exemption for the recruitment of young workers from 1 January 2021 to 30 June 2022 (Article 1, paragraphs 10 - 15, Law 178/2020) | Aid scheme | Tax relief or tax exemption/RNA |
| INPS | €27,654.53 | 03/02/2025 | | Exemption from the payment of social security contributions for the hiring of young workers (Article 1, paragraphs 10-15 of Law 178/2020 - Article 1, paragraph 297 of Law 197/2022) | Contribution exemption for the recruitment of young workers from 1 July 2022 to 31 December 2023 (Article 1, paragraph 297, Law 197/2022) | Aid scheme | Tax relief or tax exemption/RNA |
| CSEA Energy and Environmental Services Fund | €8,340,559.33 | 18/06/2025 | | Incentives for companies with high electricity consumption | Energy-intensive companies 2023 | Aid scheme | Tax relief or tax exemption/RNA |
| Unioncamere Lombardy | €7,800.00 | 08/07/2025 | | Inclusive Employment Call 2024 | Inclusive work in Lombardy companies call for applications 2024 | DE MINIMIS Aid scheme Reg. EU 2831/2023 general de minimis | Subsidy/Interest grant / RNA |
| CSEA Energy and Environmental Services Fund | €9,776,758.05 | 04/11/2025 | | Incentives for companies with high electricity consumption | Energy-intensive companies 2024 | Aid scheme | Tax relief or tax exemption/RNA |
| Acquirente Unico S.p.A. | €4,851,452.12 | 31/12/2025 | | Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") | Aid for the compensation of indirect costs of carbon emissions for the year 2024, D.D. no. 79 of 25 November 2025, Legislative Decree no. 47 of 9 June 2020 - Implementation of Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to support more cost-effective emission reductions and promote low-carbon investments, as well as adaptation of national legislation to Reg. (EU) 2017/2392 and Decision (EU) 2015/1814 on the establishment of a market stabilisation reserve. | Aid scheme | Subsidy/Interest grant / RNA |

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| Ministry of Business and Made in Italy (MIMIT) | €66,714.20 | | | Subsidised assets according to the provisions of the Law of 30 December 2020, no. 178 (Article 1, paragraphs 1054-1058-ter), as amended by Law 234/2021 (Article 1, paragraph 44) and by Law 207/2024 (Article 1, paragraphs 445-448), in accordance with the requirements of Law 232/2016 | Transition Plan 4.0 (ANNEX A) Aid pursuant to Article 1, paragraphs 1051-1067, of Law 178/2020 (and subsequent amendments). The accrued credit of 66,714.20 is available in 3 equal annual instalments starting from the year of interconnection (2025). | | Tax benefit/Tax credit |
| EUROPEAN COMMUNITY EUROPEAN COMMISSION EUROPEAN RESEARCH EXECUTIVE AGENCY | €106,385.04 | | 2/18/2025 | The Research Fund for Coal and Steel (RFCS) for the year 2019 has allocated non-repayable grants for research and innovation projects aimed at improving competitiveness, environmental sustainability and safety in the European steel and coal sectors. | Project: 899164 — iSlag RFCS-2019 European project funded by the RFCS (Research Fund for Coal and Steel) | | Non-repayable grant |
| EUROPEAN COMMUNITY EUROPEAN COMMISSION EUROPEAN RESEARCH EXECUTIVE AGENCY | €68,136.52 | | 7/31/2025 | The Research Fund for Coal and Steel (RFCS) for the year 2022 has allocated non-repayable grants for research and innovation projects focused on the coal and steel sectors, with a strong orientation towards the objectives of the European Green Deal. | Project: 101112488 - MultiSensEAF RFCS-2022 European project funded by the RFCS (Research Fund for Coal and Steel) | | Non-repayable grant |
| Excise, Customs and Monopolies Agency - Italian State | €20,546.48 | | 10/13/2025 | Partial refund of excise duty on diesel fuel consumed, accrued on the basis of quarterly applications submitted to the Customs Agency (pursuant to Article 24-ter, Legislative Decree no. 504/95). | Refund of subsidised excise duty | | |
| Excise, Customs and Monopolies Agency - Italian State | €24,489.74 | | 12/15/2025 | Partial refund of excise duty on diesel fuel consumed, accrued on the basis of quarterly applications submitted to the Customs Agency (pursuant to Article 24-ter, Legislative Decree no. 504/95). | Refund of subsidised excise duty | | |
| **Total** | **€23,294,496.01** | | | | | | |

## Arlenico S.p.A.

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type |
|---|---|---|---|---|---|---|
| INPS | €8,000.00 | 27/01/2025 | | Exemption from the payment of social security contributions for new hires/conversions to permanent contracts in the two-year period 2021–2022 (Article 1, paragraphs 10–15 of Law 178/2020) | Contribution exemption for the recruitment of young workers from 1 January 2021 to 30 June 2022 (Article 1, paragraphs 10 - 15, Law 178/2020) | Aid scheme/RNA |
| INPS | €11,614.59 | 01/02/2025 | | Exemption from the payment of social security contributions for the hiring of young workers (Article 1, paragraphs 10-15 of Law 178/2020 - Article 1, paragraph 297 of Law 197/2022) | Contribution exemption for the recruitment of young workers from 1 July 2022 to 31 December 2023 (Article 1, paragraph 297, Law 197/2022) | Aid scheme/RNA |
| INPS | €6,000.00 | 19/03/2025 | | Exemption from the payment of social security contributions for new hires/conversions to permanent contracts in the two-year period 2021–2022 (Article 1, paragraphs 10–15 of Law 178/2020) | Exemption from the payment of social security contributions for employers for new hires/conversions to permanent contracts in the two-year period 2021–2022 (Article 1, paragraphs 10–15 of Law 178/2020) | Aid scheme/RNA |
| CSEA Energy and Environmental Services Fund | €1,236,929.54 | 26/06/2025 | | Incentives for companies with high electricity consumption | Energy-intensive companies 2023 | Aid scheme/RNA |
| Unioncamere Lombardy | €9,600.00 | 08/07/2025 | | Inclusive Employment Call 2024 | Inclusive Employment Call 2024 | DE MINIMIS aid scheme Reg. 2831/2023 general de minimis / RNA |
| CSEA Energy and Environmental Services Fund | €1,584,893.40 | 04/11/2025 | | Incentives for companies with high electricity consumption | Energy-intensive companies 2024 | Aid scheme/RNA |
| Acquirente Unico S.p.A. | €816,456.24 | 31/12/2025 | | Aid to companies in certain sectors to compensate for the increase in electricity prices resulting from the integration of the costs of greenhouse gas emissions in application of the EU ETS ("aid for indirect emission costs") | Aid for the compensation of indirect costs of carbon emissions for the year 2024, D.D. no. 79 of 25 November 2025 | Aid scheme/RNA |
| Fondimpresa | €19,910.00 | | 05/09/2025 | | Funding of continuing education activities for employees.<br>Nature of the aid: Operating grant<br>Plan reference: Training plan code 381101 | Aid scheme |
| Ministry of Business and Made in Italy (MIMIT) | €433,695.14 | | | Subsidised assets according to the provisions of the Law of 30 December 2020, no. 178 (Article 1, paragraphs 1054-1058-ter), as amended by Law 234/2021 (Article 1, paragraph 44) and by Law 207/2024 (Article 1, paragraphs 445-448), in accordance with the requirements of Law 232/2016 | Transition Plan 4.0<br>Aid pursuant to Article 1, paragraphs 1051-1067, of Law 178/2020 (and subsequent amendments).<br>The total credit accrued of €433,695.14 is available in 3 equal instalments starting from the year of interconnection (2025) | Aid scheme/Tax credit |
| **Total** | **€4,127,098.91** | | | | | |

## Presider S.p.A.

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| FONDIMPRESA | €9,581.44 | 07/10/2025 | | Regulation for interprofessional funds for continuing training for the granting of State aid exempted under Regulation (EC) no. 651/2014 and under the de minimis regime under Regulation (EC) no. 1407/2013 | PERSEO - Continuous training - AV1/284/25I_334236_1 | Subsidy / Interest grant | Aid scheme/RNA |
| Ministry of Business and Made in Italy (MIMIT) | €19,600.00 | | | Subsidised assets according to the provisions of the Law of 30 December 2020, no. 178 (Article 1, paragraphs 1054-1058-ter), as amended by Law 234/2021 (Article 1, paragraph 44) and by Law 207/2024 (Article 1, paragraphs 445-448), in accordance with the requirements of Law 232/2016 | Transition Plan 4.0 (ANNEX A) Aid pursuant to Article 1, paragraphs 1051-1067, of Law 178/2020 (and subsequent amendments). The accrued credit of 19,600 is available in 3 equal annual instalments starting from the year of interconnection (2025) . | Tax benefit | Tax Credit |
| Ministry of Business and Made in Italy (MIMIT) | €189,224.69 | | | Subsidised assets pursuant to Article 38 of Decree Law no. 19 of 2 March 2024, converted, with amendments, by Law no. 56 of 29 April 2024 The Transition 5.0 Plan (Decree Law no. 19/2024, Article 38) provides tax credits as an incentive for the purchase of tangible and intangible 4.0 capital goods in 2024-2025, provided that they reduce energy consumption by 3% (structure) or 5% (process). | Transition Plan 5.0 (ANNEX A) Aid pursuant to Article 38 of Decree Law no. 19 of 2 March 2024, converted, with amendments, by Law no. 56 of 29 April 2024 Tangible Assets (Annex A - Law 232/2016): Machinery, plant and equipment for technological/digital transformation and energy saving. The accrued credit of 189,224.69 was not used by 31 December 2025, and therefore may be offset in 5 annual instalments of the same amount in the period 2026-2030. | Tax benefit | Tax Credit |
| Ministry of Business and Made in Italy (MIMIT) | €160,209.10 | | | Subsidised assets pursuant to Article 38 of Decree Law no. 19 of 2 March 2024, converted, with amendments, by Law no. 56 of 29 April 2024 The Transition 5.0 Plan (Decree Law no. 19/2024, Article 38) provides tax credits as an incentive for the purchase of tangible and intangible 4.0 capital goods in 2024-2025, provided that they reduce energy consumption by 3% (structure) or 5% (process). | Transition Plan 5.0 (ANNEX A) Aid pursuant to Article 38 of Decree Law no. 19 of 2 March 2024, converted, with amendments, by Law no. 56 of 29 April 2024 Tangible Assets (Annex A - Law 232/2016): Machinery, plant and equipment for technological/digital transformation and energy saving. The accrued credit of 160,209.10 was used in a single instalment in 2025. | Tax benefit | Tax Credit |

| Name of granting body | Amount | Granting date | Collection date | Measure Title | Project Title | Measure Type | Instrument |
|---|---|---|---|---|---|---|---|
| Ministry of Business and Made in Italy (MIMIT) | €567,221.54 | | | The Single ZES benefit is governed by Article 16 of Decree Law no. 124 of 19 September 2023 ("Decreto Sud"), converted with amendments by Law no. 162 of 13 November 2023 . This regulation governs the tax credit for investments made from 1 January 2024 to 15 November 2024. | Tax credit for investments in the Single ZES Mezzogiorno, established pursuant to Article 16 of Decree Law no. 124/2023. The accrued credit was determined against investments in capital goods (machinery/plant/property). For 2025, the percentage of use of the tax credit has been set at 60.3811% | Tax benefit | Tax Credit |
| Ministry of Business and Made in Italy (MIMIT) (formerly the Ministry of Economic Development - MiSE) | €3,121.17 | | | Law no. 488 of 19 December 1992 (converting Decree Law no. 415/1992), which governs extraordinary intervention in the South and in depressed areas | Non-repayable public contribution, granted under the regional State aid scheme, for the acquisition, construction or expansion of tangible fixed assets (machinery, plant, equipment and buildings) | Contribution for plants | |
| Fondimpresa (National Joint Interprofessional Fund for Continuing Training of Confindustria, CGIL, CISL and UIL) | €1,830.00 | | | Article 118 of Law no. 388 of 23 December 2000 (2001 Budget Law), and subsequent amendments | Contribution for continuing training provided by Fondimpresa (Joint Interprofessional Fund) | Operating grant | |
| **Total** | **€950,787.94** | | | | | | |

### 49.6. Significant events occurring after the end of the year

As already reported, on 15 January 2026, the company Feralpi Power On S.r.l. acquired all the shares of the corporate vehicle (Cosina Srl) that holds the permit to build a photovoltaic plant with a capacity of 4.18 MWp in the municipality of Collesalvetti (Livorno).

The year 2026 is expected to be influenced by elements of geopolitical instability, trade tensions, persistent inflation (especially in services) and high public debt, accompanied by volatility in energy prices, effects related to the monetary policy of central banks and the sustainability of investments in Artificial Intelligence. An additional source of uncertainty, which also impacts the competitiveness of steel producers, including those in Italy, is determined by the dynamics related to the export of scrap.

If resolved, some of these elements could lead to an increase in steel demand. On the other hand, in 2026, Italian steel prices could benefit from a combination of the effects of the Safeguard and the CBAM, if approved quickly, together with the expected recovery in Germany as a result of the investment plan announced by the German government. These elements could show their positive effects in the second half of the year.

For the year 2026, the Group expects economic results in line with industry dynamics.

For the coming years, the long-term growth drivers, mainly related to infrastructure, continue to be confirmed. In order to capture these growth opportunities, Feralpi Group's management plans to leverage its strong market presence, an expansive and varied product portfolio, high operational efficiency, an organisation-wide commitment to ESG principles, and a stable capital foundation. The substantial investments already made and those underway aim to further strengthen the focus on growth drivers and the Group's commitment as outlined in the ESG Scorecard.

Lonato del Garda (Bs), 31 March 2026

*On behalf of the Board of Directors*

The Chairman
**Giuseppe Pasini**


FERALPI

# Appendix

## 1. Financial information on associates and joint ventures

### 1.1. Media Steel S.r.l.

The Group holds a 45% stake in Media Steel S.r.l., whose corporate purpose is the purchase and resale to the steel industry of scrap used by the steel industry as raw material.

The table alongside summarises the financial information of the Group's investment in Media Steel S.r.l.:

The associate has no contingent liabilities or commitments as at 31 December 2025.

| (amounts in thousand euros) | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Current assets | 121,884 | 112,000 |
| Non-current Assets | 516 | 541 |
| Current liabilities | (113,679) | (104,457) |
| Non-current liabilities | (383) | (346) |
| **Shareholders' equity** | **8,338** | **7,738** |
| Group share of shareholders' equity | 45% | 45% |
| **Carrying amount of the Group's equity investment** | **3,752** | **3,482** |

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Revenues from contracts with customers | 353,242 | 357,071 |
| Raw materials and consumables | (344,329) | (348,156) |
| Cost of services and other operating expenses | (4,346) | (2,924) |
| Financial expenses | (2,947) | (3,950) |
| **Pre-tax profit** | **1,620** | **2,041** |
| Taxes | (1,021) | (1,330) |
| **Net profit for the year (from continuing operations)** | **599** | **710** |
| Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax | - | - |
| Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax | - | - |
| **Total comprehensive income (from continuing operations)** | **599** | **710** |
| **Group net profit for the year** | **270** | **320** |

### 1.2. Dima S.r.l.

The Group holds a 31% stake in Dima S.r.l., which is involved in the treatment and reuse of inert materials.

The Group's investment in Dima S.r.l. is accounted for in the consolidated financial statements using the equity method.

The table alongside summarises the financial information of the Group's investment in Dima S.r.l.:

The associate has no contingent liabilities or commitments as at 31 December 2025.

| (amounts in thousand euros) | 31/12/2025 | 31/12/2024 |
|---|---|---|
| Current assets | 6,327 | 7,031 |
| Non-current Assets | 9,128 | 9,986 |
| Current liabilities | (5,867) | (8,330) |
| Non-current liabilities | (328) | (315) |
| **Shareholders' equity** | **9,261** | **8,372** |
| Group share of shareholders' equity | 31% | 31% |
| **Carrying amount of the Group's equity investment** | **2,871** | **2,595** |

| (amounts in thousand euros) | 2025 | 2024 |
|---|---|---|
| Revenues from contracts with customers | 10,420 | 11,661 |
| Raw materials and consumables | (1,767) | (1,751) |
| Cost of services and other operating expenses | (7,471) | (8,296) |
| Write-down of financial assets | - | - |
| Financial expenses | (75) | (118) |
| **Pre-tax profit** | **1,107** | **1,496** |
| Taxes | (263) | (423) |
| **Net profit for the year (from continuing operations)** | **843** | **1,072** |
| Other comprehensive income components that may be reclassified to profit/(loss) for the year net of tax | - | - |
| Other comprehensive income components that will later not be reclassified to profit/(loss) for the year net of tax | - | - |
| **Total comprehensive income (from continuing operations)** | **843** | **1,072** |
| **Group net profit for the year** | **261** | **332** |

# Board of Statutory Auditors' Report

**REPORT BY THE BOARD OF STATUTORY AUDITORS**

**OF FERALPI SIDERURGICA S.p.A. ON THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025 PURSUANT TO ART. 2429(2) OF THE ITALIAN CIVIL CODE**

To the Shareholders' Meeting of the company Feralpi Siderurgica S.p.A. (the "Company"; "Feralpi")

**Foreword**

This report is drawn up pursuant to Article 2429 of the Italian Civil Code, as the Company has entrusted the statutory audit, pursuant to Article 13 of Italian Legislative Decree No. 39/2010, to the independent auditors EY S.p.A. ("EY").

The Board of Statutory Auditors is therefore not entrusted with the legal audit and carried out the supervisory activities envisaged in the *'Rules of Conduct of the Board of Statutory Auditors of Unlisted Companies'* on the separate financial statements, consisting of an overall summary control aimed at verifying that the financial statements had been correctly drawn up.

EY provided us with its report containing an unqualified opinion. According to the report of the independent auditor, the financial statements as at 31 December 2025 give a true and fair view of the financial position, results of operations and cash flows of your Company and have been prepared in accordance with the regulations governing their preparation.

The governing body has made available, within the legal deadlines, the separate financial statements for the year ended 31 December 2025 and the Report on Operations.

The structure of this report is based on the provisions of the law and the '*Rules of Conduct of the Board of Statutory Auditors of Unlisted Companies issued by the National Institute of Chartered Accountants'.*

**1. Supervisory activity pursuant to Article 2403 *et seq.* of the Italian Civil Code**

We monitored compliance with the law and the articles of association, observance of the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning.

The Board of Statutory Auditors also attended the Shareholders' Meetings and the meetings of the Board of Directors and, on the basis of the information available, we have no particular findings to report.

We obtained information from the Board of Directors, well in advance and also during the meetings held, on the general performance of operations and its foreseeable evolution, as well as on the most significant transactions, in terms of their size or characteristics, carried out by the Company and its subsidiaries and, based on the information obtained, we have no particular observations to report.

We exchanged data and information relevant to the performance of our supervisory activities with the independent auditor in a timely manner.

We also met with the Supervisory Body pursuant to Legislative Decree 231/01, acquiring information also through periodic reports, from which no critical issues emerged with respect to the correct implementation of the regulations and the organisational model that need to be highlighted in this report.

We acquired knowledge of and monitored the adequacy of the organisational structure, including by collecting information from department heads, and in this regard we have no particular observations to report. The Board of Statutory Auditors also acquired knowledge and supervised, to the extent of its competence, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter to correctly represent the management facts, by obtaining information from the heads of departments and examining the company documents, and in this regard, there are no



particular observations to report.

No complaints were received from shareholders pursuant to Article 2408 of the Italian Civil Code or Article 2409 of the Italian Civil Code.

It should also be noted that: (i) we have not made any reports to the Board of Directors, pursuant to Article 25-octies of Italian Legislative Decree 12 January 2019, as last amended ("Business Crisis Code"); (ii) we have not received any reports from EY for the purposes of Article 25-octies of the Corporate Crisis Code; (iii) we have not received any reports from public creditors pursuant to Article 25-novies of the Corporate Crisis Code.

During the year, the Board of Statutory Auditors did not issue any opinions or observations required by law.

**2. Comments on the financial statements**

We have examined the draft separate financial statements, for the year ended 31 December 2025, prepared on a going concern basis, and consisting of the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the notes to the financial statements; as mentioned above, since the Board of Statutory Auditors is not entrusted with the statutory audit, we have verified:
- the approach taken to them and their general compliance with the law in terms of preparation and structure;
- that the Directors have declared compliance with the reference standards governing the preparation of the financial statements;
- that the Notes provide the information pursuant to Article 1, paragraph 125, of Law no. 124/2017 ("Public Disbursements").

Furthermore, to the best of our knowledge, in preparing the financial statements, the Directors did not depart from the provisions of the law pursuant to Article 2423, paragraph 5 of the Italian Civil Code. .

During 2025 - as also disclosed in the financial statements - the independent auditors were entrusted, at group level, with other services also related to the statutory audit, for a total amount of Euro 145 thousand.

Finally, with regard to the non-financial information referred to in the Voluntary Consolidated Sustainability Statement, it is noted that there are no observations that need to be highlighted in this report.

3. Comments and proposals on the approval of the financial statements

Considering the results of the work we have carried out and the opinion expressed in the audit report issued by EY, we do not find any reasons preventing the Shareholders from approving the financial statements for the year ended 31 December 2025, as prepared by the Directors.

Lonato del Garda,

13/04/2026 The Board of

Statutory Auditors

Giancarlo Russo Corvace

Alberto Soardi

Stefano Guerreschi

# Independent Auditors' Report on the Consolidated Financial Statements

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# Feralpi Siderurgica S.p.A.

Consolidated financial statements as at December 31, 2025

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010

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## Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of
Feralpi Siderurgica S.p.A.

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Feralpi Siderurgica Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.
We are independent of the Group in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Feralpi Siderurgica S.p.A. or to cease operations, or have no realistic alternative but to do so.

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The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on compliance with other legal and regulatory requirements

### Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Feralpi Siderurgica S.p.A. are responsible for the preparation of the Report on Operations of Feralpi Siderurgica Group as at 31 December 2025, including its consistency with the related consolidated financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations, with the consolidated financial statements;
- express an opinion on the compliance of the Report on Operations with the applicable laws and regulations;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the Report on Operations is consistent with the consolidated financial statements of Feralpi Siderurgica as at 31 December 2025.

Furthermore, in our opinion, the Report on Operations complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Our opinion on compliance with the applicable laws and regulations does not extend to the section of the management report relating to the voluntary consolidated sustainability reporting. Our conclusions on the compliance of that section with the "European Sustainability Reporting Standards" issued by the European Commission ("ESRS") are expressed in our independent assurance report on the voluntary consolidated sustainability reporting.

Brescia, 13 April 2026

EY S.p.A.
Signed by: Andrea Barchi, Auditor

This report has been translated into the English language solely for the convenience of international readers.

# Independent Auditors' Report on the Sustainability Statement

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# Independent auditor's report on the limited assurance of the Sustainability Statement

(Translation from the original Italian text)

To the Board of Directors of
Feralpi Siderurgica S.p.A.

We have been appointed to perform a limited assurance engagement on the Sustainability Statement prepared on a voluntary basis of Feralpi Siderurgica S.p.A. and its subsidiaries (hereinafter "the Group" or "Feralpi Group") for the year ended on December 31, 2025.

## Responsibility of the Directors and Board of Statutory Auditors for the Sustainability Statement

The Directors of Feralpi Group are responsible for the development and implementation of procedures used to identify the information included in the Sustainability Statement in accordance with the requirements of the "European Sustainability Reporting Standards" issued by the European Commission ("ESRS") and for the description of such procedures in the paragraph "BP-1 - General basis for preparation of sustainability statements" of the Sustainability Statement.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of the Sustainability Statement that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining Feralpi Group's objectives with respect to sustainability performances, as well as for identifying the stakeholders and the material aspects to be reported.

## Auditor's independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Management (ISQM Italia 1), under which it is required to design, implement and operate a system of quality management that includes policies or procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.



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## Auditor's responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Statement with the reporting criteria set out in the ESRS. Our work has been performed in accordance with the principle of International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the Sustainability Statement is free from material misstatements.

Therefore, the extent of work performed in our limited assurance engagement was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Statement were based on our professional judgment and included inquiries, primarily with Group's personnel responsible for the preparation of the information included in the Sustainability Statement, documents analysis, recalculations and other procedures aimed to obtain evidence considered appropriate.

In particular, we have performed the following procedures:

1. understanding of the process for assessing the materiality of the information included in the Sustainability Statement by analyzing the approach adopted by the Group for identifying and assessing the relevant impacts, risks and opportunities relating to sustainability matters, and verifying the related disclosures reported in the Sustainability Statement;
2. comparison of the economic and financial data and information included in the Sustainability Statement with those included in the Group's consolidated financial statements;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Statement.

   In particular, we have conducted interviews and discussions with the management of Feralpi Siderurgica S.p.A. and with personnel of Acciaierie di Calvisano S.p.A. and Defim Orsogril S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the Sustainability Statement.

   Furthermore, for significant information, considering the activities and characteristics of the Group:

   - at Group level:
     a) with reference to the qualitative information included in the Sustainability Statement, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
     b) with reference to the quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data and the criteria and calculation methodologies applied.
   - for the following companies, Acciaierie di Calvisano S.p.A. (Brescia) and Defim Orsogril S.p.A. (Como), that we have selected based on their activities and relevance to the

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consolidated performance indicators, we have carried out remote interviews during which we have had discussions with management and have obtained evidence on a sampling basis about the appropriate application of the procedures and the calculation methods used to determine the indicators.

## Conclusions

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Statement of Feralpi Group for the year ended on December 31, 2025 has not been prepared, in all material aspects, in accordance with the reporting criteria set out in the ESRS, as identified by the Directors in the paragraph "BP-1 - General basis for preparation of sustainability statements" of the Sustainability Statement.

## Other matters

This report is not issued pursuant to any legal requirement, as the Group is not obliged to prepare a Sustainability Statement.

The comparative information presented in the Sustainability Statement in respect of the year ended on December 31, 2024, has not been subject to assurance.

Our conclusions on the Sustainability Statement of Feralpi Group do not extend to the information included in the paragraph "20. Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" required by Article 8 of Regulation (EU) 2020/852.

Brescia, April 13, 2026

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Signed by: Andrea Barchi, Partner

This report has been translated into the English language solely for the convenience of international readers.

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**Feralpi Siderurgica S.p.A.**

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